

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

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

1 Company details

Company number 0 0 4 7 9 4 8 4

Company name in full LK008 Property Holdings Limited (formerly L. Kahn
Manufacturing Company Limited t/as Caressa Kahn)

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

2 Court details

Court name High Court Of Justice The Business & Property
Courts of England & Wales

Court case number C R - 2 0 2 3 - 0 0 2 6 8 2

3 Administrator's name

Full forename(s) David

Surname Birne

4 Administrator's address

Building name/number Pearl Assurance House

Street 319 Ballards Lane

Post town Finchley

County/Region London

Postcode N 1 2 8 L Y

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

5	Administrator's name ^①	
Full forename(s)	Stephen	① Other administrator Use this section to tell us about another administrator.
Surname	Katz	

6	Administrator's address ^②	
Building name/number	Pearl Assurance House	② Other administrator Use this section to tell us about another administrator.
Street	319 Ballards Lane	
Post town	Finchley	
County/Region	London	
Postcode	N 1 2 8 L Y	
Country		


7	Appointor/applicant's name	
	Give the name of the person who made the appointment or the administration application.	
Full forename(s)	Bibby Financial Services Limited	
Surname		

8	Proposed liquidator's name	
Full forename(s)	David	
Surname	Birne	
Insolvency practitioner number	9 0 3 4	

9	Proposed liquidator's address	
Building name/number	Pearl Assurance House	
Street	319 Ballards Lane	
Post town	Finchley	
County/Region	London	
Postcode	N 1 2 8 L Y	
Country		

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Notice of move from administration to creditors' voluntary liquidation

10	Proposed liquidator's name ^①	
Full forename(s)	Stephen	
Surname	Katz	
Insolvency practitioner number	8 6 8 1	
	① Other liquidator Use this section to tell us about another liquidator.	
11	Proposed liquidator's address ^②	
Building name/number	Pearl Assurance House	
Street	319 Ballards Lane	
Post town	Finchley	
County/Region	London	
Postcode	N 1 2 8 L Y	
Country		
	② Other liquidator Use this section to tell us about another liquidator.	
12	Period of progress report	
From date	d 2 2 m 1 1 y 2 0 y 2 3	
To date	d 1 6 m 0 4 y 2 0 y 2 4	
13	Final progress report	
	<input checked="" type="checkbox"/> I have attached a copy of the final progress report.	
14	Sign and date	
Administrator's signature	Signature X  X	
Signature date	d 1 6 m 0 4 y 2 0 y 2 4	

**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 **Shanice Kearns**

Company name **Begbies Traynor (London) LLP**

Address **Pearl Assurance House**

319 Ballards Lane

Post town **Finchley**

County/Region **London**

Postcode **N 1 2 8 L Y**

Country

DX

Telephone **020 8343 5900**

**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 or email enquiries@companieshouse.gov.uk

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

David Birne and Stephen Katz appointed Joint Administrators on 22 May 2023

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.

LK008 Property Holdings Limited (formerly L. Kahn Manufacturing Company Limited t/as Caressa Kahn) (In Administration)

Final Progress Report of the Joint Administrators

Period: 22 November 2023 to 16 April 2024

Important Notice

This final progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. 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.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	LK008 Property Holdings Limited (formerly L. Kahn Manufacturing Company Limited t/as Caressa Kahn) (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 22 May 2023
"the administrators", "we", "our", "us"	David Birne and Stephen Katz of Begbies Traynor (London) LLP, Pearl Assurance House, 319 Ballards Lane, Finchley, London, N12 8LY
"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.

2. STATUTORY INFORMATION

Name of Company	LK008 Property Holdings Limited (formerly L. Kahn Manufacturing Company Limited t/as Caressa Kahn) (name changed as part of the sale assets)
Trading name(s):	
Date of Incorporation:	14 March 1950
Company registered number:	00479484
Company registered office:	Wellfield Road, Hatfield, AL10 0BS

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators:	David Birne and Stephen Katz, Licensed Insolvency Practitioners of Begbies Traynor (London) LLP, Pearl Assurance House, 319 Ballards Lane, Finchley, London, N12 8LY
Date of appointment:	22 May 2023
Court:	High Court Of Justice The Business & Property Courts of England & Wales
Court Case Number:	CR-2023-002682
Person(s) making appointment / application:	The Qualifying Floating Charge Holder – Bibby Financial Services Limited ("Bibby")
Acts of the administrators:	The 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)
Extensions of the administration period	There have been no extensions to the administration period.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 22 November 2023 to 16 April 2024.

The movement for the period from 22 November 2023 to 16 April 2024 is set out below.

This section should be read in conjunction with our 6th month progress report dated 19 December 2023.

Receipts

Drawdown Bibby Financial Services Ltd ("Bibby")

This represents the funds advanced by Bibby and debtors subsequently realised.

As previously stated, Bibby were repaid during the course of the Administration and then continued to forward debtor receipts in to the Administration bank account.

During the period under review, a further amount of £122,831.72 was transferred by Bibby into the Administration bringing the total funds in relation to the book debt receipts received into the Administration from Bibby to £874,621.17.

DVLA Tax Refund

The amount of £337.50 has been received in respect of vehicle tax refunds following the sale of several of the Company's vehicles.

Bank Interest

The funds in hand are held in an interest-bearing account with a High Street Bank in the Office Holders' names as Joint Administrators of the Company.

Interest earned on the funds in hand during the period under review amounts to £14,436.50. Total interest received £18,078.26.

Payments

Suppliers/Duress Creditors

This represents the amounts paid to suppliers and duress creditors necessary for the ongoing trading of the Company in Administration. Trading ceased upon the successful sale of the business and assets on 18 October 2023. Whilst the receipts and payments account shows sums paid in the period there are accrued expenses still to be ascertained and paid as detailed in the trading account.

Other Expenses

As detailed in the realisation of asset section of this report. These relate to expenses incurred in relation to the property to facilitate the sale of the property. This includes, waste management, property consultancy, electrical work and systems maintenance.

Agents Fees

These have been incurred during the period under review as follows:-

DSI Communication Ltd were engaged to assist with extracting and obtaining a backup the Company's financial and data information. They have been paid £4,060 plus VAT in relation to their work.

The amount of £350 plus VAT was paid to Evolve, who provided assistance with regard to calculating the pension contributions due to NEST and assisting in submission of the information required.

The total amount of £34,554.28 has been paid during the course of the Administration. Please refer to our previous report for details of the other expenses which have been paid.

