

# 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 2 2 8 1 2 9

Company name in full Karakuri Ltd

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Damian

Surname Webb

### 3 Administrator's address

Building name/number 25 Farringdon Street

Street

Post town London

County/Region

Postcode E C 4 A 4 A B

Country

### 4 Administrator's name ①

Full forename(s) Gordon

Surname Thomson

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 25 Farringdon Street

Street

Post town London

County/Region

Postcode E C 4 A 4 A B

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>

<sup>d</sup>

0

4

<sup>m</sup>

<sup>m</sup>

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8

<sup>y</sup>

<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	Jamie Gallagher									
Company name	RSM UK Restructuring Advisory LLP									
Address	25 Farringdon Street									
Post town	London									
County/Region										
Postcode	E	C	4	A		4	A	B		
Country										
DX										
Telephone	0203 201 8000									



### 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)**

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# KARAKURI LTD - IN ADMINISTRATION (“THE COMPANY”)

JOINT ADMINISTRATORS' PROPOSALS

4 AUGUST 2023

THE POWER OF BEING UNDERSTOOD  
AUDIT | TAX | CONSULTING



# INTRODUCTION

### Contact details

The key contacts at RSM in connection with this report are:

Primary office holder	Case manager
Damian Webb	Luke Jones
RSM UK Restructuring Advisory LLP	RSM UK Restructuring Advisory LLP
25 Farringdon Street, London, EC4A 4AB	25 Farringdon Street, London, EC4A 4AB
Tel: 0203 201 8000	Tel: 0203 201 8000:

### Basis of preparation

This document forms the basis of the Joint Administrators' Proposals ('Proposals').

They have been prepared solely to comply with the statutory requirements of the relevant legislation. They have not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to revision and additional costs.

They should not be used as the basis for any bad debt provision or any other purpose. Neither the Joint Administrators nor RSM UK Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in these Proposals. The Joint Administrators act as agents of the Company and without personal liability.

### Insolvency (Amendment) (EU Exit) Regulations 2019

The proceedings flowing from the appointment will be COMI proceedings. The Company's centre of main interests is in the United Kingdom at Unit 2 Hammersmith Studios, 55a Yeldham Road, London, United Kingdom, W6 8JF. Accordingly, the EU Regulation as it has its effect in the law of the United Kingdom will apply and these will be COMI proceedings.

### General guidance on the Administration process

You may also wish to note that profession's trade body, R3, have also produced general guidance on the different insolvency processes, which can be located at their website

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## KEY ACTIONS AND DECISIONS REQUIRED FROM CREDITORS

### Decisions required from creditors

The Joint Administrators' are seeking the following decisions from creditors:

- the approval of the Joint Administrators' Proposals;
- the payment of the Joint Administrators' unpaid pre-appointment fees, costs and expenses;
- approval of the basis of the Joint Administrators' post appointment fees, and the drawing of 'Category 2' expenses;
- the discharge from liability of the Joint Administrators, once they have ceased to act; and
- that a creditors' committee will not be appointed.

### Creditors' committees

#### Establishment and guidance

It is proposed that a creditors' committee will not be appointed. However we are required to invite creditors to decide whether to establish a committee because a decision is being sought.

If you want a creditors' committee, sufficient creditors will need to both object to the decision process and consent to act as a representative on the committee. At least three creditors must consent to act before a committee can be formed; a maximum of five can be represented. If you do want a committee, please contact this office as soon as possible.

If a committee is formed, it would be their responsibility to approve the Joint Administrators' fees, costs, expenses and discharge from liability. They would also be responsible for approving any outstanding pre-Administration fees, costs and expenses.

Guidance on acting as a committee member can be found at the R3 website, [www.R3.org.uk](http://www.R3.org.uk). A hard copy can be requested by telephone, email or in writing to this office.

### Key actions required by creditors

Formal notice of the decision procedure to consider the above decisions is attached (Appendix H), together with other relevant documentation and guidance.

If you wish to vote in respect of the decisions sought, you will need to:

- complete, sign and return a **Proof of Debt** (Appendix J) and return it with evidence of your claim; and
- complete, sign and return the **Voting Form** (Appendix I).

These documents must be returned on or before the decision date (**23 August 2023**) for you to vote. Further, the Proof of Debt must have been received and admitted for voting purposes.

Creditors whose debts are treated as a small debt in accordance with Rule 14.31(1) of the Insolvency (England and Wales) Rules 2016 must still deliver a proof of debt if they wish to vote. Rule 14.31(1) states that Office Holders may treat a debt, which is a small debt according to the accounting records or the statement of affairs of the company, as if it were proved for the purposes of paying a dividend. Small debts are defined in Rule 14.1(3) as a debt (being the total amount owed to a creditor) which does not exceed £1,000.

## BACKGROUND AND FINANCIAL INFORMATION

### Background and events leading to the Administration

#### Background

The Company was incorporated in February 2018 and has operated as a sole entity under the trading name Karakuri. The Company has no registered charges against it.

Since incorporation, the ownership of the Company changed following various investments made by third parties in exchange for equity stakes and convertible loan notes (CLN).

As a result, the current ownership is as follows:

- Barnaby Wragg (director) is the majority shareholder with a 36% shareholding.
- Founders Factory Limited retain a 21% shareholding following an investment made in 2018.
- Ocado Group PLC has an interest in the Company through its sub-division Ocado Ventures (Karakuri) Limited which holds a 26% shareholding following an investment in 2019; and
- Five other individuals / entities hold the remaining 17%.

The Company was a provider and manufacturer of highly automated kitchen equipment to assist fast-food and casual restaurant chains. The equipment was manufactured with the intention to fit existing kitchens and was automated to remove labour times and improve food production efficiency.

The Company operated a subscription model with ongoing maintenance services provided by an in-house team as part of the subscription service. This was marketed by the Company as a product which did not require up front capital expenditure and would result in operational expense savings on staff costs as well as general cost savings on ingredients.

The Company has previously negotiated with a number of high-profile restaurants and fast-food chains following successful trial periods of their products. However, no long-term working agreements were established.

#### Financial Position

The Company was set up as a technology start-up business and was loss making since inception whilst it developed its core products and services. The losses and the Company's

working capital were originally funded via investment from a range of shareholders. As with most technology start-ups, the investors recognised that the Company would need to go through a range of funding rounds prior to achieving profitability.

The Company benefitted from a range of investment, including an investment in 2020 from the Future Fund – a government scheme to support UK-based SME's facing financial difficulties post-COVID-19.

Extracts of the Company's Profit and Loss account and Balance Sheet for 2021 and 2022 are shown below:

#### Profit and Loss Account

Year ending 31 March	FY21 £'000	FY22 £'000
Revenue	-	140
Cost of Sales	-	(18)
<b>Gross profit</b>	-	121
Administrative & Development Expenses	(1,853)	(3,594)
Other Income	-	53
<b>Operating loss</b>	<b>(1,853)</b>	<b>(3,419)</b>
Interest payable	(234)	(508)
Tax credits	598	598
<b>Loss after tax</b>	<b>(1,520)</b>	<b>(3,328)</b>

#### Balance Sheet

Year ending 31 March	FY21 £'000	FY22 £'000
<strong>Fixed Assets</strong>		
Intangibles	1,986	3,107
Tangibles	141	137
	<strong>2,127</strong>	<strong>3,244</strong>
<strong>Current Assets</strong>		
Non-current debtors	143	143
Current debtors	729	1,281
Cash at bank	9,123	5,505
Current creditors	(202)	(500)
Net Current Assets	9,792	6,429
<strong>Total assets less current liabilities</strong>	<strong>11,919</strong>	<strong>9,673</strong>
Non-current creditors	(6,584)	(7,092)
Provisions: Deferred Tax	(380)	(733)
<strong>Net Assets</strong>	<strong>4,955</strong>	<strong>1,848</strong>
<strong>Capital and Reserves</strong>		
Called up share capital	1	1
Share premium account	7,150	7,150
Other reserves	158	379
P/L account	(2,353)	(5,682)
	4,955	1,848

As can be seen in the extracts above, the Company's cash resources diminished as it invested in the development of its core products and services, while minimal revenue was achieved.

The Company anticipated a further fund raising would be required in late 2022 / early 2023 to secure the necessary funding to take the Company to profitability. The Directors at this stage anticipated the fund-raising prospects were good as the development of the underlying products was going well and customer feedback was positive.

However, the economic uncertainty associated with the war in Ukraine, the Truss government and rapidly increasing interest rates has made the venture-based fund-raising environment for early-stage businesses challenging. After approaching over 150 Venture Funds in the UK, Europe and the US, the Directors recognised in early 2023 that securing the necessary funding may not be achieved and commenced steps to mitigate the risks associated with funding not being secured.

#### Initial Introduction

Damian Webb of RSM Restructuring Advisory LLP was initially introduced to the Company in January 2023 by Roland Lamb, a former client of RSM, while the Directors considered their options for the future of the Company.

Although the Company was not facing immediate creditor pressure at the time, the level of cash outflow was deemed unsustainable and management forecasts indicated that the cash reserves would be depleted in full by Q4 2023.

Aware of their respective duties to their stakeholders, notably the Company's shareholders and creditors, the Directors sought to take the appropriate actions to protect the respective stakeholder positions and to comply with their fiduciary duties.

This resulted in Damian Webb being formally engaged by the Company on 20 March 2023 to provide high-level advice to the Company, including monitoring the ongoing financial situation, reviewing the Company's immediate cash needs, and providing contingency planning support and advice.

