

# 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	1	0	0	1	9	1
Company name in full	Burleighs Holdings Limited							

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s)	David
Surname	Elliott

### 3 Administrator's address

Building name/number	Innovation Centre Medway
Street	Maidstone Road
Post town	Chatham
County/Region	Kent
Postcode	M E 5 9 F D
Country	

### 4 Administrator's name ①

Full forename(s)	Bai
Surname	Cham

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number	Innovation Centre Medway
Street	Maidstone Road
Post town	Chatham
County/Region	Kent
Postcode	M E 5 9 F D
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>

7

<sup>m</sup>

0

<sup>m</sup>

1

<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	Ben Parsons							
Company name	Begbies Traynor (Central) LLP							
Address	Innovation Centre Medway							
	Maidstone Road							
Post town	Chatham							
County/Region	Kent							
Postcode	M	E	5		9	F	D	
Country								
DX								
Telephone	01634 975440							



### 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)**

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as the Company's agents and without personal liability.

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## Burleighs Holdings Limited (In Administration) ("the Company")

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Statement of proposals for achieving the purpose of administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016

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## Important Notice

This statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

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# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Burleighs Holdings Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Act on 5 December 2022
"the Joint Administrators", "we", "our", "us"	David Elliott and Bai Cham of Begbies Traynor (Central) LLP, Innovation Centre Medway, Maidstone Road, Chatham, Kent, ME5 9FD
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and  (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act
"FSE"	FSE MEIF LP, with limited partnership registration number LP020778, of Riverside House 4 Meadows Business Park Station Approach, Blackwater, Camberley, Surrey, GU17 9AB
"the Purchaser"	Burleighs Gin Distillers Limited, with company registration number 14535307, of c/o Prydis, Senate Court, Southernhay Gardens, Exeter, Devon, EX1 1NT

## 2. STATUTORY INFORMATION

Name of Company	Burleighs Holdings Limited				
Trading name(s):	Burleighs Holdings				
Date of Incorporation:	6 December 2017				
Company registered number:	11100191				
Company registered office:	C/o Begbies Traynor, Innovation Centre, Maidstone Road, Chatham, Kent, ME5 9FD				
Former registered office:	C/o Prydis, Senate Court, Southernhay Gardens, Exeter, EX1 1NT				
Trading address(es):	Bawdon Lodge Farm, Charley Road, Nanpantan, LEICESTER, LE12 9YE				
Principal business activities:	Activities of other holding companies not elsewhere classified				
Directors and details of shares held in the Company (if any):	<table> <tr> <th>Name</th><th>Shareholding</th></tr> <tr> <td>Mr Samuel Charles Watson</td><td>-</td></tr> </table>	Name	Shareholding	Mr Samuel Charles Watson	-
Name	Shareholding				
Mr Samuel Charles Watson	-				
Company Secretary and details of the shares held in Company (if any):	<table> <tr> <th>Name:</th><th>Shareholding</th></tr> <tr> <td>N/A</td><td>-</td></tr> </table>	Name:	Shareholding	N/A	-
Name:	Shareholding				
N/A	-				
Accountants:	Prydis, Senate Court, Southernhay Gardens, Exeter, Devon, EX1 1NT				
Share capital:	242,358 shares of £0.01				

Shareholders:

Shareholders	Ordinary	%
Philip Burley	23,140	0.10
Graham Veitch	23,140	0.10
Christian and Raluca Gold-Fuchs	33,260	0.14
Lexer Investments Limited	11,300	0.05
Eldin Jakupovic	24,580	0.10
Darren Gould	16,630	0.07
Lexer Invetsments Pension Scheme	29,940	0.12
Steve Johnstone	16,630	0.07
Joe Priday	6,650	0.03
Peter Harms	6,650	0.03
Kevin Jarman	6,650	0.03
Lynn Bailey	4,990	0.02
Gary Randall	3,330	0.01
Samuel Watson	11,690	0.05
Richard Bailey	4,990	0.02
Nigel Price	8,320	0.03
Blanchwood Retirement Benefit Scheme	6,900	0.03
Seedrs Nominees Limited	3,568	0.01

Moratorium under Part A1 of the Act: No such moratorium has been in force for the Company at any time within the period of two years ending with the day on which it entered administration.

### 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment:	5 December 2022
Date of resignation:	N/A
Court:	High Court of Justice, Business and Property Courts of England and Wales, Insolvency And Companies List (ChD), Companies Court
Court Case Number:	004451 of 2022
Person(s) making appointment / application:	FSE Meif LP, Riverside House 4 Meadows Business Park Station Approach, Blackwater, Camberley, Surrey, GU17 9AB
Acts of the Joint Administrators:	The Joint Administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
Type of Proceedings:	The proceedings will be COMI proceedings as defined by the Insolvency (England and Wales) Rules 2016 (as amended)

#### STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows:

- “3 (1) The administrator of a company must perform his functions with the objective of-
- (a) rescuing the company as a going concern, or
  - (b) achieving a better result for the company’s creditors as a whole than would be likely if the company were wound up (without first being in administration), or
  - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company’s creditors as a whole.
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either-
- (a) that it is not reasonably practicable to achieve that objective, or
  - (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company’s creditors as a whole.
- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if-



- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
- (b) he does not unnecessarily harm the interests of the creditors of the company as a whole.”

## 4. CIRCUMSTANCES GIVING RISE TO OUR APPOINTMENT

The information below has been taken from the proposals prepared in relation to the subsidiary undertaking, Burleighs Gin Limited, which is also in administration. This information has been prepared from a statement provided by the director of the Company, information contained within the Company's accounts and at Companies House. Whilst this information is a duplicate of the information provided for Burleighs Gin Limited, because the two entities are so inter-related, it is considered to be helpful to creditors in allowing them to understand how the group operated. The Joint Administrators will carry out their own investigations to verify the reasons for the Company's insolvency provided by the director.

Extract from Proposals for Burleighs Gin Limited – in administration

The Company was formed in 2016 by Phil Burley and Graham Veitch in order to establish a gin brand, Burleighs, to capitalise on the growing trend of artisan distilleries producing gin within the UK. This was at the time that gin had established itself as the fastest growing spirit in the drinks industry and it was felt this would provide a strong commercial opportunity.

Both founders were local businessmen who had backgrounds in brewing and engineering and believed that a local distillery could be established that could then build on local branding to expand. This management team was supplemented by a managing director, distiller and the current director, Sam Watson, who was head of marketing. The company operated from leasehold premises at Bawdon Lodge Farm, Loughborough.

The company raised initial funding from private investors who invested both as shareholders and also providing loan finance. This latter finance was provided by way of secured lending, which was used to fund the capital purchases of equipment required and also developing the brand and day to day trading.

Whilst the brand was developed in the local area, steps were taken to promote the brand as aggressively as possible to reach the widest possible customer base. This led to sales being achieved via a range of sale channels from local food and drink markets, to local independent outlets, to international businesses. The company developed partnerships and licencing arrangements with parties such as The Royal British legion, The Marilyn Monroe Estate, Leicester City Football Club and Leicester Tigers. Major retailers included Waitrose, Matthew Clarke, Everards and Kater4. This allowed the brand to be steadily developed.

The last three years of trading have been particularly difficult. In 2019, Sam Watson took over the running of the business, with a brief to continue building on the success that had been achieved to date. However, these plans were significantly hampered in early 2020 with the onset of COVID-19. At this stage Sam Watson and the team of 5 tried to maintain the business at the pre-COVID level but the lockdowns, which affected the hospitality sector particularly severely. In addition, there was supply chain disruption, in particular with the supply of bottles. The team took steps to adjust the way in which the business operated and introduced innovative steps to maintain sales, despite the stop-start nature of the various lockdowns throughout 2020 and into 2021. The ability to sell product direct to the public via e-commerce was particularly helpful as not only did this maintain cashflow, it was also at improved retail margins, compared to wholesale prices.