Legal Fees

The following legal fees have been incurred for the period under review:-

The amount of £10,000 plus VAT has been paid to Grosvenor Law in respect of their legal assistance and advice in relation to the SCG Trading Limited and shareholder loans.

As previously advised, we instructed lawyers in China to obtain information with regard to the Muyazi (Shanghai) Industrial Co. Ltd matter. The amount of £3,601.19 has been paid in respect of their legal fees during the period under review.

The total amount of £38,574.69 has been paid during the course of the Administration. Please refer to our previous report for details of the other legal fees incurred.

Professional Fees

This represents the fees paid for accountancy services provided by Bossville Limited ("Bossville") in the period. Bossville is an accountancy and consultancy business owned and managed by Mukesh Raja. The decision to retain him to assist with the accountancy in the Administration was based on his pre-existing knowledge of the Company's affairs and accounting systems. Bossville is a creditor of the Company in the sum of £55,000 and Mr Raja and his family are also creditors of the Company in the sum of £302,273.

During the period under review the amount of £22,200 plus VAT has been paid.

Utilities

The amount of £10,914.95 was paid to Total Energies during the period under review.

Employee Expenses

The amount of £1,502.96 was paid to Richard Michel in respect of his expenses incurred during the trading period.

Insurance

The amount of £19,240.25 was paid to Eddisons, who provided insurance cover in respect of the Company's business, assets and trading premises.

Pension Contributions

This reflects the Company's contributions towards the employees' pension scheme.

Bank Charges

The amount of £75 was incurred during the period under review in respect of bank charges.

Joint Administrators Disbursements

This represents paid disbursements consisting of travel expenses, mileage, and professional charges incurred.

Joint Administrators Post-Appointment Remuneration

During the period covered by this report, the sum of £214,586.45 plus VAT has been paid as approved by the creditors on 31 July 2023 and 17 January 2024. This is explained in more detail below.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

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 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 done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 3.

General case administration and planning

Periodic internal reviews have been carried out in order to ensure satisfactory progression of the case and that all statutory and regulatory obligations have been complied with.

Generally, it is necessary to maintain records to demonstrate how the case has been administered and to ensure reasons for decisions that materially affect the case are adequately documented. Meetings with the case manager and team have accordingly been held regularly to assess case status and ensure adherence to these requirements. Standard case reviews have also been conducted and documented periodically. The following work has also been undertaken since appointment:

- Opening a designated bank account and dealing with the movement, investment and allocation of funds;
- Corresponding with the Company's pre-administration bankers to freeze all accounts to any future outgoing payments, cancel all Direct Debits and Standing Orders and set up weekly sweep of funds in the account across to the designated estate account;
- Completing various searches at Companies House to obtain statutory information on the Company;
- Submitting a VAT 769 notifying HM Revenue & Customs that the Company is now in Administration;
- Handling the ongoing queries of the Company's directors in respect of various matters;
- Obtaining access to the Company's electronic records, including those related to book debts, payroll and accounts; Ongoing issues surrounding data back up and multiple calls and emails with agents backing up data.
- Correspondence with solicitors

- General accounting, banking and cashiering including the processing of payments, maintenance of estate cash book postings and carrying out regular bank account reconciliations;
- Drafting and reviewing the Administrators proposals and estimated outcome statements and statement of affairs
- Circulating to creditors the proposals
- Drafting, review and circulation of the 6th month Progress Report.
- Meeting on site with directors re administration strategy and file notes
- Ongoing reviews of cashflows and creditors with directors and accounts team and discuss employees. Review of CKC position

Whilst work undertaken in this category does not provide a direct financial benefit to creditors, it is a necessary part of the general control of all formal insolvency appointments.

Compliance with the Insolvency Act, Rules and best practice

Included in the work undertaken during the period under this heading is the following:

- Filing notice of the appointment of administrators with the Registrar of Companies;
- Serving notice of the appointment on the Company;
- Applying for the Joint Administrators bonds, as required by the Insolvency Practitioners Regulations 2005 and reviewing the adequacy of the bond periodically;
- Writing to all known creditors as soon as reasonably practicable following appointment to provide notice of the appointment;
- Publishing the necessary statutory advertisement in respect of the administration proceedings in the London Gazette;
- Preparing a paragraph 49 Report and formulating the Joint Administrators' Statement of Proposals;
- Updating case checklists and statutory diaries where necessary;
- Ongoing consideration of ethical practice codes.

This work does not provide a direct financial benefit to creditors, however is required in accordance with relevant insolvency legislation and best practice

Investigations

We have a statutory duty to investigate the conduct of the directors 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 affairs of the Company and causes of its failure.

In accordance with the Company Directors Disqualification Act 1986, we have submitted a report on the conduct of the directors of the Company to the Department for Business, Energy & Industrial Strategy (BEIS).

Pursuant to Statement of Insolvency Practice 2, we are required to make an initial assessment as to whether there could be any matters that might lead to the recoveries for the estate and what further investigations may be appropriate.

In order to obtain further information to assist with this initial assessment and with our report to BEIS on the conduct of the Company's directors, an investigation questionnaire was issued to creditors with the notification of the administration.

Investigations are continuing however details cannot be disclosed in order not to prejudice these enquiries.

Realisation of assets

All significant assets have now been realised with the exception of the investigation matters referred to below. Please refer to our previous report for details of the realisations made during the course of the Administration.

Other Work Carried Out

Utilities

We are still in communication with one of the utility companies with regard to agreeing usage during the administration trading period. This matter is ongoing.

Accounting systems and backups

As set out in our previous report, we had been actively working alongside the Company's consultant accountant and Director to obtain the required information in order for the accountants, HW Fisher to prepare the financial statement for the trading period.

Work has continued in this regard during the period under review and until the calculations have been finalised by our tax consultant and submitted to HMRC the position is still uncertain.

Muyazi (Shanghai) Industrial Co. Ltd ("MYZ")

We are continuing to engage with our lawyers in China to obtain information and ascertain the value of the shareholding in MYZ and whether there any financial benefits due to the Company. This should result in a benefit to creditors although there is uncertainty and work will continue in this regard.

SCG Trading Limited ("SCG") and shareholders loan re SCG Trading Limited

As advised in our previous report, the Company's books and records showed the sum of £761,400 and £148,639 as being owed as a shareholder loan. Enquiries are continuing into these balances.