This included running an accelerated sales process to explore whether a suitable offer could be made for the Company and/or its business and assets.

#### Marketing of the Business and Assets

During RSM's accelerated sale process, the opportunity was marketed to a targeted audience by the sharing of a teaser document prepared by RSM using information provided by management.

The teaser document was shared with a total of 170 parties on 2 May 2023 via email. These parties were sourced via a number of different means including:



- Internal RSM contacts across both the Restructuring and Corporate Finance departments
- Circulated to RSM partners and directors to share with their contacts
- Parties on RSM's distressed investor / Private Equity list
- Contacts provided by management
- The opportunity was also posted on IPBid.com.

The business and assets of the Company were marketed for a period of 10 days and led to teasers being sent to 11 parties. This was considered an appropriate length of time noting that marketing of the Company (via a solvent sale) had been undertaken previously by the Directors as well as consideration of the cash outflow each month which was being used to continue business operations.

The accelerated timetable meant that in the event that the business or assets of the Company were not sold, the cash reserves were maximised to allow a return to the creditors.

#### Offers Received

In total, there were three expressions of interest, two of which were deemed to be credible and one which was dismissed after we learned of a recent filing made by the Secretary of State for Business concerning the party's directors.

The two credible interested parties were sent non-disclosure agreements ('NDA'). Once the NDAs were signed and returned, the parties were granted access to the data room, which contained various information about the Company's business and assets as well as general operations.

By the deadline of 12 May 2023, no offers had been received.

Given the lack of interest received during the sale process, the Directors considered their position and the duties to the creditors and reached the conclusion that the Company should be placed into Administration.

However, once the deadline had passed and as the Directors prepared to place the Company into Administration, two companies who had previously been in contact with the Company at the start of the year expressed a potential interest in certain of the assets belonging to the Company and therefore the appointment of Administrators was postponed until this interest was explored further.

One of the parties was issued with an NDA and had a call with management to discuss the assets which were being sold, however, the party formally withdrew their interest via email following this discussion.

The other party, Henny Penny Corporation (a company based in the USA) had been aware of the Company's products prior to the RSM sales process, having previously had discussions with management about working together. Henny Penny reviewed the opportunity beginning 1 June 2023, which included their teams visiting the UK and performing various aspects of diligence on the business. However, on 16 June 2023 they confirmed that they would not be pursuing the opportunity to acquire the Company's business and assets.

As a consequence, the Directors had no viable opportunities to sell the business, and so they informed the Company's staff on 19 June that they would be made redundant. It was anticipated the staff would be engaged to wind down the Company's affairs to potentially enhance realisations by organising and packaging up of key assets for sale.

However, on 27 June 2023, Henny Penny contacted RSM as potential administrators and after further negotiation issued a formal offer for certain of the Company's assets on 7 July 2023.

The decision was taken to accept the offer from Henny Penny in the sum of £334,000 (plus VAT) and the sale completed by way of a pre-packaged Administration on the day of appointment of Administrators, being 28 July 2023.

#### Appointment of Joint Administrators

Damian Webb and Gordon Thomson were appointed as Joint Administrators by the Directors of the Company on 28 July 2023.

#### Conflict consideration

The Joint Administrators do not consider that their prior work creates an ethical conflict that would prevent them accepting the appointment as Administrators. The Joint Administrators' role in the pre-appointment period, in relation to AMA and pre-appointment Administration work, was to advise the Company and not the Directors in their personal capacity, or any parties connected with the purchaser, in connection with the transaction.

When considering any sale or disposal of the Company, its business or assets, the Joint Administrators' must perform their functions in the interests of the Company's creditors as a whole.

#### Statement of Affairs

The Statement of the Affairs of the Company as at 28 July 2023 is attached at Appendix B. This details the book value of assets and liabilities, and information about the Company's creditors at the date the Company entered administration.

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## PURPOSE, STRATEGY AND CONDUCT OF THE ADMINISTRATION

### Purpose of the Administration

Insolvency legislation sets out the statutory purposes of an Administration. The Joint Administrators must perform their functions with the objective of either:

- 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.

It was not possible to achieve statutory purpose (a) owing to the insolvent position of the Company and the absence of additional funding required which would allow it to continue to trade.

Whilst the Company had cash reserves and had always anticipated that further fund-raising would be required at the start of 2023 to secure the necessary funding to take the Company to profitability, the changing interest rate environment and periods of economic uncertainty at the end of 2022 / start of 2023 made the fund-raising environment for early-stage businesses challenging. The revenue being generated was not sufficient for the Company to be self-funding and, as such, it was dependant on external financing to be able to continue to trade.

In view of the above, statutory purpose (b) was pursued. It is the view of the Joint Administrators that the transaction with Henny Penny enables the statutory purpose to be achieved and that the sale price achieved is the best reasonably obtainable in all the circumstances.

This is because the sale of the Intellectual Property Rights and the Prototypes to Henny Penny (transaction detailed further below in the realisation of assets section) was the only outcome whereby funds would be realised for these assets given the lack of interest received during the accelerated marketing process.

The sale to Henny Penny had the result of increasing the asset realisations in this case which will in turn result in a greater return to the company's creditors as a whole. Had the transaction to Henny Penny not completed then these assets would have been unrealisable and therefore less funds would have been available to distribute to the unsecured creditors.

### Strategy to achieve purpose of the Administration

As detailed above in the background section, the main realisable asset of the Company was the Intellectual Property Rights and Prototypes which were sold by way of a pre-packaged Administration.

The Administrators will continue to realise the Company's remaining assets to maximise the value of the estate (discussed further below).

Once all the associated expenses of the Administration have been settled, the remaining funds will then be used to settle any preferential claims.

Once the preferential creditors have been paid in full, the surplus of funds remaining in the estate will then be distributed to unsecured creditors.

### SIP 16 statement

As a pre-packaged sale of part of the Company's assets was made, full details of the sale and the circumstances surrounding it is attached in the SIP16 Statement as required by statute (Appendix G).

The time costs associated with this transaction were largely incurred pre-appointment and are detailed on the attached pre-appointment time analysis (Appendix F). Time costs incurred post appointment are shown on the attached post-appointment time analysis (Appendix E).

### Realisation of assets

#### Sale of Intellectual Property Rights and Prototypes

As detailed throughout this report, a pre-packaged sale of certain of the Company's assets was completed on 28 July 2023 to Henny Penny. Our lawyers Squire Patton Boggs drafted the Sales Purchase Agreement, and the total net consideration received was £334,000 plus VAT was received into their client account. We are in the process of arranging to have these funds transferred to the Administration estate.

The assets sold as part of the agreement included three prototypes which had been developed by the Company. These were sold for £80,000 plus VAT and the prototypes were collected from the Company's offices on 1 August 2023.

The other asset included as part of the sale agreement was for the Company's intellectual property rights. These were sold for £254,000 with no VAT being paid. An electronic transfer

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took place to Henny Penny on the same date of appointment as per the deliverables schedule included within the Sales Purchase Agreement.

The total consideration received (inclusive of VAT) was £350,000.

#### **Cash at bank**

As at the date of the appointment, we understand that the Company held a total of £723,047 in its bank account operated by Silicon Valley Bank ('SVB'). The Administrators wrote to SVB once appointed to freeze the account and arrange to transfer the funds held to the Administration bank account.

#### **Investigations**

The Joint Administrators are required to investigate the Company's business affairs and make a report on the directors' conduct within three months of appointment. If you have any information or concerns regarding the manner in which the Company's business affairs have been conducted, or information regarding the potential recoveries or assets, please contact to the Joint Administrators as soon as possible.

#### **Case specific matters**

##### **Employees**

Following the initial accelerated sale process for the Company, the Directors were of the opinion that there were no viable opportunities to sell the business and as such, on 19 June 2023, the employees of the Company were informed that they would be made redundant. It was anticipated the staff would be engaged to wind down the Company's affairs and to assist with clearing the site whilst the Directors considered their options for the sale of the remaining assets. Settlements were agreed with staff with the view that all staff would be made redundant by 14 July 2023. These settlements had been negotiated and agreed by 30 June 2023.

Henny Penny's offer was received on 7 July 2023, a review of the offer and its requirements illustrated that substantive work would need to be performed by the employees of the Company to implement the transaction. The Directors advised RSM that any sale would require the knowledge of the employees who had developed the products to oversee and facilitate the transfer of the assets and that any sale of these particular assets could not be concluded without their support. It was anticipated this work would take approximately 3 weeks.

Once the offer was received from Henny Penny, an agreement was reached between the employees, Directors and Administrators that upon completion, the employees who assisted with the sale would receive the balance of any claim they may have had in the Administration. The total amount of this payment agreed totals £196,168.

Noting that the sale of the assets could not have completed without the employees, the Administrators were of the view that a completed sale less payment to the employees resulted in a better outcome for the creditors as a whole than if the transaction were not to take place at all.

The time costs incurred to date in dealing with these matters is set out in the attached analysis of time costs.

#### **Statutory and case management matters**

The following work does not usually result in a financial return to creditors but is required by legislation, best practice and to ensure that the case is managed efficiently and effectively. Key work done in the period included:

##### **Statutory requirements**

- statutory filing, advertising and appointment notifications to prescribed parties;
- preparing, reviewing and issuing the Administrators' SIP 16 statement;
- preparing, reviewing and issuing the Administrator's proposals and all associated formalities for approval of the proposals;
- preparation of a Statement of Affairs;
- summoning and holding a qualifying decision procedure and associated formalities; including advertising, recording and reporting outcome to prescribed parties;
- general taxation matters; and
- various pension scheme matters including liaising with the Pension Protection Fund, Pensions Regulator and Trustees,.

