

AM03

Notice of administrator's proposals



Companies House

For further information, please
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1 Company details

Company number	0	5	3	6	5	0	8	5
Company name in full	VTL Realisations 2023 Limited (formerly Vinoteca Limited)							

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

2 Administrator's name

Full forename(s)	Timothy
Surname	Bateson

3 Administrator's address

Building name/number	5th Floor, 130 St Vincent Street
Street	Glasgow
Post town	G2 5HF
County/Region	
Postcode	
Country	

4 Administrator's name ①

Full forename(s)	Ryan
Surname	Grant

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

5 Administrator's address ②

Building name/number	c/o Interpath Ltd
Street	2nd Floor, 45 Church Street
Post town	Birmingham
County/Region	
Postcode	B 3 2 R T
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 ^①



I attach a copy of the qualifying report



I attach a statement of disposal

^① 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

^d

3

^d

1

^m

0

^m

8

^y

2

^y

0

^y

2

^y

3

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 **Matthew Nash Knight**

Company name **Interpath Ltd**

Address **5th Floor, 130 St Vincent Street**
Glasgow

Post town **G2 5HF**

County/Region

Postcode

Country

DX

Telephone **Tel +44 (0) 121 817 8600**



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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

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



Further information

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Joint Administrators' proposals

VTL Realisations 2023 Limited (formerly
Vinoteca Limited) - in Administration

30 August 2023

Deemed delivered: 4 September 2023

Notice to creditors

We have made this document available to you to set out the purpose of the administration and to explain how we propose to achieve it.

We have also explained why the Company entered administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in the document such as the proposed basis of our remuneration.

A glossary of the abbreviations used throughout this document is attached (Appendix 9).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, www.ia-insolv.com/case+INTERPATH+VN809D3040.html. We hope this is helpful to you.

Please also note that an important legal notice about this statement of proposals is attached (Appendix 10).

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1 Executive summary

Vinoteca Limited was incorporated in 2005 and operated a UK based chain of wine bars out of five leasehold properties across London (Section 2 - Background and events leading to the administration).

The Company's recent trading has been adversely impacted by COVID-19, train strikes and an underperforming site in Birmingham which opened in July 2022 and was closed in May 2023. Consequently, the Company has experienced a loss after tax for the last three financial years which, when combined with the capital expenditure of opening the Birmingham site, led the Company to experience significant cash flow pressures (Section 2 - Background and events leading to the administration).

The Company continued to explore turnaround options and engaged Interpath on 19 July 2023 to run an accelerated M&A process to evaluate the sale and investment options available. No solvent offers were forthcoming and three offers were received on the basis of a pre-packaged administration (Section 2 - Background and events leading to the administration).

On 11 August 2023, the Directors filed a notice of intention to appoint administrators whilst negotiations with the preferred bidder were being finalised. Following a short period of negotiation on the terms of the sale, the Directors resolved to file a Notice of Appointment of Administrators on 18 August 2023 (Section 2 - Background and events leading to the administration).

Tim Bateson and Ryan Grant were appointed Joint Administrators on 18 August 2023 (Section 2 - Background and events leading to the administration).

Immediately following their appointment, the Joint Administrators successfully concluded a sale of the business and certain assets to Andrea Q Limited (the 'Purchaser') (Section 3 - Strategy and progress of the administration to date).

Certain assets, including the assets situated in the Birmingham site, were excluded from the sale and the Joint Administrators are currently concluding a separate deal for these. (Section 3 - Strategy and progress of the administration to date).

Excluded leases were granted by the Joint Administrators to the Purchaser for the five trading sites, whilst the Purchaser negotiates the new terms of occupancy. (Section 3 - Strategy and progress of the administration to date).

On appointment there was one secured creditor, Metro Bank Plc, with outstanding liabilities of £0.7 million. It is likely that there will be a distribution made to the Secured creditor and it is expected there will be a shortfall on the amount owed. (Section 4 - Dividend prospects).

Based on current estimates, it is highly unlikely that ordinary preferential creditors will receive a dividend. (Section 4 - Dividend prospects).