Shareholder loan/claim

Our enquiries in respect of a shareholder dispute in 2019 are continuing and we cannot provide further detail at this time so as not to prejudice the ongoing investigations.

Dealing with all creditors' claims, correspondence and distributions

Secured Creditors

It has been necessary to deal with the queries of the secured creditors, West One Loans Limited ("WOL") and Bibby Financial Services Limited ("Bibby"), their legal representatives and also to engage in

correspondence regarding the satisfaction of their charges following the realisation of assets as set out above.

Trade & Expenses and Crown Creditors

The unsecured claims of the Company's trade and expense creditors have been lodged on our internal case management system when received. Ongoing work has included acknowledging claims, answering telephone enquiries and emails from creditors and dealing with correspondence therewith. As full accounts are needed in order to substantiate the pre-appointment trading losses certain significant unsecured creditor accounts were reviewed in more detail.

To date we have received claims from 48 unsecured creditors totalling £2,855,054.70.

Other matters which includes seeking decision of creditors via deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel

VAT – Completing and submitting VAT returns periodically in order to ensure that VAT on estate transactions is administered correctly. All VAT return for the trading period have now been submitted and we are awaiting a VAT refund from HMRC as set out at Appendix 1.

5. OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals and are summarised as follows:

Secured creditors

Bibby Financial Services Ltd ("Bibby") had a fixed and floating charge which was created on 10 September 2021 and delivered at Companies House on 13 September 2021. Bibby have been repaid in full and their charge was satisfied at Companies House on 29 September 2023.

WOL had a fixed and floating charge which was created on 31 May 2022 and delivered at Companies House on 9 June 2022. As at the date of our appointment, WOL were owed £4,620,000. WOL have been repaid in full and their charge was satisfied at Companies House on 29 September 2023.

Preferential creditors

Employees were all paid their wages and any holiday pay was transferred to the purchaser under the TUPE regulations.

As the bank account was frozen after the petition was issued, there was a month's pension liability to distribute and some element of this is preferential. This has been paid in full.

Secondary preferential creditor

Further to the changes to the Finance Act 2020, HM Revenue & Customs are now able to claim secondary preferential status for certain liabilities. Taxes owed by the business to HMRC comprising of VAT, PAYE Income Tax, Employee National Insurance Contributions, Student loan deductions and Construction Industry Scheme deductions fall under the secondary preferential status.

HM Revenue & Customs have submitted a claim in the amount of £47,222.89 in respect of unpaid PAYE. As realisations have been sufficient to facilitate payment of HMRC's secondary preferential claim this claim has been paid in full.

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

Details of how the prescribed part is calculated have previously been provided in our statement of proposals and in our previous progress report.

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is required for distribution to the unsecured creditors.

Unsecured creditors

Claims of unsecured non-preferential creditors were calculated at circa £2,110,232 in the Estimated Statement of Affairs. To date, claims totalling £2,855,054.70 have been lodged by 48 creditors. These have only been logged on our system at this stage. Formal adjudication of unsecured creditor claims will commence once the Administration is moved into Liquidation although some of the more significant creditors claim have been reviewed as described above.

As we have sufficient realisations, a distribution to the unsecured non-preferential creditors will be declared in the Liquidation. The creditor position hasn't been finalised therefore at this time, we can only provide an estimate of the dividend level which is 59 pence in the pound. Please note that this is subject to the costs and expenses of the Liquidation and residual Administration expenses (including taxation) and any costs of trading which have not yet been identified or paid. Please note that the creditors claim in the outcome statement included projected creditor claims where proof of debts have not yet been received. Once the Company moves to Liquidation, creditors will be requested to formally prove their debt and claims adjudicated. At that point the level of creditors' claims will be clearer.

Exit from administration

Once the Notice of move from Administration to Creditors' Voluntary Liquidation (Form AM22) has been registered at Companies House (which we anticipate shortly), our appointment as Administrators will cease to have effect and the Company will be deemed to be subject to Creditors' Voluntary Liquidation with the former administrators acting in the capacity as Joint Liquidators of the Company.

6. ADMINISTRATORS' PROPOSALS

Attached at Appendix 2 is a summary of our proposals as approved by decision of creditors via deemed consent procedure.

7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

Full details of the steps taken by the Joint Administrators throughout the period of the appointment may be found in our previous progress report and in Section 4 above.

Creditors will recall from the Report and Statement of Proposals dated 19 December 2023, that the statutory purpose of the administration being pursued was that set out at subsection 3(1)(b) of Schedule B1 to the Act, 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.

As demonstrated above, the trading of the Company has resulted in a substantially greater return to the estate from the Company's assets than would have been the case had the Company proceeded straight to liquidation. As a result of this strategy, the Company's secondary preferential creditor will be paid in full, and funds will also be available for a general distribution to unsecured creditors. Consequently, we consider that the statutory purpose of the administration has been fully achieved.

The Statement of Proposals provides that, once the purpose of the administration has been achieved, the Joint Administrators may exit the administration by delivering a notice of moving from administration to CVL to the Registrar of Companies and that the Joint Administrators, Stephen Katz and I, would be appointed as Joint Liquidators of the Company. Exiting the administration via a move to CVL is appropriate as this is required for a general distribution to the Company's unsecured non-preferential creditors to take place.

8. PRE-ADMINISTRATION COSTS

On 31 July 2023 the following amount in respect of unpaid pre-administration costs were approved by decision of creditors sought via a Decision Procedure by correspondence.

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Fees in relation to pre-appointment work.	Begbies Traynor	39,707.00	7,941.40	47,648.40

9. REMUNERATION & EXPENSES

Our remuneration has been fixed by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (London) LLP in attending to matters as set out in the fees estimate. The initial fees estimate provided to creditors at the time of approval of our remuneration was £291,222.67.

On 17 January 2024, creditors approved a revised fees estimate as follows:-

1. ***THAT Begbies (Joint Administrators') incurred fees (above initial fees estimate) to 21 November 2023 in the sum of £153,290.63 be approved.***
2. ***THAT Begbies (Joint Administrators') further fee estimate in the sum of £60,073.15 be approved.***

Accordingly, our total approved fees estimate increased to £504,586.45.

We are also authorised to draw expenses, including expenses for services provided by our firm (defined as category 2 expenses in Statement of Insolvency Practice 9), in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 3 of this report.

Our time costs for the period from 22 November 2023 to 16 April 2024 amount to £152,732.80 which represents 263.12 hours at an average rate of £580.29 per hour.