##### **Case management matters**

- client take on evaluation, engagement, guidance, advice;
- ongoing case planning and strategy;
- maintaining and updating computerised case management records;
- liaising with former accountants and solicitors;
- dealing with routine correspondence not attributable to other categories of work;
- maintenance of cashiering records, bank accounts, receipts and payments; and
- initial and ongoing consideration of ethical, conflict & anti money laundering checks.

The time costs incurred to date in dealing with these matters is set out in the attached analysis of time costs.

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**Receipts and payments**

A summary of receipts and payments is attached. Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately.

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## OUTSTANDING MATTERS

### Assets remaining to be realised

#### Office Equipment

During the accelerated sale process, the Joint Administrators instructed Peter Atkinson of Hilco Valuation Services ('Hilco') to undertake a valuation of the Company's assets.

As the majority of the Company's asset value was in the Intellectual Property Rights and the products the Company was developing, we asked Hilco to undertake a visit to the Company's offices to evaluate the Company's office equipment. The value of the intangible assets was driven by offers received from third parties.

Since appointment, Hilco have been to the Company's offices and arranged for an auction of the saleable office equipment, with the net proceeds to be received into the Administration estate once the auction completes.

#### Rent deposit

The Administrators are aware the Company paid a rent deposit as part of the terms required for the Company to occupy their offices. We are currently exploring whether this deposit will be returned once the Company's offices have been vacated, and any amount received will form part of the Administration estate.

#### Other outstanding matters

The following outstanding matters need to be dealt with prior to the closure of the Administration:

- The Joint Administrators' Proposals require approval;
- The agreement of the Joint Administrators' fees;
- Ensure that all of the Company's assets are realised wherever possible;
- Oversee the exit from the Company's office;
- Investigation matters and the filing of the director conduct reports;
- Handling the Company's VAT and Corporation Tax affairs;
- Payment of dividends to creditors; and
- Case closure formalities.

### End of the Administration

#### Automatic end

The Administration will automatically end 12 months from the date the Joint Administrators' appointment took effect, unless an extension is sought. An extension can be sought from the creditors for up to 12 months, or by application to the Court for a longer period. However, at this time, it is proposed that the Company will exit Administration by way of Creditors' Voluntary Liquidation.

#### Exit by Creditors' Voluntary Liquidation

As it is intended that the Company will exit Administration by moving into a Creditors' Voluntary Liquidation, it is proposed that the Joint Administrators or any successor(s), will be appointed Joint Liquidators of the Company. The Liquidators will have the power to act jointly and severally and any act required or authorised to be done by the Liquidators may be done by all or any one more of the persons holding the office in question.

#### Creditors nomination for alternative liquidator(s)

Please note that creditors may nominate a different person as the proposed Liquidator provided that:

- The nomination is made through a decision procedure before the Proposals (or any revised Proposals) are approved and;
- Where the nomination relates to more than one person or has the effect that the office is to be held by more than one person, a declaration is made as to whether any act required or authorised to be done by the Liquidators is to be done by all or any one or more of the persons for the time being holding the office in question.

#### Exit by dissolution

However, if at any point in the Administration the Joint Administrators reach a conclusion that the property is insufficient to permit a distribution then they shall (unless the court orders otherwise) file a notice pursuant to paragraph 84 of Schedule B1 to the Insolvency Act 1986 for the Company be dissolved.

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#### Joint Administrators' discharge from liability

As set out in the attached Notice of a Qualifying Decision Procedure, **the creditors are asked to approve** the Joint Administrators' discharge from liability to take effect immediately they cease to act as Joint Administrators.

## CREDITORS' CLAIMS AND DIVIDEND PROSPECTS

### Dividend prospects

	Owed (£'000)	Estimated future prospects
Preferential creditors – HMRC	148,399	100p in the £
Preferential creditors – employees	0.00	N/A
Unsecured creditors	7,125,045*	Unknown at this time
Estimated Net Property	N/A	N/A
Estimated 'Prescribed Part' available for creditors	N/A	N/A

\*based on currently known information from the Company's records

Please note that the Company does not have any charges registered at Companies House, and therefore there is no secured creditor in the Administration.

### HMRC Crown Preference

As a result of changes to the legislation, for insolvencies effective on or after 1 December 2020, HMRC will now receive secondary preferential status for monies owed to HMRC relating to VAT, PAYE, employee national insurance contributions, construction industry scheme deductions and student loan repayments.

HMRC will rank in priority to any Qualifying Floating Charge Holder ('QFCH') and unsecured creditors.

### Prescribed Part

The 'Prescribed Part' is a statutory amount set aside for unsecured creditors from funds ('Net Property') available to a Qualifying Floating Charge Holder ('QFCH'). The Prescribed Part is calculated on a sliding scale up to maximum of £800,000 depending on when the QFCH was created and whether or not it is a first ranking floating charge.

However, there are no QFCHs and therefore the Prescribed Part does not apply.

### Agreement of claims

Creditors' claims are usually only agreed if there is a likelihood of a dividend being made to that particular class of creditor.

As set out above, it is anticipated that a dividend will be paid to preferential creditors and so work will be undertaken with reference to adjudicating and agreeing the preferential claims. Details of the time spent in relation this work as set out in the attached time analysis.

If you have not already submitted a Proof of Debt, a copy of the form can be obtained at <https://rsmuk.ips-docs.com> or by request to this office.

### Dividend payments

The timing of any future dividend to creditors is dependent on future realisations. Further information regarding any potential dividend payment will be made in due course.

Further information regarding any potential dividend payment will be made in due course.

### Creditor communication

The following work was done in the period to comply with legislation, best practice and to ensure creditors were kept informed. It is also necessary to enable a dividend to be paid or is due to be paid in the subsequent liquidation.

- preparation of general reports to creditors
- dealing with communication with creditors and employees
- maintenance of schedules of creditors' claims

Creditors will only derive an indirect financial return from this work on cases where a dividend has been paid.

The time incurred in dealing with these matters during the period is set out in the attached post appointment analysis of time costs.

# JOINT ADMINISTRATORS' FEES, COSTS AND EXPENSES

## Guide to Administrators' fees and expenses

A Guide to Administrators Fees, which provides information for creditors in relation to the fees and expenses of an Administrator, can be accessed at <https://rsmuk.ips-docs.com> under 'general information for creditors'. A hard copy can be requested from this office by telephone, email or in writing. All fees, costs and expenses are subject to VAT.

## Relevant Approving Body

The unsecured creditors will be the Relevant Approving Body responsible for approving the Joint Administrators' post appointment fee basis and, where applicable, 'Category 2' expenses and any outstanding pre-Administration costs. However, if a creditors' committee is established, this will be its responsibility and it will be the Relevant Approving Body.

## Pre-administration costs

The payment of any unpaid pre-Administration costs as an expense of the Administration is subject to specific approval under the relevant legislation. They do not form part of the Joint Administrators' Proposals subject to approval under paragraph 53 of Schedule B1 to the Insolvency Act 1986.

A fee of £77,922 was paid by the Company prior to the Joint Administrators appointment, under an agreement dated 20 March 2023 signed between RSM UK Restructuring Advisory LLP and the Directors of the Company. These costs related to significant advisory & marketing work undertaken by the Joint Administrators prior to their appointment, with invoices billed on a weekly basis. In addition, a further £361.15 of disbursements was billed in this period to cover the costs associated with the dataroom setup for the marketing period.

The pre-appointment costs set out below remain unpaid, with the Joint Administrators proposing to drawdown a further £39,065.00 in relation to their work specifically prior to their Administration appointment with a view to agreeing . Approval for their payment is therefore now being sought from the Relevant Approving Body. Pre-Administration fees were incurred in relation to the marketing period that assisted the pre-packaged sale of the Company's business and assets.

To whom due / paid	Basis	Total incurred (£)	Amount outstanding (£)
Joint Administrators' fees	Time cost	44,377.50	39,065.00
<b>Joint Administrators' 'Category 2' expenses</b>		0.00	0.00
Joint Administrators' costs & 'Category 1' expenses			
Legal Fees - Squire Patton Boggs (UK) LLP		32,899.00	32,899.00
Legal Disbursements – Squire Patton Boggs (UK) LLP		71.44	71.44
Valuations – Hilco Valuations		5,000.00	5,000.00
Marketing - IP Bid		295.00	0.00
IT Dataroom - Ansarada		361.15	361.15
<b>Subtotal costs &amp; 'Category 1' expenses</b>		38,626.59	38,331.59
Total		83,004.09	77,396.59

## Post-appointment costs

### Basis of fees

Insolvency legislation allows an Administrator to charge fees on one of, or a combination of, the following bases:

- as a percentage of the value of the property the Administrator has to deal with (percentage basis);
- the time spent by the Administrator or their staff on the administration of the case (time cost basis);
- as a set amount (fixed fee basis); or
- a combination of the above (mixed fee basis).



In this case, approval for post-appointment fees is therefore now being sought from the Relevant Approving Body, in accordance with the attached Notice Seeking Decision calculated on a time cost basis.