Despite a peak turnover at over £700k, this was not sufficient to generate a net profit as the company was still spending significant sums on marketing and building the brand. However, the director and investors still believed that the brand could be successful and approached FSE MEIF for further

funding to support the recovery from COVID-19 and further expansion during 2021 and 2022. These funds helped to build the wholesale network, with listing with further major suppliers, an expanded grocer listing and also on-trade listings with parties such as All Bar One and Miller & Carter. International distribution was also expanded across the globe. However, the company still struggled to generate sufficient sales to reach break-even.

When Sam Watson took over as managing director in 2019, there was a major overhaul in staffing, with the events manager and head distiller leaving the company, reducing the headcount to 6. These steps were taken to reduce overheads to stabilise the business and stem operating losses. During 2018 issues had been identified with the payments of duty to HMRC and this led to the discovery that a significant duty liability was outstanding and penalties were also applied, increasing the debt further. The company sought to appeal the penalties, and as a result of COVID-19, these appeals were not concluded until 2022. Ultimately, once the appeals were exhausted these liabilities led to HMRC issuing a winding up petition in late 2022, which led to the company being placed into administration.

Attempts were made to sell the company into order to try and repay the outstanding debts but these were not successful and following the issuing of the winding up petition, the director took advice on the options available to the company. Initially, steps were taken to place the company into liquidation in early November 2022. FSE MEIF asked Begbies Traynor to review the position and consider whether an enhanced recovery could be achieved via an administration process. Steps were then taken to issue a notice of intention to appoint administrators to, inter alia, provide a moratorium to allow an accelerated marketing exercise to be carried out.

Following this exercise being undertaken, the company was placed into administration on 5 December 2022 and steps were taken to entered into negotiations with the preferred bidder to sell the business and assets.

## 5. STATEMENT OF AFFAIRS

The directors have prepared a statement of affairs of the Company as at 5 December 2022 which is attached at Appendix 2. It makes no provision for the costs of the administration or any subsequent liquidation or voluntary arrangement.

Our comments on the statement of affairs are as follows:

### Assets subject to a fixed charge

The Director's Statement of Affairs indicates investments held by the Company have a book valued of £100,500.00. These investments were made into the Company's wholly owned subsidiary Burleighs Gin Limited which entered administration on the same day as the Company. On present information there will be no return on such investments.

### Assets subject to a floating charge

The plant and machinery, and furniture and equipment have been professionally valued by Lambert Smith Hampton ("LSH"). LSH confirmed they are professional independent agents with adequate professional indemnity insurance. LSH have undertaken an extended marketing process to ascertain the value of the assets.

### Uncharged assets

The Company is owed £852,315.00 from Burleighs Gin Limited, its wholly owned subsidiary. As above, Burleighs Gin Limited entered administration on the same day as the Company. On present information there will be no return on this amount. The Company's books and records indicate a further £98,577 is owed by other

debtors, the majority of which being by a former director and shareholder of the Company. The realisable value of this debt will be assessed in due course.

## 6. THE ADMINISTRATION PERIOD

### Receipts and Payments

Attached at Appendix 1 is our account of receipts and payments from the commencement of administration, being 5 December 2022, to 17 January 2023.

Creditors will note that there have been no receipts or payments received since appointment, to date.

### Work undertaken by the Administrators and their staff

The information below is again taken from the proposals prepared in relation to Burleighs Gin Limited and is provided to allow creditors to understand the work that has been carried out in relation to each company since the administration commenced.

#### Extract from Proposals for Burleighs Gin Limited – in administration

As at 5 December 2022, the Company employed 8 members of staff, all of whom were retained whilst a sale of the Company's business and assets was considered by the Joint Administrators.

Due to the live nature of the Company's business it was considered that an accelerated sale process was appropriate to market the business as widely as possible and as quickly as possible. The Joint Administrators did not have funds to allow continued trading and therefore an accelerated marketing process was required to minimise the detrimental impact on the business from being unable to service the whole customer base.

A number of interested parties were approached to gauge their interest and in addition a marketing process was undertaken by our agents with almost 25,000 parties being approached. Following this 37 Non-Disclosure Agreements were completed and returned to the Joint Administrators' agents, Lambert Smith Hampton. Each party was given access to a data room and extensive dialogue was entered into with the interested parties. By the deadline, 5 offers for the purchase of the Company's assets were received. Lambert Smith Hampton provided guidance to the Joint Administrators in respect of the offers received and it was agreed to proceed with the offer presented by Burleighs Gin Distillers Limited ("the Purchaser").

Whilst the Purchaser undertook due diligence as regard the sale of business, the Joint Administrators and their staff continued overseeing the business. However, for a number of reasons, significant delays to the sale process have been experienced and given the limited funds available, the Joint Administrators have been attempting to complete the sale as quickly as possible. However, the purchaser advised that they would not be pursuing an immediate production strategy and therefore the Company's staff were made redundant at the beginning of January 2023.

The Joint Administrators are still liaising with the Purchaser to ensure that a sale of the Company's business can be completed and believe this to still achieve the intended purpose of the Administration. SBP Law LLP have been retained to provide legal expertise in the preparation of the sale paperwork in expectation of the sale of the business and assets.

Further information in respect of the sale transaction is provided in Section 11 to comply with the requirements of SIP13, being in respect of a disposal of assets to connected parties. Please see this section for further details.

The Joint Administrator and their staff have been overseeing the business since the date of Administration to ensure that its value was maintained until the sale is completed. This work has involved significantly more time than was initially envisaged when the Purchaser's offer was accepted as a result of delays caused to the completion of the sale. We have been regularly liaising with the various stakeholders (the directors, the employees, the charge holders, the creditors and the Purchaser) to ensure that the sale was concluded at the earliest opportunity following acceptance of the offer.

All professional fees incurred, including those of Lambert Smith Hampton and SBP Law, are based upon their terms and conditions of service and will be reviewed by the Joint Administrators' staff before being approved for payment.

The Joint Administrator's staff are in the process of collating creditors' claims and have handled creditors' queries as they have arisen which include telephone calls and correspondence.

#### Sale to a connected party – requirement for a Qualifying Report

As above, the Joint Administrators are still liaising with the Purchaser to conclude a sale of the Company's business and assets and believe this to still achieve the intended purpose of the Administration. As the sale has not yet been concluded, it is considered that disclosure of the sale price would be commercially sensitive and is therefore not disclosed.

Where a sale of the company's assets involves a substantial disposal to a connected party within the eight-week period after the appointment of an Administrator, the purchaser must obtain a qualifying report from an Evaluator in line with 'The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021'.

An Evaluator's report is required should the sale progress to conclusion with the intended Purchaser as the purchasing entity, Burleighs Gin Distillers Limited, is an entity in which Mr Darren Gould is a director and shareholder. Mr Gould is also a former director of the Company and a current shareholder.

The Evaluator engaged to comment on the sale is Kevin Murphy of Compass Evaluator Reports Limited who trained as a lawyer undertaking a law degree where he achieved a 2.1 classification. He also successfully completed the Law Society Final Exams. He subsequently entered the insolvency profession and is a licensed insolvency practitioner (currently non-appointment taking) and has over 25 years of experience of dealing with a wide range of insolvency matters. Spending much of his career with a national firm of insolvency specialists, he progressed to Director of Insolvency, where he gained extensive experience of turnaround work, focussing on Company Voluntary Arrangements and Administration. Latterly, he headed up the firm's Administration team in the Manchester Office and was responsible for many complex and challenging matters.