Our time costs for the period of the Administration from 22 May 2023 to 16 April 2024 amount to £597,756.10 which represents 1,060.12 hours at an average rate of £563.81 per hour.

The following further information in relation to our time costs and expenses is set out at Appendix 3:

- ❑ Begbies Traynor (London) LLP's charging policy
- ❑ Time Costs Analysis for the period 22 November 2022 to 16 April 2024
- ❑ Time Costs Analysis for the period 22 May 2023 to 16 April 2024

To 16 April 2024, we have drawn the total sum of £504,586.45 and although the revised fee estimate has been exceeded, no further resolution is sought in the administration and the balance of our unbilled time will not be recovered.

Category 1 Expenses

Category 1 expenses are set out in detail at section 4 and Appendix 3 to this report.

Category 2 Expenses

Category 2 expenses have been paid in respect of Eddisons insurance cover.

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at 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.

What was the anticipated payment for administering the case in full and did the joint administrators receive that payment?

We estimated that the cost of administering the case would be in the region of £291,222.67 in respect of Begbies Traynor's time costs, and creditors provided approval for us to draw our remuneration up to that level.

As mentioned above, a revised fee estimate to uplift Begbies Traynor's fees by £213,363.78 was approved via a decision by correspondence on 17 January 2024. Begbies have billed total time costs of £504,586.45 (inclusive of the fixed charge amount of £20,000), in accordance with the revised fee estimate.

Details of the remuneration drawn is detailed above and at Appendix 3. All additional costs incurred over and above what has been approved are to be written off.

The information provided in section 4 above relates to the work undertaken during the period of this report. We have set out below details of the work undertaken prior to the period covered by this report so as to avoid any repetition:

General case administration and planning

Periodic internal reviews in order to ensure satisfactory progression of the case and that all statutory and regulatory obligations have been complied with.

Continuing to maintain records to demonstrate how the case has been administered and to ensure reasons for decisions that materially affect the case are adequately documented. Meetings with the case manager and team to assess case status and ensure adherence to these requirements. Carrying out standard case reviews and documented periodically.

Whilst work undertaken in this category does not provide a direct financial benefit to creditors, it is a necessary part of the general control of all formal insolvency appointments.

Compliance with the Insolvency Act, Rules and best practice

Included in the work undertaken is the following:

- Preparation and circulation of progress reports on a six monthly basis;
- Periodic reviews of the Administrators' bond, as required by the Insolvency Practitioners Regulations 2005;
- General accounting, banking and cashiering including the processing of payments, maintenance of estate cash book postings and carrying out regular bank account reconciliations and investment decisions;
- Preparation of the final account and relevant forms in order to close the administration and move the Company into Liquidation;

This work does not provide a direct financial benefit to creditors, however, is required in accordance with relevant insolvency legislation and best practice guidelines.

Investigations

As explained above some aspects of the investigations have been completed but some are ongoing. These will continue in the Liquidation. It is anticipated that there will be financial benefit to the creditors for continuing these investigations.

Realisation of assets

As detailed above, the significant assets have now been realised subject to the investigations being completed. Full details of these realisations can be read in our 6th month progress report dated 19 December 2023.

Trading

Although trading has now ceased as the business was sold, there are still residual matters to administer as set out earlier in this report.

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

Please refer to our 6th month progress report which read as follows:-

Secured Creditors

It has been necessary to deal with the queries of the secured creditors, West One Loans Limited ("WOL") and Bibby Financial Services Limited ("Bibby"), their legal representatives and also to engage in correspondence regarding the satisfaction of their charges following the realisation of assets as set out above.

Trade & Expenses and Crown Creditors

The unsecured claims of the Company's trade and expense creditors have been lodged on our internal case management system when received. Ongoing work has been required in acknowledging claims, answering telephone and email enquiries from creditors and dealing with correspondence therewith. As full accounts are needed in order to substantiate the pre-appointment trading losses certain significant unsecured creditor accounts were reviewed in more detail.

The company records showed that the company traded with several Chinese companies, being CKC Manufacturing (AH) Co Limited ("CKC China"), Cangzhou Heye Cosmetic Tools ("Cangzhou") and Muyazi (Shanghai) Industrial Co. Ltd ("MYZ").

The Cangzhou claim was subject to a number of time to pay arrangement's which the company hadn't been able to maintain. On review of their claim it has been discovered that significant invoices hadn't been booked onto the Exchequer accounting system by the company. After time spent on investigations adjustments have therefore provisionally been put through the accounts to reflect these transactions. Enquiries are continuing as these adjustments are material.

The company have a 30% shareholding in MYZ claim and there is a significant history as this shareholding stretches back to a 2003 joint venture agreement. Following investigations the directors were of the view that MYZ are not a creditor and that invoices in relation to the trading arrangement were still to be issued by the company. As a result these invoices have been issued and are now set-off against the sums previously shown as owing to MYZ. MYZ are therefore a debtor, as shown in the estimated outcome statement attached. Lawyers in China have been instructed in relation to MYZ. although the ability to collect this debtor is and it appears that company may have a claim. We have received claims from 2 of these companies. The position of these creditors is complicated as the Company had a 100% ownership of CKC and 30% ownership of Muyazi. Furthermore, the Muyazi claim has been in dispute since 2011.

The CKC China situation has been referred to above. The historic trading and invoicing situation was unclear and we are advised, was subject to Chinese trading regulations. The directors and consultant account advised that the creditor originally shown in the records and listed in the proposal was incorrect as further invoicing was necessary. This invoicing was therefore raised in the Administrators trading period although some of this was in relation to previous periods. The net effect after set-off shows that CKC China are not a creditor.

Following the issue of unfair prejudice proceedings under s994 of the Companies Act 2006 claims have been received that were not included in the creditors listing as they appear to be in relation to guarantees and indemnities given by the Company in relation to legal costs incurred. Enquiries continue to be made into these.

Other matters which includes seeking decisions of creditors via deemed consent procedure and/or decision procedures, tax, litigation

Decision Procedures - Convening deemed consent and correspondence decision procedures of the Company's creditors to seek approval of the Administrators' Statement of Proposals and fix the basis of the Joint Administrators' remuneration.

VAT – As the company trades throughout the world only certain sales are subject to VAT. Now trading has ceased final VAT returns are being prepared and will be submitted shortly. There will be an ongoing need to submit returns for post deregistration periods at the appropriate point in time.