A fee estimate is attached which sets out the time expected to be incurred in dealing all aspects of the Administration for a total fee of £75,213.00. The fee estimate has been prepared for the life of the appointment.

If the Administration exits to a liquidation and the Joint Administrators become Liquidators, a separate fee estimate will be provided by the Liquidators. The current fee estimate only includes work expected to be undertaken by the Joint Administrators.

If fees are approved on the basis set out above, the total sum that the Joint Administrators can draw, without further approval, will be £75,213.00.

**Fee scope and assumptions**

The Joint Administrators' estimated fees are based on the attached scope and assumptions and reflects the work that is anticipated will be required. Should these prove to be inaccurate, additional costs may be incurred and the Joint Administrators may seek approval for additional fees.

**Remuneration charged**

Legislation requires that 'remuneration charged' is reported. Remuneration is charged when the work to which it relates is done.

As the fee basis has not yet been approved, remuneration charged cannot be calculated. No fees have been drawn to date.

However, as it is proposed that all fees will be calculated on a time cost basis, an analysis of time incurred in the period is attached. Time costs incurred since appointment total £14,907.50.

**Further fee approval**

The amount of fee that can be drawn, whether calculated on the basis of time in accordance with a fee estimate, or for a fixed amount or a percentage rate, cannot be either increased or the percentage rate changed, without the further approval of the Relevant Approving Body.

Please note that, should the Company exit Administration via a Creditors' Voluntary Liquidation, and the Joint Administrators become Liquidators, any fee basis agreed in the administration will continue. Any fee request, or approval, in the administration only relates to work proposed to be undertaken by the Joint Administrators. A further fee request will be provided in relation to the fees of any succeeding Liquidator.

**Work sub-contracted by office holders**

The Joint Administrators sub-contracted the following work:

- Hilco Valuations – assistance with further realisations in relation to the Office Equipment

Amounts paid to date are shown in the attached receipts and payments account.

**Expenses and professional costs**

The total costs and expenses estimated to be incurred by the Joint Administrators are set out below together with details of those incurred in the period. Amounts incurred in the period may include estimates where actual invoices have not been received. Amounts paid to date are shown in the attached receipts and payments account.

**Category 1 expenses**

These comprise external supplies of incidental services specifically identifiable to the insolvency estate. They do not require approval of the Relevant Approving Body prior to being paid.

Type of expense	Total estimated (£)	Incurred in period (£)
Bond	80.00	0.00
Statutory advertising	218.00	109.00
Postage	150.00	0.00
Total	448.00	0.00

**Category 2 expenses**

These are costs which are not capable of precise identification or calculation, or that may include an element of shared or allocated costs. Payments to outside parties that the Office Holder, firm, or any associate has an interest, are also treated as 'Category 2' expenses. These expenses require the specific approval of the Relevant Approving Body before being paid from the insolvency estate.

Approval for the payment of the 'Category 2' expenses, at the rates prevailing at the date they are incurred is therefore now being sought from the Relevant Approving Body. Details of the current rates are set out below.

No Category 2 expenses have been incurred or estimated to be incurred in the future.

#### Other professional costs

The office holders retained the following advisers based on their experience and expertise. These costs are not subject to approval by the Relevant Approving Body. However, they are subject to review and approval by the Joint Administrators.

Party	Nature of advice	Total estimated (£)	Incurred in period (£)
Squire Patton Boggs (UK) LLP	Legal advice	TBC	TBC
Hilco Valuations	Asset valuation and disposal	15% of realisations - TBC*	0
Total		0	0

\* Hilco Valuations fees were agreed on a fixed percentage basis at 15% of all assets realised. The quantum of realisations is currently unknown and therefore their costs are uncertain and to be confirmed in due course.

#### Creditors' right to information and ability to challenge fees, costs and expenses

Creditors have a right to request further information about fees or expenses (other than pre-Administration costs) and to challenge such fees or expenses. Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of fees or incurring of the expenses in question.

If you wish to make a request for further information it must be made in writing within 21 days of receipt of this report either by (i) any secured creditor or (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question).

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court that the fees charged, the basis fixed or expenses incurred by the Administrator are in all the circumstances excessive.

**Damian Webb**  
**RSM UK Restructuring Advisory LLP**  
**Joint Administrator**

Damian Webb and Gordon Thomson are licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales  
Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment

**The affairs, business and property of the company are being managed by the Joint Administrators who act as agents of the company and without personal liability**

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APPENDICES

# APPENDIX A - STATUTORY INFORMATION

## Company information

Company name:	Karakuri Ltd	
Company number:	11228129	
Date of incorporation:	27/02/2018	
Trading name:	Karakuri	
Trading address:	Unit 2 Hammersmith Studios, 55a Yeldham Road, London, United Kingdom, W6 8JF	
Principal activity:	Business and domestic software development	
Registered office:	RSM UK Restructuring Advisory LLP, 25 Farringdon Street, London, EC4A 4AB Previously: Unit 2 Hammersmith Studios, 55a Yeldham Road, London, United Kingdom, W6 8JF	
Previous company names:	WWH Holdings Ltd	
Directors:	Michael Bornhaeusser, Henry Lane Fox, Richard Alexander Mckenzie, Michael Peter Muller & Barnaby William Wragg	
Secretary:	N/A	
Authorised share capital:	Ordinary, Preference & Deferred Non-Voting shares	
Nominal & issued share capital:	Issued: Ordinary, Preference & Deferred Non-Voting shares all at a par value of £0.01	
Shareholders:	<u>Ordinary Shares</u> Barnaby William Wragg- 35,000 Founders Factory Limited - 20,000 Simon Watt - 4,000	<u>Preference Shares</u> Ocado Ventures (Karakuri) Limited - 25,413 Firstminute Capital I LP - 7,490 Gilson Ventures Limited - 2,675
	<u>Deferred Non-Voting Shares</u> Simon Watt - 26,000	Hoxton Ventures II, L.P. - 1,338 Liam Casey – 535

## Administration information

Court reference:	High Court of Justice, Business & Property Courts in Birmingham No BHM-00425 of 2023	
Joint Administrators:	Damian Webb and Gordon Thomson	
Date of appointment:	28 July 2023	
Appointor:	The Directors of the Company	
Functions of Administrator(s):	The Joint Administrators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment.	
Joint Administrators:	<b>Primary office holder</b> Damian Webb RSM UK Restructuring Advisory LLP 25 Farringdon Street, London, EC4A 4AB 020 3201 8000 IP Number: 14970	<b>Joint office holder</b> Gordon Thomson RSM UK Restructuring Advisory LLP 25 Farringdon Street, London, EC4A 4AB 020 3201 800 IP Number: 24974

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# APPENDIX B - STATEMENT OF AFFAIRS

Rule 3.30, 4.7, 6.3 of the Insolvency (England and Wales) Rules 2016

Statement of affairs

Company Name: Karakuri Ltd  
Company Number: 11228129

In the High Court of Justice, Business & Property Courts - CR-2023-BHM-00425

Statement as to affairs of Karakuri Ltd on 28 July 2023, being the date that the company went into administration

## Statement of Truth

I believe that the facts stated in this Statement of Affairs are true. 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 honest belief in its truth.

Full Name: B. W. Wragg

Signature: 4/8/23

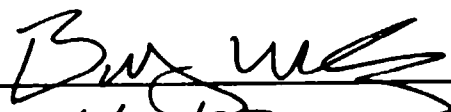
Date: B. W. Wragg

## STATEMENT OF AFFAIRS - Karakuri Ltd

### A - Summary of Assets

Summary of assets	Book Value	Estimated to Realise
	£	£
Assets Subject to Fixed Charge		
Assets Subject to Floating Charge		
Assets not Subject to Charge		
Fixed Assets		
Intangibles	111,110	150,000
Leasehold Improvements	15,000	-
Office Equipment	17,276	50,000
Plant & Machinery	14,112	-
Software Development	18,257	-
Furniture & Fittings	14,967	-
R&D Capitalisation	621,000	-
Non-Current Assets		
Long term rent deposit	142,000	7,720
Current Assets		
Accounts Receivable	100	-
Other Current Assets	650	-
Prepaid Expenses	56,476	-
Cash at Bank	720,047	7,104
Work in Progress	66,124	-
Available to preferential creditors		1,115,720

Signature:



Date:

4/8/23


## STATEMENT OF AFFAIRS - Karakuri Ltd

### B - Summary of Liabilities

Summary of liabilities	Book Value	Estimated to Realise
	£	£
Estimated total assets available for preferential creditors		1,195,176
Less: Preferential Creditors		0
Less: Secondary Preferential Creditors		(148,199)
<b>Estimated surplus / (deficiency) as regards preferential creditors</b>		<b>1,047,378</b>
Estimated prescribed part of net property (where applicable)		
<b>Estimated total assets available for charge holders</b>		<b>1,047,378</b>
Amounts owed to floating charge holders		
<b>Estimated surplus/ (deficiency) to floating charge holders</b>		<b>-</b>
<b>Total assets available to unsecured creditors</b>		<b>1,047,378</b>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders):		
Employee Unsecured		
Trade Creditors	(33,226)	(33,226)
CLAs	(7,091,819)	(7,091,819)
<b>Estimated Surplus / (Deficiency) as regards non-preferential creditors (excluding any shortfall to floating charge holders)</b>		<b>(6,017,668)</b>
Share Capital: Ordinary Shares	150,008	150,008
Share Capital: Preference Shares	7,000,341	7,000,341
Share Capital: Deferred Non-Voting Shares	0	0
<b>Estimated Surplus / (Deficiency) as regards members</b>		<b>(13,218,016)</b>

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

  
4/8/23

**D1 - Company Creditors excluding employees and consumers**

NOTE: Includes all persons (telemarketers, former employees and consumers) who have paid in advance for services under the plan, with the exception of and/or all persons who do not have a financial interest in the plan. Excludes: (1) the company's president, with the exception of officers, directors, and employees of the company.