The Joint Administrators are yet to receive the Evaluator's report and once received the relevant disclosures will be made to creditors at the next reporting stage.

## 7. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the director's statement of affairs) are as follows:

#### Secured creditor

The Company granted the following charges, outstanding at the date of Administration:

FSE MEIF LP  
Fixed and Floating Charges  
Created on 7 December 2020  
Registered on 15 December 2020

£267,876.00 owed as at the date of Administration

The Trustees of the Blanchwood Retirement Benefits Scheme  
Fixed and Floating Charges  
Created on 27 February 2020  
Registered on 6 March 2020  
£894,584.00 owed as at the date of Administration

Prydis Trustees Limited  
Fixed and Floating Charges  
Created on 12 March 2019  
Registered on 13 March 2019  
It is not believed there are any amounts due under this charge

#### Preferential creditors

There are no preferential creditors.

#### Secondary preferential creditors

There are no secondary preferential creditors.

#### Unsecured creditors

Trade creditors are owed £116,985 in respect of services provided to the Company.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditor as follows:

#### Secured creditors

Taking into account the costs of the Administration, as outlined in the Joint Administrators' fee and expense estimate, it is likely that a distribution will be paid to FSE MEIF LP as first ranking chargeholder but there will not be a distribution to The Trustees of the Blanchwood Retirement Benefits Scheme or Prydis Trustees Limited.

#### Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. The prescribed part of the *Company's net property* is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £800,000

An administrator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the administrator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the administrator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

The director's statement of affairs does not show that there will be a prescribed part applicable as a result of the uncertain asset realisations. However, we have estimated, to the best of our knowledge and belief, the Company's net property, to be above £10,000 and that prescribed part of the Company's net property to be at least £5,000. It is intended that we will distribute this amount to the unsecured creditors in the administration. On present information we do not intend to make an application to court for an order not to distribute the prescribed part of net property to the unsecured creditors. However, we reserve our position generally in this regard should circumstances materially change.

#### Unsecured creditors

Based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors (other than by way of the prescribed part).

#### Effect of administration on limitation periods under the Limitation Act 1980

As explained in our initial correspondence confirming our appointment as administrators, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

## 8. OUR PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION

#### Purpose of the Administration

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above.

For the reasons set out in this report, we presently consider that it is not reasonably practicable to achieve either of the objective specified in sub-paragraph 3(1)(a), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration).

These objectives for achieving the purpose of the Administration form a hierarchy. The rescue of a Company is the priority. If this is not possible, which is the case here, the Administrator seeks to achieve a better result for the creditors of the Company as a whole. In the event this is not possible either, then the Administrator is permitted to realise assets for the benefit of the preferential or secured creditors.

The Joint Administrators would comment that due to a lack of working capital; the Joint Administrators did not consider it possible to restructure the existing business or propose a Company Voluntary Arrangement. In addition, a purchaser for the business as a going concern, or its shares, was not found and it is on this basis that the objective in sub-paragraph 3(1)(a) could not be achieved.

The second objective is normally achieved by means of a sale of the business and its assets as a going concern (or a more orderly sales process than in Liquidation). The Joint Administrators would comment that the sale of the Company's assets will allow for a greater return to creditors as a whole than would be likely if the company were wound up (without first being in administration) as the sale has been ran alongside the sale of the assets of Burleighs Gin Limited - the wholly owned subsidiary.

The assets of the Company and the subsidiary will allow the Purchaser to continue with the ongoing trade of the Company's business and will therefore increase the value of the assets as a whole for each entity. The

increase in value of the Company's assets (being those subject to a floating charge) will mean that it is envisaged that a distribution of the prescribed part will be made. Should the Company have been placed into liquidation and its assets sold following the cessation of trade the realisable value estimated for sale would not have been comparable to that achieved in the administration, resulting in no distribution of the prescribed part.

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to conclude the following principal matters:

- ❑ Finalising the sale of assets to the Purchaser, which includes: complying with the undertakings of the sale and purchase agreement and receiving the books and records (both physical and digital) from the Purchaser.
- ❑ Conducting our investigations into the affairs of the Company and its office holders.
- ❑ Production of financial accounts for the period prior to the Administration in order to assess any Corporation Tax liability on the sale of the assets to the Purchaser.

Following these events we propose to finalise distributions to the first ranking secured creditor.

#### Exit from Administration

On present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

## 9. PRE-ADMINISTRATION COSTS

Appendix 3 provides details of the work "The Work" that we have carried out, the associated costs and our proposed remuneration. The Work was carried out pursuant to an agreement made between us and the Company entered into on 2 December 2022 ("the Agreement"). The Agreement provides for the payment of our fees and the discharge of expenses incurred by us (collectively referred to as "the pre-administration costs") in carrying out the Work.

The Work was carried out before the Company entered administration so as to allow for a smooth transition for the Company's business upon entry into Administration and finalising of the sale and purchase agreement. For these reasons we consider that the Work has furthered the achievement of the objective of administration being pursued, namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

The pre-administration costs are broken down as follows:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor	£3,271.00	£654.20	£3,925.20
Legal costs	SBP Law	£7,325.00	£1,465.00	£8,790.00
Legal Disbursements	SBP Law	£371.00	£74.20	£445.20

Agent's Fees	Lambert Smith Hampton	£750.00	£150.00	£900.00
TOTAL UNPAID PRE-ADMINISTRATION COSTS		£11,717.00	£2,343.40	£14,060.40

The pre-administration costs are unpaid, and we are seeking that they be paid as an expense of the administration. Approval to discharge such costs ("the unpaid pre-administration costs") as an expense is required from the secured creditors of the Company following the making of a Paragraph 52(1)(b) statement by the Joint Administrators, under Schedule B1 of the Insolvency Act 1986, being a statement that we do not anticipate there being sufficient funds to enable a distribution to the unsecured creditors.

In order to provide sufficient information to consider approval of the payment of the unpaid pre-administration costs, a document detailing the work carried out, the associated costs and the proposed remuneration is provided together with a pre-administration Time Costs Summary at Appendix 3. These show the number of hours spent by each grade of staff involved in the case and give the average hourly rate charged.

## 10. REMUNERATION AND EXPENSES

### Remuneration

We have not at this time drawn any funds on account of our remuneration, nor on account of certain expenses as approval has not previously been sought. Best practice guidance provides that payments to an office holder should be fair and reasonable and reflect the work that has been, and will be, properly carried out. The following proposal represents what we believe is a fair and reasonable fee basis, based on the work which has been carried out to date and the work which is yet to be undertaken.

We consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors. In these circumstances, if there is no creditors' committee, or the committee does not make a determination, it is for each secured creditor of the Company to determine the basis of our remuneration under Rule 18.18 of the Rules. Please note that we are required to disclose any business or personal relationships with parties responsible for approving our remuneration. There are no known relationships which would give rise to a conflict of interest in this case.

Appendix 3 sets out our firm's hourly charge out rates, our fees estimate and the time that we and our staff have spent in attending to matters arising in the administration since 5 December 2022.

### Expenses

We propose that expenses for services provided by our firm and/or entities within the Begbies Traynor group, be charged in accordance with our firm's policy, details of which are set out at Appendix 3. These expenses will be identified by us and will be payable subject to the approval of those responsible for determining the basis of our remuneration.

As at the date of our proposals, SBP Law LLP have incurred legal costs to date of £1,550.00 plus VAT for matters arising in finalising the sale agreement with the Purchaser.