Pensions - Seeking information from the Company's officers on the Company's pension scheme in respect of contributions deducted from salaries that were not passed on to the scheme.

As can be seen from the information above, our remuneration proposal did provide a fair and reasonable reflection of the work that has been carried out.

Category 1 Expenses

To 3 April 2024, we have also drawn expenses as set out in Appendix 4.

Category 2 Expenses

Details of the Category 2 expenses that have been drawn during the period of this report in accordance with the approval obtained, are set out below:

Type and purpose	Amount £
<u>Open Cover Insurance:</u>	
Eddisons Insurance Services Limited ("EIS"), which is a member of the Begbies Traynor group, has provided insurance brokerage services, having arranged open cover insurance in relation to the Company's assets.	19,240.25
The manner in which EIS receives payment of its commission from the insurer has changed.	
The commission was previously paid to EIS by the insurer. However, as a result of a change of invoicing process, EIS now raises invoices for the premium(s) payable on the insurer's behalf and receives payment from the insolvent estate. EIS	

in turn, accounts to the insurer for the premium(s) payable after deducting any commission payable by the insurer.	
As well as charges for insurance, EIS may also charge an administration fee where relevant and appropriate. If applicable to this case so far, the charges are also described here.	
TOTAL	19,240.25

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please email ET-Team@btguk.com.

10. EXPENSES

A statement of the expenses incurred and discharged by us during the period of this progress report is attached at Appendix 4. A cumulative statement of expenses also appears at Appendix 4 which details the expenses incurred since the date of our appointment.

Creditors will recall that we estimated that the expenses of the administration and this estimate has not been exceeded and we are satisfied that we provided creditors with an accurate reflection of the likely expenses at the time the revised fee approval was sought.

11. CREDITORS' RIGHTS

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 (other than pre-administration costs) 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 an 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 by us during the period of this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate.

12. ASSETS THAT REMAIN TO BE REALISED

Although the Administration of the Company is being concluded, there are many areas which we are still actively working on and these matters will continue to be dealt with in the Liquidation:-

- Application for the dismissal of the winding up petition which was issued prior to the appointment of the Joint Administrators. The process for the dismissal has been agreed in principle with the petitioning creditor.
- With the assistance of the accountancy services provided by Bossville Limited, the accounts for the trading period are expected to be finalised very shortly and the tax position ascertained. There is likely to be ongoing correspondence and discussions in order to submit the accounts and tax computations. A 1982 specialist valuation may be needed, the tax treatment of significant transactions including intangible assets capitalised and other transactions which under review may have an effect on the losses and may need to be finalised before submission.
- We are continuing to review the sums due from SCG Trading Limited. We are aware that this company has recently been dissolved but do not envisage that this affects the ongoing review.
- As mentioned earlier in the report a Chinese law firm has been instructed to assist with the MYZ shareholding. The extent of additional time and cost is therefore uncertain.
- Debtor collections have been very successful. At present, there appears to be approximately \$4,500 outstanding to two customers.
- Investigations are ongoing with regard to historic transactions within the Company as referred to in our previous progress report. Due to the nature of these investigations we are unable to go into detail at this stage.
- Continue liaising with the utilities and suppliers to finalise trading liabilities.

13. OTHER RELEVANT INFORMATION

Use of personal information

Please note that although the administration is being concluded, in discharging our remaining duties as Joint Administrators, 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.

14. CONCLUSION

Finally, we seek the consent of the creditors to our discharge as administrators by a resolution passed pursuant to Paragraph 98 of Schedule B1 to the Act. We seek the date of our discharge to coincide with the date on which our appointment as administrators ceases to have effect.



DAVID BIRNE – JOINT ADMINISTRATOR

Date: 16 April 2024

**LK008 PROPERTY HOLDINGS LIMITED (FORMERLY L. KAHN MANUFACTURING
COMPANY LIMITED T/A S CARESSA KAHN) - IN ADMINISTRATION**

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS

REPRESENTING THE PERIOD FROM 22 NOVEMBER 2023 TO 16 APRIL 2024

AND THE CUMULATIVE PERIOD FROM 22 MAY 2023 TO 16 APRIL 2024

	Final Position	Period From 22-Nov-23 to 16-Apr-24
	£	£
Balance b/fw'd		2,145,808.12
<u>Receipts - Fixed Charge</u>		
Freehold Property	7,400,000.00	-
Less:		
West One Loans Limited	(4,798,202.22)	-
Legal Fees and Disbursements	(17,207.00)	-
Agents Fees	(148,000.00)	-
Joint Administrators agreed Fee	(20,000.00)	-
Balance C'd	2,416,590.78	2,145,808.12
<u>Receipts</u>		
Received From Bibby Financial Services Ltd	879,128.57	127,339.12
Third Party Funds	7,868.93	-
Plant and Machinery - other	6,025.00	-
<u>Sale of Business and Assets</u>		
Goodwill	10,000.00	-
Business Intellectual Property Rights	1.00	-
Seller's Records	1.00	-
Leaseholder Shares	1.00	-
Fixtures and Fittings	11,996.00	-
Plant and Machinery	180,933.00	-
Motor Vehicles	8,000.00	-
Stock	29,067.00	-
Business Contracts	1.00	-
CKC Shares	10,000.00	-
Rent received	500.00	-
DVLA Tax Refund	337.50	337.50
Bank interest	18,078.26	14,436.50
	<u>3,578,529.04</u>	<u>2,287,921.24</u>
<u>Payments</u>		
Statutory Advertising	109.08	-
Specific Bond	612.00	-
Bibby Arrangement Fee	15,000.00	-
Telephone, Internet	48.07	-
Suppliers / Duress Creditors	357,742.82	2,893.06
Other Expenses	33,746.31	88.00
Agents Fees	34,554.28	4,410.00
Legal Fees	38,574.69	13,601.19
Professional Fees	58,700.00	22,200.00

**LK008 PROPERTY HOLDINGS LIMITED (FORMERLY L. KAHN MANUFACTURING
COMPANY LIMITED T/A S CARESSA KAHN) - IN ADMINISTRATION**