Signature: Bu [Signature]  
Date: 4/8/23



STATEMENT OF AFFAIRS - Karatum Ltd

B2 - Company employee creditors

Company employee creditors					
Name of employee	Address (with postcode)	Amount of debt £	Details of any security held	Date security value of security given	
Employees - 6/10/13		2,500	N/A	N/A	
Employees - 10/10/13		5,000	N/A	N/A	

Signature: 

Date: 4/10/13

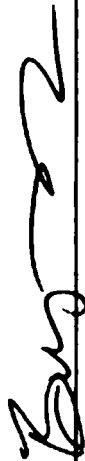
STATEMENT OF AFFAIRS - Kerskum Ltd

B3 - Company consumer creditors

Company consumer creditors

(If continue re clients claiming amounts paid in advance of the supply of goods or services or deposits)

Name of consumer	Amount of debt £	Details of any security held	Date security given	Value of security £
N/A		N/A	N/A	N/A

Signature:   
Date: 4/9/23

# STATEMENT OF AFFAIRS - Karakuri Ltd

## C - Shareholders

No	Name of shareholder	Type of shares held	Nominal amount of share £	Number of shares held	Amount per share called up £	Total amount called up £
1	Barnaby Waxamitting	Ordinary	£0.0001	35,000	£0.00	£0.00
2	Founders Factory Limited	Ordinary	£7.50	20,000	£150.000.00	£150,000.00
3	Simon Watt	Ordinary	£0.0010	4,000	£4.00	£4.00
4	Clouds Ventures - Karakuri Limited	Preference	£156.92	25,413	£4,750,127.96	£4,750,127.96
5	Firstminute Capital LLP	Preference	£156.92	7,400	£1,400,708.00	£1,400,708.00
6	Gilson Ventures Limited	Preference	£156.92	2,675	£500,000.00	£500,000.00
7	Horizon Ventures II, LLP	Preference	£156.92	1,534	£240,148.96	£240,148.96
8	Ulam Capital	Preference	£156.92	535	£100,002.20	£100,002.20
9	Simon Watt	Unclaimed non-voting	£0.00	26,000	£0.00	£0.00
				122,451	£7,150,348.42	£7,150,348.42

Signature: Barnaby Waxamitting

Date: 4/8/23

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# APPENDIX C - RECEIPTS AND PAYMENTS SUMMARY

Karakuri Limited  
(In Administration)  
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 28/07/2023 To 04/08/2023 £	From 28/07/2023 To 04/08/2023 £
ASSET REALISATIONS		
Prototype Sale	96,000.00	96,000.00
Intellectual Property Right Sale	254,000.00	254,000.00
	350,000.00	350,000.00
REPRESENTED BY		
RBS - Interest Bearing		334,000.00
VAT Receivable		16,000.00
		<u>350,000.00</u>

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Joint Administrator

APPENDIX D - FEE ESTIMATE, SCOPE AND ASSUMPTIONS

	Staff Grade					
	Partners	Managers	Executives & Analysts			
Charge out rate	£750	£375	£250			
	Budgeted hours					
	Partners	Managers	Executives & Analysts	Total Hours	Total Cost (£)	Average Hourly Rate (£)
STATUTORY REQUIREMENTS						
Appointment & SoA	4.0	8.5	23.0	35.5	11,938	336
Case Management	0.1	0.4	1.5	2.0	600	300
Committee	-	-	-	-	-	-
Creditors/shareholders decisions, meetings & reports	4.3	24.0	29.5	57.8	19,600	339
Pension scheme	-	1.2	4.0	5.2	1,450	279
Pre-appointment and background	-	-	-	-	-	-
Taxation	0.6	3.0	8.0	11.6	3,575	308
Statutory Requirements Total	9.0	37.1	66.0	112.1	37,163	332
REALISATION OF ASSETS						
- FLOATING CHARGE ASSETS						
Assets general - other	1.0	3.5	6.0	10.5	3,563	339
Assets - litigation / investigation	-	-	-	-	-	-
Assets - taxation	-	-	-	-	-	-
Chattels	-	-	-	-	-	-
Debtors & Sales Financing	0.6	2.5	6.0	9.1	2,888	317
Hire Purchase / Leasing creditors	-	-	-	-	-	-
Land & Property	1.0	3.0	5.0	9.0	3,125	347
Retention of Title / Third party assets	-	-	-	-	-	-
Sale of Business	2.0	4.0	5.0	11.0	4,250	386
Stock & WIP	1.1	2.5	6.0	9.6	3,263	340
Realisation of Assets Total	5.7	15.5	28.0	49.2	17,087.5	347

<b>INVESTIGATIONS</b>						
DT/DBEIS/Official Receiver	-	-	-	-	-	-
Investigations / CDDA	1.1	4.0	8.5	13.6	4,450	327
Investigations Total	1.1	4.0	8.5	13.6	4,450	327
<b>CASE SPECIFIC MATTERS</b>						
Director(s)/debtor/bankrupt	-	-	-	-	-	-
Legal Matters	-	-	-	-	-	-
Other specific matters	-	-	-	-	-	-
Shareholders / Members	-	-	-	-	-	-
Case Specific Matters total	-	-	-	-	-	-
<b>CREDITORS</b>						
Deferred / Postponed creditors	-	-	-	-	-	-
Employees	-	1.0	2.0	3.0	875	292
Other creditors	-	-	-	-	-	-
Preferential creditors	0.4	1.5	3.5	5.4	1,738	322
Secured creditors	-	-	-	-	-	-
Unsecured creditors	1.0	5.5	12.5	19.0	5,938	313
Creditors Total	1.4	8.0	18.0	27.4	8,550	312
<b>TRADING</b>						
Trading Total	-	-	-	-	-	-
<b>ADMINISTRATION AND PLANNING</b>						
Appointment & SoA	-	-	-	-	-	-
Case Management	0.6	4.7	7.5	12.8	4,088	319
Cashiering	1.0	3.0	8.0	12.0	3,875	323
Pre-appointment & background	-	-	-	-	-	-
Administration & Planning Total	1.6	7.7	15.5	24.8	7,963	321

Total Hours	18.8	72.3	136.0	227.1
Total time costs	£14,100	£27,113	£34,000	£75,213
Average hourly rate	£750	£375	£250	£331

Activity	Scope and assumptions for work proposed to be done
Statutory requirements	<p>Work that must be carried out in order to comply with statutory requirements imposed by the insolvency legislation.</p> <p>This includes filing and advertising of appointment documents, assisting the Directors with the production of Statement of Affairs, filing of the Statement of Affairs, submission of VAT and pre and post appointment corporation tax returns, pension queries and dealing with the winding up of pension schemes, preparation of progress reports and dealing with any committee appointed.</p> <p>The budget assumes that the company's records are up to date, that no creditors' committee is appointed and that the case can be concluded in 12 months.</p>
Realisation of assets	<p>Sale of the business including preparation of sales pack, dealing with interested parties, contract negotiations, and post transaction matters, including compliance with terms etc.</p> <p>The time expected to be incurred also relates to the residual asset sale of the office equipment and recovery of the rent deposit.</p> <p>See fee estimate attached.</p>
Investigations	<p>Collection and review of the company's records in order to identify any potential or actual asset recoveries, antecedent transactions, transactions at under value or voidable dispositions. The estimate assumes that no such transactions are uncovered.</p> <p>Reporting to the Department of Business Energy and Industrial Strategy on the conduct of the Directors.</p> <p>See fee estimate attached.</p>
Case specific matters	<p>Time incurred in this respect concerns the general liaison with the Company directors and the instructed solicitors on matters not elsewhere classified.</p> <p>See fee estimate attached.</p>
Creditors	<p>Includes dealing with creditor queries and maintaining a schedule of claims received as well as liaising with the Company's former employees.</p> <p>See fee estimate attached.</p>
Administration and planning	<p>Work that must be carried out in order to deal with the administration of the case.</p> <p>This includes handling of receipts and payments, case planning and strategy, reviews against strategy, liaising with the Company's directors and shareholders, and case closure formalities.</p> <p>The budget assumes that the case can be concluded in 12 months.</p>