### Estimate of expenses

We are required by the Rules to provide creditors with details of the expenses that we consider will be, or are likely to be, incurred in the course of the administration. This information also appears at Appendix 3.

### Expenditure incurred to date

In accordance with SIP 7, details of the expenditure incurred and paid to date has been provided to creditors in Section 6 (where paid) and Section 7 (where incurred).



## 11. OTHER INFORMATION TO ASSIST CREDITORS

### Report on the conduct of directors

We have a statutory duty to investigate the conduct of the director and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in relation to their management of the affairs of the Company and the causes of its failure. We are obliged to submit confidential reports to the Department for Business, Energy and Industrial Strategy.

As Joint Administrators of the Company we are required by best practice guidance to make enquiries of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the administration, or wish to bring to our attention any potential recoveries for the estate. If you would like to bring any such issues to our attention please do so in writing to the address detailed at Section 1 of this report. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs.

### Investigations carried out to date

We have undertaken an initial assessment of possible actions in relation to the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect.

### Connected party transactions

In accordance with Statement of Insolvency Practice 13, we provide additional information where the sale is to a connected person.

As above, the Joint Administrators are still liaising with the Purchaser to conclude a sale of the Company's business and asset and believe this to still achieve the intended purpose of the Administration.

Should the sale progress to conclusion with the intended Purchaser, Burleighs Gin Distillers Limited, it should be noted that this is an entity in which Mr Darren Gould is a director and shareholder. Mr Gould is also a former director of the Company and a current shareholder. It should also be noted that Mr Sam Watson (director of the Company) will be transferred to the Purchaser pursuant to TUPE Regulations, and will form part of the ongoing staffing.

As highlighted in section 4, offers for the purchase of the Company's assets were received and of those offers the highest offer was from Burleighs Gin Distillers Limited. The acceptance of this offer allowed for the greatest return to the Company.

### Deemed delivery

These proposals will be deemed to have been delivered on 30 January 2023.

### Use of personal information

Please note that in the course of discharging our statutory duties as s, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

#### Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

#### Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

## 12. CONCLUSION

As explained in Section 7 above, the Company has insufficient property to enable a distribution to be made to unsecured creditors (other than by virtue of the prescribed part).

In the circumstances, we are not required to seek a decision from the creditors on the approval of our proposals. However, creditors, whose debts amount to at least 10% of the total debts of the Company, may request that a decision is sought from the unsecured creditors as to whether to approve our proposals, via a qualifying decision procedure. Any such request must be delivered to our office in writing within 8 business days of 30 January 2023. If no such requests are received, our proposals are deemed to have been approved by the creditors. Where the proposals are deemed to have been approved, we will write to you to confirm that is the position.

Subject to the approval of our proposals we will report on progress again approximately six months after the commencement of the administration, or at the conclusion of the administration, whichever is the sooner.



David Elliott  
Joint Administrator

Date: 30 January 2023

# ACCOUNT OF RECEIPTS AND PAYMENTS

05 December 2022 to 30 January 2023

	Statement of affairs £	From 05/12/2022 To 30/01/2023 £
RECEIPTS		
Investments	Nil	0.00
Plant & Machinery	Uncertain	0.00
Other Debtors	Uncertain	0.00
Intercompany Debtors	Nil	0.00
		<hr/> 0.00
PAYMENTS		
Agents Fees		<hr/> 0.00
		0.00
DISTRIBUTIONS		
FSE MEIF LP	(267,876)	0.00
Blanchwood Retirement Trust	(894,584)	0.00
Trade Creditors	(116,985)	0.00
Ordinary Shareholders	(2,423)	0.00
		<hr/>
BALANCE – 30 January 2023		<hr/> 0.00

DIRECTOR'S STATEMENT OF AFFAIRS AS AT  
5 DECEMBER 2022

Rule 3.30

STATEMENT OF AFFAIRS

Name of Company Burleighs Holdings Limited	Company Number 11100191
In the High Court of Justice, Business and Property Courts in England and Wales	Court case number 004451

Statement as to the affairs of

Burleighs Holdings Limited

C/o Begbies Traynor  
Innovation Centre

Maidstone Road

Chatham

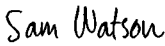
Kent

ME5 9FD

on the 5 December 2022, the date that the company entered administration.

Statement of Truth

I believe the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 5 December 2022 the date that the company entered administration. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

Full Name	Sam Watson
Signed	<div>DocuSigned by:  DP9C514030AA408...</div>
Dated	1/18/2023

Burleighs Holdings Limited  
 Company Registered Number: 11100191  
 Statement Of Affairs as at 5 December 2022

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £	
<b>Assets subject to fixed charge:</b>			
Investments	100,500.00	NIL	
		NIL	NIL
FSE Meif GP		(267,876.00)	
Deficiency c/d		(267,876.00)	
Blanchwood Retirement Trust		(894,584.00)	
Deficiency c/d		(894,584.00)	
<b>Assets subject to floating charge:</b>			
Plant & Machinery	175,320.00		Uncertain
<b>Uncharged assets:</b>			
Other Debtors	98,577.00		Uncertain
Intercompany Debtor (Burleighs Gin Limited is in Administration)	852,315.00		NIL
<b>Estimated total assets available for preferential creditors</b>			NIL

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 Signature Sam Watson Date 1/18/2023  
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Burleighs Holdings Limited  
 Company Registered Number: 11100191  
 Statement Of Affairs as at 5 December 2022

A1 - Summary of Liabilities

	Estimated to Realise £
<b>Estimated total assets available for preferential creditors (Carried from Page A)</b>	NIL
<b>Liabilities</b>	
Preferential Creditors:-	
<b>Estimated deficiency/surplus as regards preferential creditors</b>	NIL
2nd Preferential Creditors:-	
<b>Estimated deficiency/surplus as regards 2nd preferential creditors</b>	NIL
Debts secured by floating charges pre 15 September 2003	
Deficiency b/d	1,162,460.00
	(1,162,460.00)
Other Pre 15 September 2003 Floating Charge Creditors	
	NIL
	(1,162,460.00)
Estimated prescribed part of net property where applicable (to carry forward)	NIL
<b>Estimated total assets available for floating charge holders</b>	(1,162,460.00)
Debts secured by floating charges post 14 September 2003	
	NIL
<b>Estimated deficiency/surplus of assets after floating charges</b>	(1,162,460.00)
Estimated prescribed part of net property where applicable (brought down)	NIL
<b>Total assets available to unsecured creditors</b>	(1,162,460.00)

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 Signature Sam Watson Date 1/18/2023  
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Burleighs Holdings Limited  
Company Registered Number: 11100191  
Statement Of Affairs as at 5 December 2022

A1 - Summary of Liabilities

		Estimated to Realise £
<hr/>		
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade Creditors	116,985.00	116,985.00
<b>Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)</b>		<b>(1,279,445.00)</b>
<b>Estimated deficiency/surplus as regards creditors</b>		<b>(1,279,445.00)</b>
Issued and called up capital		
Ordinary Shareholders	2,423.00	2,423.00
<b>Estimated total deficiency/surplus as regards members</b>		<b>(1,281,868.00)</b>

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Signature Sam Watson Date 1/18/2023  
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Begbies Traynor (Central) LLP  
Burleighs Holdings Limited  
Company Registered Number: 11100191  
B - Company Creditors