Based on current estimates, it is highly unlikely that secondary preferential creditors will receive a dividend. (Section 4 - Dividend prospects).

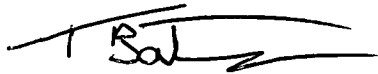
Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors. (Section 4 - Dividend prospects).

We are seeking approval of our Proposals by deemed approval. (Section 6 – Approval of proposals).

We propose that our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the charge out rates provided. We will seek approval of our remuneration from the Secured creditor (Section 7 - Joint Administrators' remuneration, expenses and pre-administration costs).

Our Proposals include provision for a number of routes to end the administration, however the most likely exit route for the administration is by dissolution. (Section 5 - Ending the administration).

This document in its entirety is our statement of proposals. A summary list of the proposals is shown in Section 8, together with all relevant statutory information included by way of appendices. Unless stated otherwise, all amounts in the proposals and appendices are stated net of VAT.

A handwritten signature in black ink, appearing to read 'T Bateson', with a long horizontal stroke extending to the right.

pp Tim Bateson
Joint Administrator

2 Background and events leading to the administration

2.1 Background information

The Company was incorporated in 2005 and is a UK based chain of wine bars operating out of five leasehold properties (Borough Yards, Chiswick, Farringdon, Kings Cross and City) across London.

Prior to our appointment, the Company employed approximately 150 members of staff. The Company had three directors as at the date of appointment.

2.2 Funding and financial position of the Company

The Company was funded by a Coronavirus Business Interruption Loan (CBILs) facility from Metro Bank Plc which stood at approximately £0.7 million at appointment.

In addition, there are c£2.0 million loan notes which were raised from multiple different private investors and these were used to finance the Company. These are all unsecured and hold no fixed or floating charges over the Company or its assets.

Detail of the registered charges, including the dates of creation is provided in the table below.

Metro Bank PLC	5 July 2023	The leasehold property known as basement and ground floor premises, 7-9 St John Street, London (EC1M 4AA)
Metro Bank PLC	5 July 2023	The leasehold property to be known as 18 Devonshire Road, Chiswick, London
Metro Bank PLC	31 July 2017	The leasehold property to be known as 18 Devonshire Road, Chiswick, London
Metro Bank PLC	31 July 2017	The leasehold property known as 13-15 Seymour Place, London
Metro Bank PLC	31 July 2017	The leasehold property known as basement and ground floor premises, 7-9 St John Street, London (EC1M 4AA)
Metro Bank PLC	31 July 2017	The leasehold property known as Basement and ground floor level, Unit 11, Pancras Square, London
Metro Bank PLC	31 July 2017	The leasehold property known Unit C2 and C3 and ancillary storage area, The Arcade, Bloomberg,

		London
Metro Bank PLC	31 July 2017	Fixed and floating charge. Floating charge covers all the property and undertaking of the Company.

2.3 Events leading to the administration

The Company's management accounts show a loss after tax of £1.3m in the financial year 31 March 2023 and a loss after tax of £0.2m for the two months to 31 May 2023. The recent losses, combined with the capital expenditure on the Birmingham site, led the Company to experience significant cash flow pressures and it was unable to continue paying its overheads, resulting in a high level of creditor stretch.

Despite efforts by the Directors to improve profitability in the other stores to counterbalance the loss made in the Birmingham store, the contributions made from the five London sites were insufficient to meet the overall costs of the whole business, which resulted in an overall operating loss.

As a result of this loss and the worsening cash position in the business, Interpath were introduced to the Company by the Secured creditor. Interpath were subsequently engaged on 4 May 2023 to perform a high-level review of the Company's short term cash flow requirements and creditor pressure and a high-level assessment of its operational performance.

Following this engagement and the highlighted increasing cash pressure on the Company, Interpath were engaged on 10 July 2023 by the Company and the Bank to review and outline the options available to the Company in a solvent situation and in the event of an insolvent scenario.

On 19 July 2023, Interpath were subsequently engaged to undertake a sales process to explore the possibility of a sale of the business. As part of this process, Interpath carried out an accelerated marketing process of the Company in which over 160 parties were approached. The timetable for the process was driven by liquidity pressure within the Company.