APPENDIX E - POST-APPOINTMENT TIME ANALYSIS

Period	Hours Spent	Partners	Directors / Associate Directors	Managers	Associates	Executives & Analysts	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
From 28 July 2023 to 4 August 2023	<b>Statutory Requirements</b>									
	Appointment & SoA	2.5	0.0	0.0	2.4	19.1	0.0	24.0	£ 6,700.00	279.17
	Creditors/shareholders decisions, meetings & reports	1.7	0.0	0.0	5.4	7.7	0.0	14.8	£ 5,225.00	353.04
	Total	4.2	0.0	0.0	7.8	26.8	0.0	38.8	£ 11,925.00	307.35
	<b>Realisation of Assets</b>									
	Assets - general/other	0.3	0.0	0.0	0.0	0.0	0.0	0.3	£ 225.00	750.00
	Sale of business	2.3	0.0	0.0	1.4	0.0	0.0	3.7	£ 2,250.00	608.11
	Total	2.6	0.0	0.0	1.4	0.0	0.0	4.0	£ 2,475.00	618.75
	<b>Creditors</b>									
	Employees	0.0	0.0	0.2	0.0	0.0	0.0	0.2	£ 70.00	350.00
	Unsecured Creditors	0.0	0.0	0.0	0.0	0.6	0.0	0.6	£ 150.00	250.00
	Total	0.0	0.0	0.2	0.0	0.6	0.0	0.8	£ 220.00	275.00
	<b>Administration and Planning</b>									
	Case Management	0.0	0.0	0.0	0.0	0.6	0.0	0.6	£ 150.00	250.00
	Cashiering	0.0	0.0	0.0	0.0	0.7	0.0	0.7	£ 137.50	196.43
	Total	0.0	0.0	0.0	0.0	1.3	0.0	1.3	£ 287.50	221.15
	Total Hours (From Jan 2003)	6.8	0.0	0.2	9.2	28.7	0.0	44.9	£ 14,907.50	332.02
	Total Time Cost (From Jan 2003)	£ 5,100.00	£ 0.00	£ 70.00	£ 3,230.00	£ 6,507.50	£ 0.00	£ 14,907.50		
	Total Hours	6.8	0.0	0.2	9.2	28.7	0.0	44.9	£ 14,907.50	332.02
	Total Time Cost	£ 5,100.00	£ 0.00	£ 70.00	£ 3,230.00	£ 6,507.50	£ 0.00	£ 14,907.50		
	Average Rates	750.00	0.00	350.00	351.09	226.74	0.00	332.02		



## APPENDIX F - PRE-ADMINISTRATION TIME ANALYSIS

Period	Hours Spent	Partners	Directors / Associate Directors	Managers	Associates	Executives & Analysts	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
To 28 July 2023	<b>Statutory Requirements</b>									
	Appointment & SoA	8.9	0.0	0.0	0.8	2.4	0.0	12.1	£ 7,575.00	626.03
	Case Management	0.0	0.0	0.0	0.0	0.2	0.0	0.2	£ 50.00	250.00
	Creditors/shareholders decisions, meetings & reports	1.0	0.0	0.0	0.0	0.0	0.0	1.0	£ 750.00	750.00
	Pre-appointment & background	13.0	0.0	0.0	0.0	0.0	0.0	13.0	£ 9,750.00	750.00
	<b>Total</b>	<b>22.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.8</b>	<b>2.6</b>	<b>0.0</b>	<b>26.3</b>	<b>£ 18,125.00</b>	<b>689.16</b>
	<b>Realisation of Assets</b>									
	Assets - general/other	0.0	0.0	0.0	1.0	0.0	0.0	1.0	£ 375.00	375.00
	Chattels	4.1	0.0	0.0	0.0	0.0	0.0	4.1	£ 3,075.00	750.00
	Land and Property	0.0	0.0	0.0	3.0	0.0	0.0	3.0	£ 1,125.00	375.00
	Sale of business	14.4	0.0	0.0	0.0	0.0	0.0	14.4	£ 10,800.00	750.00
	<b>Total</b>	<b>18.5</b>	<b>0.0</b>	<b>0.0</b>	<b>4.0</b>	<b>0.0</b>	<b>0.0</b>	<b>22.5</b>	<b>£ 15,375.00</b>	<b>683.33</b>
	<b>Case Specific Matters</b>									
	Director(s)/Debtor/Bankrupt	1.7	0.0	0.0	0.0	0.0	0.0	1.7	£ 1,275.00	750.00
	<b>Total</b>	<b>1.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.7</b>	<b>£ 1,275.00</b>	<b>750.00</b>
	<b>Creditors</b>									
	Employees	0.3	0.0	0.4	0.0	0.2	0.0	0.9	£ 415.00	461.11
	<b>Total</b>	<b>0.3</b>	<b>0.0</b>	<b>0.4</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>0.9</b>	<b>£ 415.00</b>	<b>461.11</b>
	<b>Trading</b>									
	Trading	0.7	0.0	0.0	0.0	0.0	0.0	0.7	£ 525.00	750.00
	<b>Total</b>	<b>0.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.7</b>	<b>£ 525.00</b>	<b>750.00</b>
	<b>Administration and Planning</b>									
	Appointment & SoA	0.1	0.0	0.0	0.0	0.0	0.0	0.1	£ 75.00	750.00
	Case Management	2.1	0.0	0.0	1.1	1.8	0.0	5.0	£ 2,437.50	487.50
	Cashiering	0.0	0.0	0.0	0.0	0.7	0.0	0.7	£ 137.50	196.43
Pre-appointment & background	0.0	0.0	0.0	12.6	5.3	0.0	17.9	£ 6,012.50	335.89	
<b>Total</b>	<b>2.2</b>	<b>0.0</b>	<b>0.0</b>	<b>13.7</b>	<b>7.8</b>	<b>0.0</b>	<b>23.7</b>	<b>£ 8,662.50</b>	<b>365.51</b>	
Total Hours (From Jan 2003)	46.3	0.0	0.4	18.5	10.6	0.0	75.8	£ 44,377.50	585.46	
Total Time Cost (From Jan 2003)	£ 34,725.00	£ 0.00	£ 140.00	£ 6,900.00	£ 2,612.50	£ 0.00	£ 44,377.50			
<b>Total Hours</b>	<b>46.3</b>	<b>0.0</b>	<b>0.4</b>	<b>18.5</b>	<b>10.6</b>	<b>0.0</b>	<b>75.8</b>	<b>£ 44,377.50</b>	<b>585.46</b>	
<b>Total Time Cost</b>	<b>£ 34,725.00</b>	<b>£ 0.00</b>	<b>£ 140.00</b>	<b>£ 6,900.00</b>	<b>£ 2,612.50</b>	<b>£ 0.00</b>	<b>£ 44,377.50</b>			
<b>Average Rates</b>	<b>750.00</b>	<b>0.00</b>	<b>350.00</b>	<b>372.97</b>	<b>246.46</b>	<b>0.00</b>	<b>585.46</b>			

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# APPENDIX G - SIP 16 STATEMENT

## SIP 16 STATEMENT

### Rationale for a Pre-Pack Sale

In accordance with Paragraph 3 to Schedule B1 of the Insolvency Act 1986, the Joint Administrators intend to pursue the statutory objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

It is the view of the Joint Administrators that the transaction enables the statutory purpose to be achieved and that the sale price achieved is the best reasonably obtainable in all the circumstances.

This is because the sale of the Intellectual Property Rights ('IPR') and the Prototypes to Henny Penny Corporation ('Henny Penny') was the only outcome whereby funds would be realised for these assets given the lack of interest received during the accelerated marketing process.

The sale to Henny Penny had the result of increasing the asset realisations in this case which will in turn result in a greater return to the Company's creditors as a whole. Had the transaction to Henny Penny not completed then these assets could not have been sold and therefore less funds would have been available to distribute to the unsecured creditors.

### Background

The Company was incorporated in February 2018 and has operated as a sole entity under the trading name Karakuri. The Company has no registered charges against it.

Since incorporation, the ownership of the Company changed following various investments made by third parties in exchange for equity stakes and convertible loan notes (CLN).

As a result, the current ownership is as follows:

- Barnaby Wragg (director) is the majority shareholder with a 36% shareholding.
- Founders Factory Limited retain a 21% shareholding following an investment made in 2018.
- Ocado Group PLC has an interest in the Company through its sub-division Ocado Ventures (Karakuri) Limited which holds a 26% shareholding following an investment in 2019; and
- Five other individuals / entities hold the remaining 17%.

The Company was a provider and manufacturer of highly automated kitchen equipment to assist fast-food and casual restaurant chains. The equipment was manufactured with the intention to fit existing kitchens and was automated to remove labour times and improve food production efficiency.

The Company operated a subscription model with ongoing maintenance services provided by an in-house team as part of the subscription service. This was marketed by the Company as a product which did not require up front capital expenditure and would result in operational expense savings on staff costs as well as general cost savings on ingredients.

The Company has previously negotiated with a number of high-profile restaurants and fast-food chains following successful trial periods of their products. However, no long-term working agreements were established.

### Financial Position

The Company was set up as a technology start-up business and was loss making since inception whilst it developed its core products and services. The losses and the Company's working capital were originally funded via investment from a range of shareholders. As with most technology start-ups, the investors recognised that the Company would need to go through a range of funding rounds prior to achieving profitability.

The Company benefitted from a range of investments, including from the Future Fund – a government scheme to support UK-based SME's facing financial difficulties post-COVID-19.