Key	Name	Address	£
CB00	Blanchwood Retirement Benefit Scheme	51 Scutton Street, London, EC2A 4PJ	894,583.56
CF00	FSE Meif GP	Riverside House, 4 Meadows Business Park, Station Approach, Blackwater, Camberley, Surrey, GU17 9AB	267,876.00
CL00	Lexer Investments Limited	C/O Prydis, Senate Court, Southernhay Gardens, Exeter, England, EX1 1NT	20,000.00
CL01	Linpac Limited	Unit 1, Glebe Farm, Lutterworth Road, Blaby, Leicester, LE8 4BW	81,798.33
CP00	Prydis Accounts	Senate Court, Southernhay Gardens, Exeter, EX1 1NT	1,728.00
CP01	Prydis Legal	Senate Court, Southernhay Gardens, Exeter, EX1 1NT	13,459.20
6 Entries Totalling			1,279,445.09

Signature 

DocuSigned by:

Sam Watson

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Begbies Traynor (Central) LLP  
Burleighs Holdings Limited  
Company Registered Number: 11100191  
C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HC00	Christian And Raluca Gold-Fuchs	148 W 132nd Street, New York, NY 10027, USA	Ordinary	0.01	33,260	0.01	332.60
HL01	Lexer Investments Limited	c/o Prydis , Senate Court, Southernhay Gardens, Exeter, Devon, EX1 1NT	Ordinary	0.01	13,300	0.01	133.00
HL00	Lexer Investments Pension Schem	51 Scrutton Street, London, EC2A 4PJ	Ordinary	0.01	29,940	0.01	299.40
HS00	Seedrs Nominees Limited	Churchill House, 142-146 Old Street, London, EC1V 9BW	Ordinary	0.01	3,568	0.01	35.68
HB00	Blanchwood Retirement Benefit Sc	51 Scrutton Street, London, EC2A 4PJ	Ordinary	0.01	4,990	0.01	49.90
HG00	Darren Gould	40 Craneswater Park, Southsea, Hampshire, PO4 0NT	Ordinary	0.01	16,630	0.01	166.30
HJ02	Eldin Jakupovic	2 Danesgeld Garth, Hull, HU15 1AX	Ordinary	0.01	24,580	0.01	245.80
HR00	Gary Randall	12 Keason Hill, Saltash, Cornwall, PL12 6UU	Ordinary	0.01	3,300	0.01	33.00
HV00	Graham Veitch	10 Queens Close, Countesthorpe, Leicester, LE8 5UD	Ordinary	0.01	23,140	0.01	231.40
HP01	Joe Priday	Huxham View, Church Hill, Pinhoe, Exeter, EX4 9JJ	Ordinary	0.01	6,650	0.01	66.50
HJ00	Kevin Jarman	Old Qual Farm, Church Hill, Hempstead, Nr Saffron Walden, Essex, CB10 2PA	Ordinary	0.01	6,650	0.01	66.50
HB03	Lynn Bailey		Ordinary	0.01	4,990	0.01	49.90
HP00	Nigel Price	253A Titchfield Road, Stubbington, Hampshire, PO14 3EP	Ordinary	0.01	8,320	0.01	83.20
HH00	Peter Harms	33 Allenby Grove, Portchester, Fareham, Hampshire, PO16 9RP	Ordinary	0.01	6,650	0.01	66.50
HB01	Philip Burley	34 Station Road, Countesthorpe, Leicester, Leicestershire, LE8 5TA	Ordinary	0.01	23,140	0.01	231.40
HB02	Richard Bailey	Bawdon Lodge Farm, Nanpantan Road, Nanpantan, Loughborough, LE12 9YE	Ordinary	0.01	4,990	0.01	49.90
HW00	Samuel Watson	8 Peelers Place, Loughborough, Leicestershire, LE11 2GL	Ordinary	0.01	11,690	0.01	116.90
HJ01	Steve Johnstone	37 Nettlecombe Avenue, Southsea, Hampshire, PO4 0QW	Ordinary	0.01	16,630	0.01	166.30
18 Ordinary Entries Totalling					242,418		

Signature 

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# DIRECTOR'S STATEMENT OF AFFAIRS

## Notes to the Director's Statement of Affairs.

1. The Company has granted fixed and floating charges as follows:

FSE MEIF LP  
Fixed and Floating Charges  
Created on 7 December 2020  
Registered on 15 December 2020  
£267,876.00 owed as at the date of Administration

Blanchwood Retirement Trust  
Fixed and Floating Charges  
Created on 27 February 2020  
Registered on 6 March 2020  
£894,584.00 owed as at the date of Administration

Prydis Trustees Limited  
Fixed and Floating Charges  
Created on 13 March 2020  
Registered on 17 March 2020  
Not believed to be owed anything as at the date of Administration

2. The plant and machinery are subject to the floating charges granted in favour of the above. These assets have been professionally valued by Lambert Smith Hampton ("LSH") and LSH have confirmed they are professional independent agents with adequate professional indemnity insurance.
3. The claims of the employees are estimated claims under The Employment Rights Act 1996 in respect of arrears of pay to a maximum of £800 per employee and holiday pay which are claimed preferentially, and pay in lieu of notice, redundancy pay and arrears of pay in excess of £800 which are non-preferential.
4. Section 176A(2) of the Act requires the administrators to set aside the prescribed part of the Company's net property for the satisfaction of unsecured debts. "Net property" means the amount which would, if it were not for this provision, be available to floating charge holders (i.e. after accounting for preferential debts and the costs of realisation). The prescribed part is 50% of the first £10,000 and 20% of the remaining net property (up to a maximum of either £600,000 or £800,000).

We will not be required to set aside the prescribed part of net property if:

- a. The net property is less than £10,000 and we think that the cost of distributing the prescribed part would be disproportionate to the benefit;
  - b. Or if the net property is more than £10,000, if the provision is disapplied by the court on the application of the administrator on cost-benefit grounds.
5. Creditors' claims are subject to agreement and will not be prejudiced by omission from the Statement of Affairs or by inclusion in a different amount from that claimed.
  6. The estimated total deficiency, including the calculation of the prescribed part of the Company's net property, is subject to the costs of administration and distribution for which no provision is made in the statement of affairs.

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## REMUNERATION AND EXPENSES

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Total time spent to 30 January 2023 on this assignment amounts to 23.40 hours at an average composite rate of £321.50 per hour resulting in total time costs of £7,523.00.

To assist creditors in determining this matter, the following further information appears in this appendix:

- ❑ Begbies Traynor (Central) LLP's charging policy
- ❑ Pre-administration work, costs and proposed remuneration with Pre-Administration Time Costs Analysis is attached.
- ❑ Summary of work to be undertaken, payments and expenses
- ❑ Table of time spent and charge-out value
- ❑ The Administrators' fees estimate
- ❑ Details of the expenses that the Administrators consider will be, or are likely to be, incurred

In addition, a copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' which provides guidance on creditors' rights can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides). Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

Finally, the Association of Business Recovery Professionals (R3) has set up a website that contains a step-by-step guide designed to help creditors navigate their way through an insolvency process which includes information in relation to remuneration. You can access the website at the following address: <http://www.creditorinsolvencyguide.co.uk/>

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## BEGBIES TRAYNOR CHARGING POLICY

### INTRODUCTION

This policy applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the creditors' decision being made for the office holder to be remunerated on a time cost basis. Best practice guidance\* requires that such information should be disclosed to those who are responsible for approving the basis of an office holder's remuneration. Within our fee estimate creditors can see how we propose to be remunerated.

In addition, this policy applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance\* indicates that such charges should be disclosed to those who are responsible for approving the basis of the office holder's remuneration, together with an explanation of how those charges are calculated.

### OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of their staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded in 6 minute units at the individual's hourly rate in force at that time which is detailed below.

### EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements, which are expenses that are initially paid by the office holder's own firm, but which are subsequently reimbursed from the estate when funds are available.