It quickly became apparent that there was no appetite from the interested parties in a solvent transaction, due to the large outstanding liabilities of the business making it unviable to complete a deal solvently. This was further emphasised by Interpath receiving three offers for the business, all on an insolvent pre-packaged administration basis.

Of the three insolvent offers for the Company, one interested party withdrew their offer shortly after submitting it.

Following a review of the two offers which remained and subsequent negotiations with both interested parties, an offer on a pre-packaged sale of the business and assets was ultimately accepted from Breal.

On 18 August 2023, with the consent of the Secured creditors, the Directors resolved to file a notice of appointment of administrators. At the time of our appointment, we disclosed to the Court details of the work carried out by Interpath up to that time.

We are satisfied that the work carried out by Interpath before our appointment, including the pre-administration work summarised below, has not resulted in any relationships which create a conflict of interest, or which threaten our independence.

Furthermore, we are satisfied that we are acting in accordance with the relevant guides to professional conduct and ethics.

2.4 Pre-administration work

The following work was carried out with a view to placing the Company into administration:

- Interpath negotiated commercial, financial and legal terms with a number of potential purchasers as part of the sale process as detailed in our SIP16 memorandum circulated to creditors on 22 August 2023;
- Interpath advised the Company in relation to the administration appointment including rapid insolvency planning;
- Interpath liaised with the key stakeholders, including the Secured creditor, throughout the sale negotiation process;
- Eversheds assisted with the preparation of the Sale and Purchase Agreement;
- Pinsent Masons assisted with the preparation and filing of appointment documents and supporting the Company in relation to the administration appointment; and
- Hilco were instructed to prepare a valuation of the Company's fixed assets, fixtures and fittings and stock. Watling were instructed to prepare a valuation of the Company's leases.

It was necessary to undertake this work prior to the Company entering administration to facilitate the pre-packaged sale of the Company's business and assets, as an immediate administration appointment would have likely led to a permanent closure of the business. Such an administration would include increased costs to wind-down the business including dealing with customers, suppliers, creditors, and employees.

2.5 Appointment of Joint Administrators

The Directors resolved on 18 August 2023 to appoint us as Joint Administrators.

The notice of appointment was lodged at the High Court of Justice, London on 18 August 2023 and we were duly appointed.

Eversheds have been engaged to undertake a review of the validity of appointment.

3 Strategy and progress of the administration to date

3.1 Strategy to date

Strategy

In the circumstances, the Joint Administrators are of the opinion that the pre-packaged sale of the business and certain assets has enabled the objective of achieving a better result for the Company's creditors as a whole.

Whilst a trading administration was considered, it was our view that this option would not be feasible given that it was unlikely that sufficient funding would be made available. The overlay of additional administrators' fees relating to trading would likely mean that any trading period would have been loss making and unlikely to result in a higher return to creditors as a whole.

A liquidation or shut down administration would have resulted in an immediate cessation of trade and the redundancy of all employees. This would increase the Company's liabilities and restrict asset realisations, resulting in a worse outcome for creditors as a whole.

Sale of business

As outlined above, Interpath were formally engaged on 19 July 2023 to explore the sale of the business. After discussions with the Company and the Secured creditor, an accelerated marketing process was undertaken which over 160 parties were approached.

Initial interest indicated that there was no appetite for a solvent deal, therefore making a solvent solution unlikely.

Interpath set an initial offer deadline of Monday 31 July 2023 and subsequently a best and final offer deadline of Friday 4 August 2023. The timetable was driven by the Company's liquidity and creditor pressure.

Following this process, no solvent offers were received. Three interested parties submitted best and final offers on a business and assets basis which included: one offer on a pre-pack basis for all trading sites, one offer on a pre-pack basis for four of the five trading sites and one further pre-pack offer for two sites. On 8 August 2023, one of the interested parties withdrew from the process leaving two offers for the business and assets of the Company.