Extracts of the Company's profit and loss accounts and balance sheets for FY21 and FY22 are shown below:

### **Profit and Loss Account**

<b>Year ended 31 March</b>	<b>FY21 £'000</b>	<b>FY22 £'000</b>
Revenue	-	140
Cost of Sales	-	(18)
<b>Gross profit</b>	-	121

Administrative & Development Expenses	(1,853)	(3,594)
Other Income	-	53
<b>Operating loss</b>	<b>(1,853)</b>	<b>(3,419)</b>

Interest payable	(234)	(508)
Tax credits	598	598
<b>Loss after tax</b>	<b>(1,520)</b>	<b>(3,328)</b>

### **Balance Sheet**

<b>Year ended 31 March</b>	<b>FY21 £'000</b>	<b>FY22 £'000</b>
<b>Fixed Assets</b>		
Intangibles	1,986	3,107
Tangibles	141	137
	<b>2,127</b>	<b>3,244</b>
<b>Current Assets</b>		
Non-current debtors	143	143
Current debtors	729	1,281
Cash at bank	9,123	5,505
Current creditors	(202)	(500)
<b>Net Current Assets</b>	<b>9,792</b>	<b>6,429</b>
<b>Total assets less current liabilities</b>	<b>11,919</b>	<b>9,673</b>
Non-current creditors	(6,584)	(7,092)
Provisions: Deferred Tax	(380)	(733)
<b>Net Assets</b>	<b>4,955</b>	<b>1,848</b>
<b>Capital and Reserves</b>		
Called up share capital	1	1
Share premium account	7,150	7,150
Other reserves	158	379
P/L account	(2,353)	(5,682)
	<b>4,955</b>	<b>1,848</b>

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As can be seen in the extracts above, the Company's cash resources diminished as it invested in the development of its core products and services, while minimal revenue was achieved.

The Company anticipated a further fund raising would be required in late 2022 / early 2023 to secure the necessary funding to take the Company to profitability. The Directors at this stage anticipated the fund-raising prospects were good as the development of the underlying products was going well and customer feedback was positive.

However, the economic uncertainty associated with the war in Ukraine, the Truss government and rapidly increasing interest rates has made the venture-based fund-raising environment for early-stage businesses challenging. After approaching over 150 Venture Funds in the UK, Europe and the US, the Directors recognised in early 2023 that securing the necessary funding may not be achieved and commenced steps to mitigate the risks associated with funding not being secured.

#### Initial Introduction

Damian Webb of RSM Restructuring Advisory LLP was initially introduced to the Company in January 2023 by Roland Lamb, a former client of RSM, while the Directors considered their options for the future of the Company.

Although the Company was not facing immediate creditor pressure at the time, the level of cash outflow was deemed unsustainable and management forecasts indicated that the cash reserves would be depleted in full by Q4 2023.

Aware of their respective duties to their stakeholders, notably the Company's shareholders and creditors, the Directors sought to take the appropriate actions to protect the respective stakeholder positions and to comply with their fiduciary duties.

This resulted in Damian Webb being formally engaged by the Company on 20 March 2023 to provide high-level advice to the Company, including monitoring the ongoing financial situation, reviewing the Company's immediate cash needs and providing contingency planning support and advice.

This included running an accelerated sales process to explore whether a suitable offer could be made for the Company and/or its business and assets.

#### Options Considered

A number of options were considered, including:

1. The seeking of additional funding
2. A Company Voluntary Arrangement (CVA)
3. Liquidation
4. Trading the business within Administration
5. Sale of the Company's business and assets via a pre-packaged Administration.

#### Additional funding

In January 2023, the Directors recognised that an externally led investment round was highly unlikely to succeed. As a result, the existing shareholders agreed to lead a new round of investment into the business. This investment was to be at an equal valuation to that secured in April 2019.

A condition of this investment was that the Future Fund loan note holders accept a change in the conversion valuation of their CLN. All of the other CLN holders agreed to this variation of terms and so Management filed a formal request to vary the CLN terms via the Future Fund portal. However, despite the other CLN holders having approved the variation, the Future Fund declined to support the change in terms.

The consequence of the Future Fund's decision was that the terms for internally led investment could not be met, and therefore investment could not progress.

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## **Company voluntary arrangement**

In the absence of new funding a CVA was not deemed a viable option.

## **Liquidation**

In a Liquidation, the Company would cease to trade eroding any potential goodwill value and allowing less opportunity to maximise the asset realisations which would affect the return to creditors. It would also mean all the employees would be made redundant which would have the effect of increasing creditor claims.

## **Trading the business within Administration**

Consideration was also given to whether it would be more appropriate to trade the business and offer it for sale as a going concern during the Administration. However, this was not feasible because:

- There was no funding available to meet the costs of a trading Administration; and
- The cost of trading in Administration would have been significantly greater than the costs associated with a sale of the Company's assets by way of a pre-packaged Administration.

## **Sale of the Company's business and assets via a pre-packaged Administration.**

The Directors concluded that pursuing a strategy of a pre-packaged sale in Administration, rather than immediately closing down the Company, was the most appropriate course of action to maximise the return to creditors in the circumstances.

This allowed the Directors to pursue a sale of the Company's business and assets and could potentially allow for a transfer of the employees, which would result in saved jobs and would minimising the associated claims against the Company.

### **Consultation with Creditors**

Once formally engaged in March 2023, Damian Webb and the Directors consulted with the largest of the unsecured creditors, being the CLN holders who represented c95% of total creditor claims.

Throughout the accelerated sale process, weekly updates were provided to ensure they were kept advised of the process and how the different outcomes would affect any potential return to them.

### **Marketing of the Business and Assets**

During RSM's accelerated sale process, the opportunity was marketed to a targeted audience by the sharing of a teaser document prepared by RSM using information provided by management.

The teaser document was shared with a total of 170 parties on 2 May 2023 via email. These parties were sourced via a number of different means including:

- Internal RSM contacts across both the Restructuring and Corporate Finance departments
- Circulated to RSM partners and directors to share with their contacts
- Parties on RSM's distressed investor / Private Equity list
- Contacts provided by management
- The opportunity was also posted on IPBid.com.

The business and assets of the Company were marketed for a period of 10 days and led to teasers being sent to 11 parties. This was considered an appropriate length of time noting that marketing of the Company (via a solvent sale) had been undertaken previously by the Directors as well as consideration of the cash outflow each month which was being used to continue business operations.

The accelerated timetable meant that in the event that the business or assets of the Company were not sold, the cash reserves were maximised to allow a return to the creditors.

### **Valuation of the Business and Assets**

Peter Atkinson of Hilco Valuation Services ('Hilco') undertook the valuation of the Company's business and assets. Hilco is MRICS-accredited and is experienced in valuing businesses within a pre-pack and insolvency processes.

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RSM UK Restructuring Advisory LLP operates an 'agent's panel', which requires agents to confirm they have considered their independence prior to accepting any instruction, and that they hold adequate Professional Indemnity Insurance.

Valuations are commonly undertaken on 'ongoing, in-situ or ex-situ' bases. These terms are explained below.

Going-Concern	assets remain in existing location and are valued on a 'continuing use' basis
In-situ	assets remain in existing location, but 'continuing basis' not taken into account
Ex-situ	assets valued as individual items for removal, also known as 'break up' basis e.g. the assets will not be used to continue the business in existing location.
Profit / Revenue Based	'enterprise' valuation based on a multiple of future turnover, earnings or profit

As the majority of the Company's value resided in the Intellectual Property Rights and the products the Company was developing, we asked Hilco to undertake a visit to the Company's offices to explore what value the physical assets of the Company may derive, with the intangible assets value being driven by what parties were prepared to offer for them.

The intangible assets were valued on an ex-situ bases on a forced sale basis. This provided the Joint Administrators with a benchmark against which offers could be compared, whereby the Administrators accepted the highest offer for the Intellectual Property Rights and Prototypes at £350,000. Further details on this offer are mentioned below.

Hilco valued the tangible assets at the Company's offices at £30,000, and these are expected to be sold via auction post-appointment. However, after removing the equipment from the offices it is expected that the net realisable value of the tangible assets to be £15,000 once all costs are accounted for.

#### Offers Received

In total, there were three expressions of interest, two of which were deemed to be credible and one which was dismissed after we learned of a recent filing made by the Secretary of State for Business concerning the party's directors.

The two credible interested parties were sent non-disclosure agreements ('NDA'). Once the NDAs were signed and returned, the parties were granted access to the data room, which contained various information about the Company's business and assets as well as general operations.

By the deadline of 12 May 2023, no offers had been received.

Given the lack of interest received during the sale process, the Directors considered their position and the duties to the creditors and reached the conclusion that the Company should be placed into Administration.

However, once the deadline had passed and as the Directors prepared to place the Company into Administration, two companies who had previously been in contact with the Company at the start of the year expressed a potential interest in certain of the assets belonging to the Company and therefore the appointment of Administrators was postponed until this interest was explored further.

One of the parties was issued with an NDA and had a call with management to discuss the assets which were being sold, however, the party formally withdrew their interest via email following this discussion.

The other party, Henny Penny (a company based in the USA) had been aware of the Company's products prior to the RSM sales process, having previously had discussions with management about working together. Henny Penny reviewed the opportunity beginning 1 June 2023, which included their teams visiting the UK and performing various aspects of diligence on the business. However, on 16

June 2023 they confirmed that they would not be pursuing the opportunity to acquire the Company's business and assets.

As a consequence, the Directors had no viable opportunities to sell the business, and so they informed the Company's staff on 19 June that they would be made redundant. It was anticipated the staff would be engaged to wind down the Company's affairs to potentially enhance realisations by organising and packaging up of key assets for sale.

However, on 27 June, Henny Penny contacted RSM in their capacity as proposed Administrators and – after further negotiation – issued a formal offer of £334,000 + VAT for certain of the Company's assets on 7 July 2023. This offer was accepted, and it was noted that significant support from Company staff would be required to conclude the transaction.

The Directors and Administrators therefore agreed to enter into settlement agreements with the Company's employees in order to retain their services. The payments associated with these agreements were conditional on successful conclusion of the sale.