Best practice guidance classifies expenses into two broad categories:

- Category 1 expenses (approval not required) - Specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- Category 2 expenses (approval required) - Items of expenditure that are directly related to the case and either:
  - (i) include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party; or
  - (ii) are items of expenditure which are payable to an associate of the office holder and/or their firm.

\* STATEMENT OF INSOLVENCY PRACTICE 9, (SIP9) – PAYMENTS TO INSOLVENCY OFFICE HOLDERS AND THEIR ASSOCIATES FROM AN ESTATE

### Shared or allocated costs (pursuant to (i) above)

The following expenses include an element of shared or allocated cost and are charged to the case (subject to approval).

- ❑ Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- ❑ Car mileage which is charged at the rate of 45 pence per mile

#### BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Medway office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour)
	1 January 2022 until further notice
Partner	545
Director	490
Senior Manager	435
Manager	380
Assistant Manager	275
Senior Administrator	240
Administrator	195
Junior Administrator	155
Cashier	155
Secretarial	155

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

DETAILS OF THE WORK CARRIED OUT PRE ADMINISTRATION, THE ASSOCIATED COSTS AND THE PROPOSED REMUNERATION FOR THE WORK

CASE NAME: BURLEIGHS HOLDINGS LIMITED

CASE TYPE: ADMINISTRATION

OFFICE HOLDERS: David Elliott and Bai Cham

DATE OF APPOINTMENT: 5 December 2022

1 CASE OVERVIEW

1.1 This overview is intended to provide sufficient information to enable the body responsible for the approval of pre-administration costs to consider the level of those costs in the context of the case.

1.2 Time costs information

Details of the time spent by each grade of staff prior to the appointment of the administrators and the overall average hourly charge out rate for the pre-administration work are set out in the attached table.

Best practice guidance directs the office holder to provide details of any 'direct costs' which are included within the fixed fee. I can confirm that there are no direct costs included. All expenses are listed separately for transparency purposes, and approval is sought where necessary prior to discharging those expenses, (which will be properly incurred and directly attributable to the case).

Full details of the work undertaken by the administrators and their staff prior to appointment are set out below and in the Joint Administrators' Statement of Proposals.

1.3 Overview of work undertaken prior to appointment

Prior to our appointment as Joint Administrators, we discussed the issues the business had been facing in the lead up to the insolvency. An Estimated Outcome Statements was prepared and the best options were presented for review and consideration.

The work was carried out to identify the most suitable strategy available to the Directors to ensure maximum realisations to the estate.

It was necessary for the Joint Administrator's to analyse the Company's books and records and consistently liaise with our solicitors and agents to affect an immediate sale of the business upon entry into an insolvency process.

1.4 Complexity of work undertaken prior to appointment

The work undertaken prior to our appointment was considered to be of a fairly complex nature as there were additional aspects to consider given the director/shareholder dispute.

1.5 Exceptional responsibilities

There were no exceptional responsibilities in respect of the work undertaken prior to appointment.

1.6 **The proposed Administrators' effectiveness**

We sought professional advice in regard to disposal strategies which has resulted in the receipt of an offer for certain assets of the business. A point of contact will be maintained for customers and suppliers.

1.7 The views of the creditors

The views of creditors as regards to pre-appointment costs have not been directly sought until this point.

Creditors have been notified of our appointment and we have corresponded with any queries they have had as and when they arise.

1.8 Approval of fees, and expenses incurred in the period prior to appointment

The Joint Administrators are seeking a resolution in relation to their pre-administration costs as follows: that the unpaid pre-administration costs detailed in the Joint Administrators' Statement of Proposals for achieving the purpose of administration, be approved for payment.

1.9 Expenses incurred in the period prior to appointment where payment is proposed to be made to Begbies Traynor and/or another entity with Begbies Traynor Group

Category 2 Expenses

No category 2 expenses were incurred prior to our appointment.

1.10 Other professionals employed & their costs

SBP Law LLP ("SBP") were approached to assist with the Pre-Administration process of placing the Company into Administration. SBP have experience of Administrations and have performed well for the Administrators on other matters. Their fees are chargeable in connection with hourly charge-out rates which are comparable to other solicitors.

SBP incurred legal costs of £7,325.00 plus VAT in relation to placing the Company into Administration, plus disbursements of £371.00 plus VAT.

Lambert Smith Hampton ("LSH") were also approached to assist with the Pre-Administration valuation of the business and its assets. Following their valuation, LSH were engaged to undertake a formal marketing process of the Company's business and assets.

2 **EXPLANATION OF OFFICE HOLDERS' CHARGING POLICY**

2.1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 3.

2.2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 3.



SIP9 - Burleighs Holdings Limited - Pre Appointment  
Pre-Administration Time Costs Analysis for the Period to 5 December 2022

[illegible]

## SUMMARY OF WORK TO BE UNDERTAKEN, PAYMENTS AND EXPENSES

This summary, which should be read in conjunction with the Time Costs Analysis for the period of the report attached, is intended to provide sufficient information to enable the body responsible for the approval of our fees and the payment of certain expenses to make an informed judgement about the reasonableness of our request for approval of the same.

What work has been done since we were appointed, why was that work necessary and what has been the financial benefit (if any) to creditors?

To assist creditors we have used the headings from our Fees Estimate and Time Costs Analysis attached, to categorise the work that has been and will be undertaken in the administration.

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details>. Under the following headings we have explained the specific work that has been and will be undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been and will be done, why it is necessary and what financial benefit (if any) the work has provided and will provide to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached.

The details below relate to the work undertaken in the period of the report only.

### General case administration and planning

Insolvency Practitioners are required to maintain records to demonstrate how the case is administered, and to document any decisions that materially affect the case.

At the onset of the case we will form a strategy for how the case will be managed. This will take into consideration the level of assets to be realised, how those assets will be realised, and whether there will be sufficient realisations to make a distribution to the Company's creditors.

The case will be subject to regular reviews to ensure case progression and the files will be kept up to date.

Work in this category relates mainly to routine and statutory functions. The work carried out to date is as follows:

- Maintenance of statutory and case progression task lists/diaries
- Updating checklists
- Preparing correspondence opening accounts
- Requesting bank statements
- Bank account reconciliations
- Correspondence with bank regarding specific transfers
- Maintenance of the estate cash book
- Banking remittances and issuing cheques/BACS payments
- Discussions regarding strategies to be pursued
- Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliant progressing of the administration, which ensures that the Joint Administrators and their staff carry out their work to high professional standards.

### Compliance with the Insolvency Act, Rules and best practice

The Insolvency Practitioners are governed by the Insolvency Act and Rules, together with following best practice guidelines known as Statements of Insolvency Practice. We have certain statutory obligations and duties to fulfil whilst in office which include the regular filing of progress reports with Companies House and the filing of a final report at the end of the period. We are also required to notify various bodies of our appointment, including creditors, Companies House, and advertise our appointment in the London Gazette.

We are also duty bound to correspond with creditors and issue notice of the insolvency event to the likes of the pensions departments, banks and other parties who would have an interest in the proceedings. There is also the duty to investigate the directors' conduct, bond the case appropriately and instruct professionals such as property agents and solicitors to assist where necessary.

Work in this category relates mainly to routine and statutory functions. The work carried out to date is as follows:

- Filing of documents to meet statutory requirements
- Advertising in accordance with statutory requirements
- Reviews of the application of ethical, anti-money laundering and anti-bribery safeguards

This work does not benefit creditors financially but is necessary in accordance with the Insolvency Act, Rules and best practice.

### Investigations

Within three months of our appointment, we are required to submit an online conduct report in accordance with the Company Directors Disqualification Act. In order to fulfil this duty, we will seek to recover the Company books and records, both hard copy and electronic, from the directors in order to carry out our investigations. Any person who is or has been a director or is considered as a de facto or shadow director of the Company in the three years prior to the insolvency event are also asked to complete a questionnaire to assist with our investigations.