Following the best and final offer deadline the two interested parties revised their offers and the Board elected to proceed with the Purchaser's offer which was determined to present the best outcome for creditors.

Further details of the sale of business are disclosed in the SIP 16 memorandum which can be found at Appendix 7.

Prior to the Joint Administrators' appointment, the Purchaser engaged an Evaluator to independently review the transaction. The Evaluator provided a positive statement in response, confirming that he is satisfied that the consideration provided for the relevant property and the grounds for the transaction are reasonable in the circumstances. The Evaluator's full report is available at Appendix 8.

On 18 August 2023, the Joint Administrators completed the transaction, which included intellectual property, stock, property, plant and equipment, fixtures and fittings and leasehold property interests.

The Joint Administrators have acted in the best interests of the creditors as a whole when negotiating this pre-packaged sale and are satisfied that the value achieved delivered the best outcome for creditors in the circumstances due to the following reasons:

- A liquidation or shut down administration would have been value destructive for the assets of the business and therefore would have resulted in a worse position for all creditors;
- The transaction preserved the employment of 147 employees across the five transferring sites and head office as they transferred to the Purchaser under TUPE regulations, thus reducing the level of preferential and unsecured employee claims; and
- The Purchaser intends to reassign the five store leases for the stores included in the transaction, consequently reducing the level of landlord creditor claims.

Excluded Leases

The Joint Administrators have granted an excluded lease for five of the sites to the Purchaser whilst negotiations around lease assignments are held with the respective landlords.

The Purchaser will pay a further £15,000 to the estate for each of the five leases that are successfully assigned. This will provide further realisations to the estate of up to £75,000.

PHD have been engaged as our agents to manage the excluded leases and to provide property expertise, reducing the cost to the administration.

Excluded Assets

Our ongoing strategy is to realise the remaining assets of the Company that were not included within the pre-packaged sale. These include cash at bank, prepayments, rent deposits, other debtors and the assets situated at the Birmingham site.

The Joint Administrators have agreed a deal to sell the assets situated at the Birmingham site and further details will be provided in our first progress report to creditors.

3.2 Asset realisations

Realisations from the date of our appointment to 22 August 2023 are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations to date are provided below.

Sale of business

Consideration for the sale to the Purchaser totalled £305,000. £252,500 was paid in cash on completion which includes the offset of the Administrator's contribution to wage arrears of £52,500 which would otherwise have crystallised as ordinary preferential creditors.

A breakdown of the consideration is set out below:

Consideration	£
Business Records	1
Contracts	1
Goodwill	49,995
Intellectual Property	1
Plant and Equipment	234,996
Leasehold Properties	5
Sales Information	1
Stock	20,000
Total Consideration*	305,000

*Excludes £75,000 deferred consideration which is contingent on the lease assignment.

Assets at the Birmingham site

The Joint Administrators are currently in the process of selling the fixtures, fittings, plant and machinery situated at the Birmingham site which were excluded from the SPA with the purchaser. An update will be provided in our next report.

Cash at bank

We understand that the cash position at appointment was £nil.

Metro swept a balance of approximately £98,000 against their indebtedness immediately prior to the appointment which will be reviewed as part of our security review. .

Further receipts have been received the pre-appointment bank account following our appointment from VISA/ Mastercard/ AMEX which relate to both pre and post appointment sales. We have not yet ascertained the level which will be retained by the Administration estate.

Other debtors, prepayments and rent deposits

The Joint Administrators are currently reviewing any realisations which may arise from debtors of the business.

Due to the nature of the business there are no trade debtors and realisations of other debtors may be limited. We are also evaluating if there are any realisations available from prepayments and the rent deposits shown on the Company's Balance Sheet.

Investigations

We are reviewing the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

In this regard, if you wish to bring to our attention any matters which you believe to be relevant, please do so by writing to Matthew Nash Knight at Interpath Advisory, 5th Floor, 130 St Vincent Street, Glasgow G2 5HF, United Kingdom.

3.3 Costs

From the date of appointment to 22 August 2023, no costs have been drawn or paid.

An estimate of all the anticipated costs likely to be incurred throughout the duration of the administration is set out in the attached summary of expenses (Appendix 4).