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS

REPRESENTING THE PERIOD FROM 22 NOVEMBER 2023 TO 16 APRIL 2024

AND THE CUMULATIVE PERIOD FROM 22 MAY 2023 TO 16 APRIL 2024

	Final Position	Period From 22-Nov-23 to 16-Apr-24
	£	£
Consultancy Fees and Disbursements	74,269.06	-
Property Expenses	55,230.00	-
Rents and Licence Deposits	5,865.70	
Utilities	17,503.26	13,947.60
Employee benefits: AXA Healthcare	8,896.42	-
Employee Wages	197,956.32	-
Employee Expenses	1,502.96	1,502.96
HMRC: PAYE/NIC	50,368.45	-
Insurance	19,240.25	19,240.25
Pension Contributions	16,634.37	10,523.17
Petty Cash	2,500.00	-
Bank Charges	547.80	75.00
Postage and Stationery	6.35	-
Purchaser Agreed Reduction	29,684.84	-
HM Land Registry Fees	352.00	-
Stamp Duty Land Tax	4,737.00	-
Repayment of CKC Loan	45,000.00	-
Joint Administrators Pre-Appointment Fees	39,707.00	-
Joint Administrators Disbursements	184.08	184.08
Joint Administrators Post-Appointment Remuneration	484,586.45	214,586.45
	<u>1,593,859.56</u>	(303,251.76)
<u>Receipts less payments</u>	1,984,669.48	<u>1,984,669.48</u>
<u>Less: Dividends</u>		
Secondary Preferential Creditors: HMRC	(47,222.89)	
<u>Balance in Hand</u>	<u>1,937,446.59</u>	
<u>Represented by</u>		
Balance at Bank - Fixed	28,759.56	
Balance at Bank - Floating	194,036.38	
Money Market Deposit Account	1,513,451.66	
VAT Payable	(1,205.00)	
VAT	<u>202,403.99</u>	
	<u>1,937,446.59</u>	

SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

The following extract is taken from the Joint Administrators Report and Statement of Proposals dated 12 July 2023, which were approved by decision of creditors via the deemed consent procedure. There have been no major amendments or deviations from the approved proposals:

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 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).

We consider that pursuing this objective will have the best outcome for creditors as a whole.

Although at the outset of the Administration the information provided suggest there was a prospect of rescuing the Company as a going concern, further investigations revealed that there were assets shown in the balance sheet that were unlikely to be realisable and that the creditors position had not been reconciled. As such sub-paragraph 3(1)(a), is unlikely to be a viable objective however both sub-paragraph 3(1)(b) and 3(1)(c) are both considered to be achievable as a result of the sale of the premises and anticipated sale of the business and assets.

Details of proposals

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 sale of the Company's freehold property and realisations of other assets as applicable along with fulfilling our statutory duties. We will continue to manage the affairs of the Company in order to achieve this purpose. The principal matters to deal with in this respect are:

- Continue to progress with the sale of the Company's freehold premises. At present contracts have been exchanged for the LHS to an unconnected purchaser and is scheduled to complete on 14th July in the sum of £4.2m. A deposit of £840,000 is currently with our solicitors pending completion. The remaining titles are under an exclusivity agreement whereby for payment of £50,000 the unconnected purchaser has a until 31st July to exchange on these titles at a purchase price of £3.1m. We are unable to disclose further details at present for confidentiality reasons and so as not to jeopardise the sale in any way.
- Presently our solicitor has been instructed to prepare a lease to allow the business to remain in the RHS premises. This lease is subject to agreement with the prospective purchaser and it is envisaged that this lease will be assigned to a purchaser of the business on completion.
- The sale of the business and assets is being undertaken by our agents and valuers W & P. At present 19 parties have expressed interest of which 13 have returned NDA's and further information will be provided to those parties and a timescale provided for an offer to be received.

Due to the size and nature of the main asset (the flocking machine) the directors advised that it would be costly and take considerable time to relocate it. Once a preferred bidder is ascertained the sale solicitors will be needed to conclude the sale.

- The Company is continuing to trade so we will continue to monitor cashflows and forecasts, authorising payments to suppliers as necessary. As advised, we have drawn down facilities from Bibby based on our projected funding requirement and within the security that the Company had previously provided. Depending on the timings of the premises sales further funding may be required. Should further funding be needed additional time will have to be spent on this facility.
- As mentioned previously the Company's accounting needed to be updated and accounts reconciled. This is being completed by consultants for the Company. When this has been completed final accounts will be needed both to ensure creditors claims are correct and for HMRC to agree the extent of the Company's trading losses for tax purposes.
- Undertake investigations into the Company's affairs and reporting on the conduct of the directors;

If appropriate, pursue any claims that the Company may have against any person, firm or Company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company. If actions and or claims are discovered, then it may be necessary to refer to creditors should costs increase.
- Do all such things and generally exercise our powers as Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or any purpose incidental to these Proposals; and
- Investigating the events leading up to the administration and any potential antecedent transactions, which may have detrimentally affected the Company's financial position and if necessary, instigate legal proceedings against any party or parties who are considered culpable, to achieve a recovery for the estate;

Following these events, we propose to finalise distributions to the secured, preferential, secondary preferential and unsecured creditors.

Exit from Administration

The Insolvency Act 1986 (as amended) and associated Insolvency Rules, provide a variety of options regarding the possible exit routes for the Company from Administration, being primarily a Company Voluntary Arrangement, Liquidation or Dissolution of the Company.

Once all matters pertaining to the realisation of the Company's assets and the Administration generally have been concluded with the objective being achieved, the Administration will subsequently end by filing a Notice of Dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar of Companies three months after the Notice is registered.

However, if, for any reason, it is not possible to finalise the Administration, as anticipated, within the 12-month statutory period then our term of office may be extended. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

Based on current information, we are of the opinion that a distribution will be made to the unsecured creditors of the Company which is not a distribution of the prescribed part.

We have the power to make a distribution of the prescribed part to unsecured creditors in the administration but any other distribution to them requires the permission of court. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally, there may be matters for enquiry concerning a Company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with by a liquidator.

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 creditors' voluntary liquidation to the Registrar of Companies. Upon the registration of such notice our appointment as administrators shall cease to have effect and the Company will automatically be placed into liquidation. Paragraph 83(7) provides:

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the Company in the prescribed manner and within the prescribed period, or
- (a) if no person is nominated under paragraph (a), the administrator.

We confirm that as part of our proposals we propose that we, or in the event of there being a subsequent change of persons appointed as administrator, the individuals in office as such immediately prior to the Company being placed into liquidation, do act as joint liquidators in the subsequent winding up of the Company. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditors' approval, with or without modification, of our proposals.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

COSTS AND EXPENSES

- a.** Begbies Traynor (London) LLP's charging policy;
- b.** Time Costs Analysis for the period from 22 November 2023 to 16 April 2024;
- c.** Cumulative Time Costs Analysis for the period from 22 May 2023 to 16 April 2024

APPENDIX 3(i)

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 fees estimate creditors can see how we propose to be remunerated.