We have a duty to examine the conduct of the Company and its directors in order to identify what assets may be available for realising, including any actions against directors or other parties which may lead to further recoveries into the estate. Such investigations may include analysis of the Company's bank statements, reviewing information provided by third parties and analysis of the Company's management accounting systems.

Where appropriate creditors or other parties may be asked to come forward with information.

The work carried out to date in respect of this category is as follows:

- Correspondence to request information on the company's dealings, making further enquiries of third parties
- Reviewing questionnaires submitted by creditors and directors
- Making enquiries into the company's affairs prior to the appointment of the Administrator

Any financial benefit to creditors in carrying out the above work is unclear at present however creditors will receive updates on these matters in our progress reports.

### Realisation of assets

Insolvency Practitioners are required to maximise realisations for the benefit of the Company's creditors. In order to do this, we may need to consider instructing professional agents to carry out negotiations,

provide inventories and valuations. We may also need to instruct solicitors to complete sales. We may need assistance with debt collection exercises.

The work carried out to date in respect of this category is as follows:

- Instructing and liaising with agents
- Liaising with potential purchasers
- Assessment and review of offers received
- Negotiating with intended purchaser
- Liaising with solicitors to agree sales
- Exchanges with solicitors to agree sale and purchase agreement
- Correspondence with employees as part of ongoing sale process

All work carried out in respect of the asset realisation is for the purpose of realising property and assets for the benefit of the creditors generally.

Dealing with all creditors' claims (including employees), correspondence and distributions

If there is likely to be a distribution, creditors will be made aware of this at the earliest possibility, whether it be detailed in our initial correspondence, a progress report or by notice of intended dividend issued during the course of administering the case.

Creditors' claims will be dealt with in accordance with the order of priority, and therefore only if there is a prospect of a dividend in the insolvency proceedings, will those specific claims be adjudicated on.

The government will initially review and make payment of the claims of the employees, (up to their maximum allowances), and any shortfall on those claims will be a claim in the insolvency proceedings.

This involves work in dealing with creditor queries and correspondence, including preparing the Administrator's proposals. This may also involve assisting employees. Specific work is detailed below:

- Receive and follow up creditor enquiries via telephone
- Review and prepare correspondence to creditors and their representatives via facsimile, email and post
- Corresponding with the PPF and the Pensions Regulator
- Preparation of correspondence to potential creditors inviting submission of POD
- Receipt of POD

In this case we have preferential and unsecured creditors. Time will be spent dealing with all creditor queries as and when required.

Other matters which include, seeking decisions from creditors (via DCP and/or via Decision Procedures), tax, litigation, pensions and travel

During the course of administering the case, the Insolvency Practitioner will be required to seek decisions from creditors on various proposed resolutions, including the basis of our remuneration and whether a creditors committee is formed.

We are also required to submit VAT and Tax returns when appropriate in order to reclaim monies for the estate and pay over any taxes due to HMRC. As detailed above, we are also duty bound to provide notifications and further assistance to pensions departments where applicable.

We may be required to travel to the Company's premises, or to a meeting external to our office if it assists with our realisation of assets, investigations or another aspect of the case.

There may not be any obvious financial benefit to creditors, but all work carried out would likely be considered necessary for the administration and progression of the case. Creditors will be notified of all of our actions in the progress and/or final reports issued.

#### Time Costs Analysis

An analysis of time costs for the period of the report is attached showing the time spent by each grade of staff on the different types of work involved in the case, and giving the total costs and average hourly rate charged for each work type.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

#### Pre-Administration costs

Details of the pre appointment work carried out, together with our costs and proposed remuneration are found within the Proposal document and are also detailed separately within this Appendix.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides) Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

SIP9 Burleighs Holdings Limited - Administration - 04BU457.ADM  
Time Costs Analysis From 05/12/2022 To 25/01/2023

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# BURLEIGHS HOLDINGS LIMITED

## THE ADMINISTRATORS' FEES ESTIMATE

Further to our appointment as administrators, we are seeking to be remunerated on a time costs basis. Details of our firm's hourly charge-out rates are set out in the charging policy which accompanies this estimate. Prior to creditors determining the basis upon which we are to be remunerated, we are obliged to produce fees estimate and to provide it to each creditor of whose details we are aware so that it can be approved at the same time as the basis of our remuneration.

Our fees estimate for the administration is set out below. Please note that blended hourly rates have been used which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column.

Details of the work that the administrators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	14	£3,550.00	£253.57
Compliance with the Insolvency Act, Rules and best practice	13	£3,675.00	£282.69
Investigations	10	£2,810.00	£281.00
Realisation of assets	21	£10,380.09	£494.29
Dealing with all creditors' claims (including employees), correspondence and distributions	12	£3,240.00	£270.00
Other matters which include seeking decisions from creditors via Deemed Consent Procedures or Decision Procedures, tax, litigation, pensions and travel	4	£1,170.00	£292.50
Total hours	74		
Total time costs		£24,825.09	
Overall average hourly rate £			£370.58

What is the anticipated payment for administering the case?

Although the fees estimate indicates that the total time costs for this matter will be £24,825.09, we are aware that there are limited assets to realise and so the time costs that we will be able to draw will be limited to the amount that is realised for the assets. This is expected to be in the region of £24,825.09. However, please note that should there be additional or unexpected asset realisations, we will look to draw our fees from those too.

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any work that is to be undertaken in any insolvency procedure following the administration.

Should creditors require further information on how this estimate has been produced this can be obtained from our website at <http://www.begbies-traynorgroup.com/fee-estimates>.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>. There is also a case specific explanation in the letter accompanying this fee estimate



## Arriving at our fee estimates

The cost of the process at this early stage is uncertain, but the fee estimate that I have produced provide a general overview of the likely costs

The estimates are produced by looking at historical cases of a similar nature, (asset value, number of creditors, case type and staffing levels). The estimates are then made case specific by considering the depth of investigations needed, whether significant time will be spent on adjudicating claims etc.

As the case progresses it may become apparent that the initial fees estimate will be exceeded, for example if any unforeseen circumstances arise which result in additional and unexpected costs being incurred. If this scenario occurs, we will seek creditor approval of a further fees estimate, providing full details of the circumstances at the time.

## Summary of the work to be undertaken in the Administration

The following work category descriptions are provided in order for creditors to understand the statutory and general duties involved during the course of the administration.

### General case administration and planning

Insolvency Practitioners are required to maintain records to demonstrate how the case is administered, and to document any decisions that materially affect the case. At the onset of the case we will form a strategy for how the case will be managed. This will take into consideration the level of assets to be realised, how those assets will be realised, and whether there will be sufficient realisations to make a distribution to the Company's creditors.

The case will be subject to regular reviews to ensure case progression and the files will be kept up to date. Work in this category relates mainly to routine and statutory functions. The work the Administrator expects to be carried out throughout the course of the Administration is as follows:

- Maintenance of statutory and case progression task lists/diaries
- Updating checklists
- Six monthly case reviews
- Bank account reconciliations
- Maintenance of the estate cash book
- Banking remittances and issuing cheques/BACS payments
- Discussions regarding developments on the strategies to be pursued
- Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliant progressing of the administration, which ensures that the Joint Administrators and their staff carry out their work to high professional standards.

### Compliance with the Insolvency Act, Rules and best practice

The Insolvency Practitioners are governed by the Insolvency Act and Rules, together with following best practice guidelines known as Statements of Insolvency Practice. We have certain statutory obligations and duties to fulfil whilst in office which include the regular filing of progress reports with Companies House and the filing of a final report at the end of the period. We are also required to notify various bodies of our appointment, including creditors, Companies House, and advertise our appointment in the London Gazette.