The apportionment of sale consideration is set out below. The assets achieved more than anticipated because of the unique nature of the assets being sold.

#### The Transaction

The assets of the Company below were sold to Henny Penny on 28 July 2023. Henny Penny is not considered a connected party in this transaction.

<b>Assets</b>	<b>Apportionment of Consideration (£)</b>
Prototypes (excluding VAT)	80,000
The Intellectual Property Rights (no VAT)	254,000
<b>Net</b>	<b>334,000</b>
<b>Vat</b>	<b>16,000</b>
<b>Total</b>	<b>350,000</b>

The sale consideration was received in full on 28 July 2023.

#### Ethical considerations

The Joint Administrators do not consider that their work prior to appointment creates an ethical conflict that would prevent them accepting the appointment as administrators.

The Joint Administrators' role in the pre-appointment period, in relation to AMA and pre-appointment Administration work, was to advise the Company and not the Directors in their personal capacity, or any parties connected with the purchaser, in connection with the transaction.

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# APPENDIX H - NOTICE SEEKING DECISION

Rules Rule 15.7,  
3.38, 3.39, 3.52,  
18.18, 18.24, of the  
Insolvency (England  
and Wales) Rules  
2016

**In the High Court of Justice, Business & Property Courts in Birmingham No BHM-00425 of 2023  
Karakuri Ltd In Administration**

**Company No: 11228129**

**Registered office: RSM UK Restructuring Advisory LLP, 25 Farringdon Street, London, EC4A 4AB**

**Damian Webb and Gordon Thomson appointed as Joint Administrators to the above on 28 July 2023**

**Date Joint Administrators Proposals delivered to the creditor 4 August 2023**

**Decision date: 23 August 2023**

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**Notice seeking decision by a Qualifying Decision Procedure pursuant to Section 246ZE of the Insolvency Act 1986**

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The Joint Administrators are seeking a decision of the creditors by correspondence. The decisions on the following matters will be made at 23.59 hours on the decision date unless the threshold for requesting a physical meeting is met or exceeded within the requisite time scale.

**Decisions being sought:**

1. That the Joint Administrators' Proposals be approved
2. That a creditors' committee will **not** be established
3. That the Joint Administrators shall be authorised to pay their outstanding pre-administration fees as set out in their Proposals dated 4 August 2023
4. That the Joint Administrators shall be authorised to pay their outstanding pre-administration 'Category 1' costs and expenses as set out in their Proposals dated 4 August 2023
5. That the Joint Administrators shall be authorised to pay their outstanding pre-administration 'Category 2' disbursements as set out in their Proposals dated 4 August 2023
6. That the Joint Administrators shall be authorised to draw their fees on the basis set out in their Proposals dated 4 August 2023
7. That the Joint Administrators shall be authorised to pay their Category 2 Disbursements on the basis set out in their Proposals dated 4 August 2023. In the event that the administration exits by way of liquidation and the administrators are appointed liquidators, such resolution shall be treated as being passed in the liquidation.
8. That the Joint Administrators will be discharged from liability in respect of any action of theirs as Joint Administrators immediately following their cessation to act as Joint Administrators

**Voting**

A VOTING FORM is attached, detailing the matters which require your decision, which should be completed and returned to RSM UK Restructuring Advisory LLP, 25 Farringdon Street, London, EC4A 4AB on or before the decision date.

Further, you must also have submitted a proof of debt form to the same address on or before the decision date, and that proof of debt must have been admitted for the purposes of entitlement to vote.

**Secured creditors**

SECURED CREDITORS must give particulars of their security and its value if they wish to vote. The value for voting purposes (unless they surrender their security) is the value of the unsecured part.



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### Opted out creditors

CREDITORS who have OPTED OUT from receiving notices may nevertheless vote if the creditor provides a proof of debt form and voting form in accordance with the above provisions.

### 'Small debts'

CREDITORS whose debts are treated as a SMALL DEBT in accordance with Rule 14.31(1) of the Insolvency (England and Wales) Rules 2016 must still deliver a proof of debt if they wish to vote. Rule 14.31(1) states that Office Holders may treat a debt, which is a small debt according to the accounting records or the statement of affairs of the company, as if it were proved for the purposes of paying a dividend. Small debts are defined in Rule 14.1(3) as a debt (being the total amount owed to a creditor) which does not exceed £1,000.

### Request for physical meeting

Creditors may request that a physical meeting of creditors be held to consider the proposed decision. Any such request must be made, in writing, to the address below, on or before **17 August 2023**. Any such request must be accompanied by a completed proof of debt form.

A physical meeting will be held if requested by either 10% in value, or 10% in number or 10 of the company's creditors (collectively 'the requisition threshold').

### Requisition Threshold

If the requisition threshold for requesting a physical meeting is met or exceeded the Qualifying decision procedure will be terminated and a physical meeting of creditors will be held.

### Appeals

A creditor who disagrees with the manner in which they are treated in relation to the above decision procedure may appeal to the Court within 21 days of the decision date.

### Manager contact details:

Luke Jones

RSM UK Restructuring Advisory LLP, 25 Farringdon Street, London, EC4A 4AB

Tel: 0203 201 8000

Email: restructuring.london.core@rsmuk.com

### Name, address and contact details of Joint Administrators

#### Primary office holder:

Damian Webb

RSM UK Restructuring Advisory LLP

25 Farringdon Street, London, EC4A 4AB

Tel: 020 3201 8000

Email: restructuring.london.core@rsmuk.com

IP Number: 14970

Date of appointment: **28 July 2023**

#### Joint office holder:

Gordon Thomson

RSM UK Restructuring Advisory LLP

25 Farringdon Street, London, EC4A 4AB

Tel: 020 3201 8000

Email: restructuring.london.core@rsmuk.com

IP Number: 24974

Date of appointment: **28 July 2023**

Signed



Dated 4 August 2023

Joint Administrator

**NOTE: Please complete a proof of debt and return it together with a detailed statement of your account and any other relevant documentation to Luke Jones, at the address above. This is available on the creditors' portal.**

# APPENDIX I - VOTING PAPER

Rules Rule 15.7, 3.38, 3.39, 3.52, 18.18, 18.24, of the Insolvency (England and Wales) Rules 2016

**Karakuri Ltd IN ADMINISTRATION**

**Company No: 11228129**

**Decision date: 23 August 2023**

## Voting Paper

If you wish your vote to be counted please ensure you return this form, duly completed together with a proof of debt (if one has not already been submitted) and a detailed statement of your claim on or before the decision date stated above.

### Voting instructions for decisions

**For**      **Against**  
(select by applicable  
checking box)

- |   |                          |                          |
|---|--------------------------|--------------------------|
| 1. That the Joint Administrators' Proposals be approved   | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. That a creditors' committee will <b>not</b> be established   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. That the Joint Administrators shall be authorised to pay their outstanding pre-administration fees as set out in their Proposals dated 4 August 2023   | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. That the Joint Administrators shall be authorised to pay their outstanding pre-administration 'Category 1' costs and expenses as set out in their Proposals dated 4 August 2023  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. That the Joint Administrators shall be authorised to pay their outstanding pre-administration 'Category 2' disbursements as set out in their Proposals dated 4 August 2023   | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. That the Joint Administrators shall be authorised to draw their fees on the basis set out in their Proposals dated 4 August 2023   | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. That the Joint Administrators shall be authorised to pay their Category 2 Disbursements on the basis set out in their Proposals dated 4 August 2023. In the event that the administration exits by way of liquidation and the administrators are appointed liquidators, such resolution shall be treated as being passed in the liquidation. | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. That the Joint Administrators will be discharged from liability in respect of any action of theirs as Joint Administrators immediately following their cessation to act as Joint Administrators  | <input type="checkbox"/> | <input type="checkbox"/> |

I confirm that I am / I am not a connected party or associate of the as defined by Sections 249 and 435 of the Insolvency Act 1986.

Name of creditor

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Address of creditor

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Amount of creditor's claim   £

Proof of debt/statement of claim submitted   \*Yes / No

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Name in BLOCK LETTERS \_\_\_\_\_

Position of signatory in relation to  
creditor, if not the creditor

# APPENDIX J - PROOF OF DEBT

## Rule 14.4 of the Insolvency (England and Wales) Rules 2016

### PROOF OF DEBT

<b>In the High Court of Justice, Business &amp; Property Courts in Birmingham No BHM-00425 of 2023</b> <b>Karakuri Ltd In Administration</b> <b>Company No: 11228129</b> <b>Damian Webb and Gordon Thomson appointed as Joint Administrators to the above company on 28 July 2023</b>		
Relevant date for creditors' claims: 28 July 2023		
1	Name of creditor <small>If a company please also give company registration number</small>	
2	Address of creditor for correspondence.	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the relevant date. <small>Less any payments made after that date in relation to the claim, any deduction in respect of discounts and any adjustment by way of mutual dealings and set off in accordance with relevant legislation</small>	£
4	Details of any documents by reference to which the debt can be substantiated. <small>There is no need to attach them now, but you should retain them safely as the Joint Administrators may ask you at a future date 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.</small>	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount.	£
6	Particulars of how and when debt incurred <small>If you need more space append a continuation sheet to this form</small>	
7	Particulars of any security held, the value of the security, and the date it was given.	£ Date
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.	
	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Date	
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	

#### Notes:

1. This form can be authenticated for submission by email, to [restructuring.london.core@rsmuk.com](mailto:restructuring.london.core@rsmuk.com), 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