It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. 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 £150 per meeting;
- ☐ Car mileage which is charged at the rate of 45 pence per mile.
- ☐ Storage of books and records (when not chargeable as a Category 1 disbursement) is charged on the basis that the number of standard archive boxes for all cases in respect of the period for which the storage relates.

Payments anticipated to be made to associates (pursuant to (ii) above)

Services provided by other entities within the Begbies Traynor group

None

General Office Overheads

The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 expense*:

- ☐ Telephone and facsimile
- ☐ Printing and photocopying
- ☐ Stationery

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 London Finchley office as at the date of this report are as follows:

Grade of staff	Charge-out rate range (£ per hour) 10 th July 2023 until further notice
Appointment taker/partner	670-815
Managers/directors	525-640
Other professional	285-425
Junior professional/support	210

* Statement of Insolvency Practice 9, (SIP9) – Payments to Insolvency office holders and their associates from an estate

SIP9 LK008 Property Holdings Limited - Administration - 23LK008.ADM : Time Costs Analysis From 22/05/2023 To 16/04/2024

Staff Grade	Consultant/Partner	Director	Sr Mngr	Mngr	Asst Mngr	Sr Admin	Admin	Jr Admin	Support	Analyst - Forensic	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning	7.8	4.8					2.3			19.8	11,067.00	559.94
	Administration	31.4	36.6		9.7	13.7		2.6			94.0	51,123.00	543.86
	Total for General Case Administration and Planning:	39.0	41.4		9.7	14.5		4.9			113.8	62,190.00	543.89
	Appointment		7.2			7.5		4.2			18.9	7,032.00	372.06
Compliance with the Insolvency Act, Rules and best practice	Banking and Bonding		4.7				4.4		85.9		75.0	17,252.50	230.03
	Case Closure		15.5		4.8						20.3	11,262.50	554.80
	Statutory reporting and statement of affairs	13.5	94.5		20.9	11.7					140.6	74,478.00	529.72
	Total for Compliance with the Insolvency Act, Rules and best practice:	19.5	121.9		25.7	19.2	4.4	4.2	85.9		254.8	110,025.00	431.81
Investigations	CDDA and investigations	27.8	11.2			15.9				4.8	69.3	39,970.60	576.78
	Total for Investigations:	27.8	11.2			15.9				4.8	69.3	39,970.60	576.78
Realisation of assets	Debt collection		5.2								7.0	4,462.00	637.43
	Property, business and asset sales	116.5	26.3		0.9	2.2					251.6	170,484.50	677.52
	Retention of Title/Third party assets		0.7								0.7	418.50	595.00
	Total for Realisation of assets:	116.5	32.2		0.9	2.2					259.3	175,343.00	678.22
Trading	Trading	72.5	92.7		0.3	33.6					221.6	124,296.00	560.90
	Total for Trading:	72.5	92.7		0.3	33.6					221.6	124,296.00	560.90
Dealing with all creditors claims (including employees), distributions	Secured		0.2								2.0	1,487.00	743.50
	Others	10.4	48.9		0.1	1.8					62.5	36,841.50	589.48
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	10.4	47.1		0.1	1.8					64.5	38,328.50	594.24
Other matters which includes litigation, taxation, pensions and travel	Seeing decisions of creditors		2.1		0.6						9.4	6,561.50	696.03
	Meetings					1.5					1.5	510.00	340.00
	Other				1.7	1.0					2.7	1,062.50	393.52
	Tax	29.5	32.7			0.7		0.2			63.3	39,499.00	623.52
	Litigation												0.00
	Total for Other matters:	29.5	34.9		2.3	3.2		0.2			76.9	47,603.00	619.02
	Total hours by staff grade:	304.0	381.3		39.8	90.4	4.4	9.3	85.9	4.8	1,060.2		
	Total time cost by staff grade £:	201,495.00	214,932.00		16,575.00	31,922.50	1,254.00	1,951.00	13,288.50	1,404.10		597,756.10	
	Average hourly rate £:	652.69	563.68	0.00	425.00	355.13	285.00	209.78	201.34	292.52			563.81
	Total fees drawn to date £:											9.00	

SIP9 LK008 Property Holdings Limited - Administration - 23LK008-ADM : Time Costs Analysis From 22/11/2023 To 16/04/2024

Staff Grade	Consultant/Partner	Director	Snr Mgr	Mngr	Asst Mgr	Snr Admin	Admin	Jr Admin	Support	Analyst - Forensic	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	1.3		2.8					0.9			5.0	2,843.00	568.60
		7.6	12.9		8.9						29.4	16,550.00	562.93
	1.3	7.6	16.7		8.9			0.9			34.4	19,983.00	580.79
Compliance with the Insolvency Act, Rules and best practice								4.0			4.0	840.00	210.00
			0.6				1.2		9.9		11.7	2,778.00	237.44
			15.5		4.8						20.3	11,262.50	554.80
Investigations		13.5	40.3		17.3						71.1	40,376.00	567.86
		13.5	59.4		22.1		1.2	4.0	9.9		107.1	55,258.50	515.93
	2.9	13.1	2.1							1.5	19.6	12,669.30	646.39
Realisation of assets	2.9	13.1	2.1							1.5	19.6	12,669.30	646.39
	1.0		5.2								6.2	3,854.00	621.81
	3.1	9.7	2.5								15.3	10,343.50	675.96
Trading			0.6								0.6	357.00	595.00
	4.1	9.7	6.3								22.1	14,883.50	675.96
	1.3	16.6	3.7								21.6	14,311.50	662.57
Dealing with all creditors (claims including employees), correspondence and distributions	1.3	16.6	3.7								21.6	14,311.50	662.57
													0.00
	0.8	8.4	13.5		0.1						20.8	12,971.00	623.61
Other matters which includes meetings, investigations, pensions and travel													0.00
	0.8	8.4	13.5		0.1						20.8	12,971.00	623.61
	3.4		1.4		0.6						5.4	3,072.00	568.00
													0.00
													0.00
													0.00
	3.6	14.4	17.1		2.3			0.2			37.6	23,578.00	627.07
	14.0	81.3	116.8		33.4		1.2	5.1	9.9	1.5	263.2		
	10,418.00	84,471.00	68,494.00		14,193.00		342.00	1,071.00	2,079.00	438.80		132,732.80	
	760.00	670.00	595.00	0.00	425.00	9.00	285.00	210.00	210.00	252.33			590.29
												0.00	

STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Statutory Advertising	Courts Advertising	109.08	109.08	Nil
Legal Fees	PCB Lawyers – for the sale of both properties and the lease. Fixed fee	17,150.00	17,150.00	
	Grosvenor Law – advisory on funding and ongoing legal advice. Time basis	13,000.00	13,000.00	
	Pinsent Masons – appointment documentation and advice re receivers. Time basis	5,000.00	5,000.00	
	Gunnercooke LLP – employment legal advice. Time basis	1,260.00	1,260.00	
	Sylvester Amiel Lewin and Horne – advice on validity of debenture and our appointment. Fixed Fee	1,850.00	1,850.00	
	Branch Austin McCormick LLP – Asset sale agreement. Time cost basis	15,000.00	15,000.00	
	Beijing Zhong Lun Law Firm Assistance in relation to MYZ matter Time cost basis	3,601.19	3,601.19	

Professional Fees	Bossville Limited – accounting services. Time basis	58,700.00	58,700.00	
	Ftronix Limited – business consultancy services. Time basis	74,269.06	74,269.06	
Agent's Fees	Williams & Partners ("WAPL") – valuation marketing and sale of assets. 10% of asset sale plus valuation and advertising/marketing costs	29,644.00	29,644.00	
	Davies & Co – Estate agents and surveyors. Joint agents at 1% of property value	74,000.00	74,000.00	
	Jeremy Leaf & Co - Estate agents and surveyors at 1% of property value	74,000.00	74,000.00	
Bank charges	Barclays Bank Plc	457.80	457.80	Nil
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
Bond	Specialist Risk Insurance Services	612.00	612.00	Nil
Open Cover Insurance Policy (buildings, trade, assets)	Eddisons:- Buildings insurance for LHS £2,650.65, RHS £8,024.85 Trading risks £7,061.25 Chattel assets £1,128.50 Fee £375	19,240.25		19,240.25

ADDITIONAL EXPENSES ANTICIPATED FOR FUTURE WORK

Expenses anticipated to be incurred prior to closure of the case	Name of party with whom expense anticipated to be incurred	Amount estimated to cost £
Professional Fees	Bossville Limited – accounting services	15,000.00
	HW Fisher LLP – tax services	4,500.00
Legal Fees and disbursements	Zhong Lun Law Firm – legal services in China	5,000.00

**LK008 PROPERTY HOLDINGS LIMITED (FORMERLY L. KAHN
MANUFACTURING
COMPANY LIMITED T/AS CARESSA KAHN) - IN ADMINISTRATION
ESTIMATED OUTCOME STATEMENT AS AT 16 APRIL 2024**

	Position as at 16-Apr-24 £
Balance b/fw'd	
<u>Receipts - Fixed Charge</u>	
Freehold Property	7,400,000.00
Less:	
West One Loans Limited	(4,798,202.22)
Legal Fees and Disbursements	(17,207.00)
Agents Fees	(148,000.00)
Joint Administrators agreed Fee	(20,000.00)
Balance C'd	2,416,590.78
<u>Receipts</u>	
Received From Bibby Financial Services Ltd	879,128.57
Third Party Funds	7,868.93
Plant and Machinery - other	6,025.00
<u>Sale of Business and Assets</u>	
Goodwill	10,000.00
Business Intellectual Property Rights	1.00
Seller's Records	1.00
Leaseholder Shares	1.00
Fixtures and Fittings	11,996.00
Plant and Machinery	180,933.00
Motor Vehicles	8,000.00
Stock	29,067.00
Business Contracts	1.00
CKC Shares	10,000.00
Rent received	500.00
DVLA Tax Refund	337.50
Bank interest	18,078.26
	<u>3,578,529.04</u>
<u>Payments</u>	
Statutory Advertising	109.08
Specific Bond	612.00
Bibby Arrangement Fee	15,000.00
Telephone, Internet	48.07
Suppliers / Duress Creditors	357,742.82
Other Expenses	33,746.31
Agents Fees	34,554.28
Legal Fees	38,574.69
Professional Fees	58,700.00
Consultancy Fees and Disbursements	74,269.06
Property Expenses	55,230.00
Rents and Licence Deposits	5,865.70
Utilities	17,503.26

**LK008 PROPERTY HOLDINGS LIMITED (FORMERLY L. KAHN
MANUFACTURING
COMPANY LIMITED T/AS CARESSA KAHN) - IN ADMINISTRATION**
ESTIMATED OUTCOME STATEMENT AS AT 16 APRIL 2024

	Position as at 16-Apr-24
	£
Employee benefits: AXA Healthcare	8,896.42
Employee Wages	197,956.32
Employee Expenses	1,502.96
HMRC: PAYE/NIC	50,368.45
Insurance	19,240.25
Pension Contributions	16,634.37
Petty Cash	2,500.00
Bank Charges	547.80
Postage and Stationery	6.35
Purchaser Agreed Reduction	29,684.84
HM Land Registry Fees	352.00
Stamp Duty Land Tax	4,737.00
Repayment of CKC Loan	45,000.00
Joint Administrators Pre-Appointment Fees	39,707.00
Joint Administrators Disbursements	184.08
Joint Administrators Post-Appointment Remuneration	484,586.45
	<hr/> 1,593,859.56 <hr/>
<u>Receipts less payments</u>	1,984,669.48
<u>Less: Dividends (100p in £)</u>	
Secondary Preferential Creditors: HMRC	<hr/> (47,222.89) <hr/>
<u>FUNDS AVAILABLE TO UNSECURED CREDITORS</u>	1,937,446.59
<u>UNSECURED CREDITORS</u>	
Estimated Unsecured Creditors	3,235,976.89
Estimated Dividend to Unsecured Creditors (pence in £)	<hr/> 59.87 <hr/>

Notes

- 1 Please note that the estimated dividend is subject to the costs and expenses of the Liquidation and Administration (including taxation) and any costs of trading which have not yet been identified or paid. In addition, this is prior to the outcome of the ongoing investigation matters previously referred to in our reports.
- 2 As described in the report, creditors claims are still to be adjudicated with the exception of certain claims. The estimated claims include projected claims for creditors who have not yet proven their debt based on information provided at the commencement of the Administration.