We are also duty bound to correspond with creditors and issue notice of the insolvency event to the likes of the pensions departments, banks and other parties who would have an interest in the proceedings.

There is also the duty to investigate the directors' conduct, bond the case appropriately and instruct professionals such as property agents and solicitors to assist where necessary.

Work in this category relates mainly to routine and statutory functions. The work the Administrator expects to be carried out throughout the course of the Administration is as follows:

- Filing of documents to meet statutory requirements
- Reviews of the application of ethical, anti-money laundering and anti-bribery safeguards
- Preparation of the Administrator's proposals
- Preparation of the Administrator's periodic progress reports
- Preparation of decision notices, proxies/voting forms
- Consider objections received and requests for physical meeting or other decision procedure

This work does not benefit creditors financially but is necessary in accordance with the Insolvency Act, Rules and best practice.

#### Investigations

Within three months of our appointment, we are required to submit an online conduct report in accordance with the Company Directors Disqualification Act. In order to fulfil this duty, we will seek to recover the Company books and records, both hard copy and electronic, from the directors in order to carry out our initial investigations. An initial investigation is carried out in all cases to determine whether there are potential recovery actions for the benefit of creditors. Such investigations include analysis of the Company's bank statements, reviewing information provided by third parties and an analysis of the Company's management accounting records/systems. Any person who is or has been a director, or is considered as a de facto or shadow director of the Company in the three years prior to the insolvency event are also asked to complete a questionnaire to assist with our investigations.

Where appropriate creditors or other parties may be asked to come forward with information.

The work the Administrator expects to be carried out throughout the course of the Administration is as follows:

- Collection, and making an inventory, of company books and records
- Correspondence to request information on the company's dealings, making further enquiries of third parties
- Reviewing questionnaires submitted by creditors and directors
- Reviewing company's books and records
- Review of specific transactions and liaising with directors regarding certain transactions
- Liaising with the committee/creditors or major creditors about further action to be taken
- Preparing statutory investigation reports
- Liaising with Insolvency Service
- Submission of report with the Insolvency Service
- Preparation and submission of supplementary report if required
- Assisting the Insolvency Service with its investigations (where applicable)
- Correspondence with employees as part of ongoing sale process

Any financial benefit to creditors in carrying out the above work is unclear at present however creditors will receive updates on these matters once we are appointed.

#### Dealing with all creditors' claims (including employees), correspondence and distributions

Time will be spent dealing with creditor queries as and when required. This can include queries by telephone, email or within letters received in the post. If there is likely to be a distribution, creditors will be

made aware of this at the earliest possibility, whether it be detailed in our initial correspondence, a progress report or by notice of intended dividend issued during the course of administering the case.

Creditors' claims will be dealt with in accordance with the order of priority, and therefore only if there is a prospect of a dividend in the insolvency proceedings, will those specific claims be adjudicated on. However, all claims received will be noted and registered. The administrator is unable to distribute a dividend to the unsecured creditors without permission of the court, other than of the prescribed part. Should there be funds available to make a distribution to the unsecured creditors, it is usual practice for a succeeding liquidator to deal with the claims of the unsecured creditors.

Where the Company has employees who have claims in the Administration, it will be the role of appointed Administrator to liaise with the Redundancy Payments Service ("RPS") and collate employment records in order to submit information concerning sums potentially due in respect of outstanding salaries, holiday pay, pay in lieu of notice and redundancy. The government will initially review and make payment of the claims of the employees, (up to their maximum allowances), and any shortfall on those claims will be a claim in the insolvency proceedings.

The work the Administrator expects to be carried out throughout the course of the Administration is as follows:

- Preparing progress report, investigation, meeting and general reports to creditors
- Preparation of correspondence to potential creditors inviting submission of POD
- Receipt of POD

Time will be spent dealing with all creditor queries as and when required.

#### Realisation of assets

Insolvency Practitioners are required to maximise realisations for the benefit of the Company's creditors. In order to do this we may need to consider instructing professional agents to carry out negotiations, provide inventories and valuations. We may also need to instruct solicitors to complete sales. We may need assistance with debt collection exercises.

All work carried out in respect of the asset realisation is for the purpose of realising property and assets for the benefit of the creditors generally.

The work the Administrator expects to be carried out throughout the course of the Administration is as follows:

- Liaising with purchaser
- Exchanges with solicitors to agree the sale and purchase agreement
- Exchanges with government departments such as HMRC in respect of the tax applicable on the sale
- Correspondence with insurer regarding ongoing insurance requirements
- Reviewing insurance policies

#### Distribution of funds

In cases where sufficient realisations are made to enable a dividend to the secured and preferential creditors, I must review the claims and supporting documents and formally adjudicate on the claims. This may involve seeking additional supporting documents where claims require further review.

This will only occur should sufficient proceeds remain in the Administrators' estate after the costs of the Administration have been met in full.

As mentioned above, any distribution to the unsecured creditors, (unless by way of prescribed part), will be paid by a succeeding liquidator.

Other matters which include, seeking decisions from creditors (via DCP and/or via Decision Procedures), tax, litigation, pensions and travel

During the course of administering the case, the Insolvency Practitioner may be required to carry out additional work which doesn't necessarily fall under any of the other categories above. This may include:

Seeking additional decisions from creditors on various proposed resolutions, including where relevant an increase to our original remuneration estimate, and whether a creditors committee is formed.

We may also be required to submit VAT and Tax returns when appropriate in order to reclaim monies for the estate and pay over any taxes due to HMRC. As detailed above, we are also duty bound to provide notifications and further assistance to pensions departments where applicable.

We may be required to travel to the Company's premises, or to a meeting external to our office if it assists with our realisation of assets, investigations or another aspect of the case

There are certain other matters which we may have to deal with which are not evident or foreseeable at the outset of the Administration. I am unable to seek approval to fix remuneration for any work unless and until the nature of any such work has been identified and the work involved can be quantified. If this scenario should occur, I will revert to creditors, providing full details of the circumstances at the time, to seek creditor approval of a further fees estimate.

Instances and explanations of the such work that might fall under this category are provided on our website at <http://www.begbies-traynorgroup.com/work-details>.

Once again, there may not be any obvious financial benefit to creditors, but all work carried out would likely be considered necessary for the administration and progression of the case. Creditors will be notified of all of our actions in the progress and/or final reports issued.

Dated: 30 January 2023

BURLEIGHS HOLDINGS LIMITED

DETAILS OF THE EXPENSES THAT THE ADMINISTRATORS CONSIDER WILL BE, OR ARE  
LIKELY TO BE INCURRED DURING THE COURSE OF THE ADMINISTRATION

No.	Type of expense	Description	Estimate £
1.	Advertisements	Of appointment, dividends etc.	249.00
2.	Insurance	Eddisons' fees for insuring the assets of the Company	650.00
3.	Bond	An Insolvency Practitioner is required to have a bond in place to protect the estate from misappropriation of funds.	200.00
4.	Storage costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	100.00
5.	Agent's sale fees and disbursements	Lambert Smith Hampton's fees and disbursements in respect of the sale process.	£7,000.00 to £8,000.00
6.	Legal fees	The fees of SBP Law instructed to assist the Insolvency Practitioner in respect of the sale process and matters pertaining to the sale.	£2,000.00 to £6,000.00
7.	Bank charges	An Insolvency Practitioner is required to operate a separate bank account in relation to the insolvent entity's estate	50.00
TOTAL			£10,699.00 to £15,699.00