4 Dividend prospects

4.1 Secured creditor

As set out in Section 2, Metro Bank Plc provided a CBILSF loan to the Company secured by fixed and floating charges created 31 July 2017 and 5 July 2023. The Company's indebtedness at the time of appointment was circa £0.7 million.

Based on current estimates, we anticipate there will be a distribution to the Secured creditor, however we do not expect them to recover their debt in full.

4.2 Ordinary preferential creditors (employees)

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially (in advance of floating charge holders and ordinary unsecured creditors) and in priority to other preferential creditors (see 5.3 below). These claims are therefore referred to as "ordinary preferential creditors".

Currently, we are awaiting information from the pension provider in order to estimate the quantum of any ordinary preferential claims.

We do not anticipate that there will be sufficient funds to make a distribution to ordinary preferential creditors.

4.3 Secondary preferential creditors (HMRC)

Certain claims from HMRC rank preferentially, but secondary to the employee, ordinary preferential creditors above. These claims are therefore referred to as "secondary preferential creditors".

We estimate the amount of secondary preferential claims at the date of our appointment to be £1.2 million.

We do not anticipate that there will be sufficient funds to make a distribution to ordinary preferential creditors.

4.4 Unsecured creditors

Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors.

5 Ending the administration

5.1 Exit route from administration

We consider it prudent to retain all of the options available to us, as listed in Section 8, to bring the administration to a conclusion in due course.

However, at this stage we anticipate that the most likely exit route will be dissolution.

5.2 Discharge from liability

We propose to seek approval from the Secured creditor that we will be discharged from liability in respect of any action as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

6 Approval of proposals

6.1 Deemed approval of proposals

The administrators' proposals will be deemed approved, with no requirement to seek deemed consent or use a decision procedure, as it appears that the Company has insufficient property to enable us to make a distribution to the unsecured creditors.

On expiry of eight business days from the date our proposals were delivered to the creditors, they will be deemed to have been approved by the creditors unless 10% in value of creditors request that a decision procedure is convened. Further details of the steps to convene a procedure are detailed below.

6.2 Creditors' right to request a decision

We will use a decision making procedure or deemed consent to seek approval of our proposals (1) if asked to do so by creditors whose debts amount to at least 10% of the total debts of the Company, and (2) if the procedures set out below are followed.

Requests for a decision must be made within eight business days of the date on which our proposals were delivered. They must include:

- a statement of the requesting creditor claim;
- a list of the creditors concurring with the request, showing the amounts of their respective debts in the administration;
- written confirmation of their concurrence from each concurring creditor; and
- a statement of the purpose of the proposed meeting;

In addition, the expenses of the decision procedure at the request of a creditor must be paid by that creditor. That creditor is required to deposit security for such expenses with us.

If you wish to request a decision, please complete and return the decision requisition form attached to the cover letter.

7 Joint Administrators' remuneration, expenses and pre-administration costs

7.1 Approval of the basis of remuneration and expenses

We propose to seek approval from the Secured creditor that:

our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5;

Category 2 expenses (as defined in Statement of Insolvency Practice 9) will be charged and drawn in accordance with Interpath Advisory's policy as set out in Appendix 5.

unpaid pre-administration costs be an expense of the administration.

Agreement to the basis of our remuneration and the drawing of Category 2 expenses is subject to specific approval. It is not part of our proposals.

Should the circumstances of the administration change, we reserve the right to revert to the preferential or unsecured creditors in order to seek approval for the basis of remuneration and the drawing of Category 2 expenses.

Time costs

From the date of our appointment to 22 August 2023, we have incurred time costs of £27,327. These represent 51 hours at an average rate of £531 per hour.

Expenses

We have not incurred any expenses during the period.

Additional information

We have attached (Appendix 3) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Interpath for the period from our appointment to 22 August 2023. We have also attached our charging and expenses recovery policy.

7.2 Pre-administration costs

The following pre-administration costs have been incurred in relation to the pre-administration work detailed in Section 2:

Joint Administrators' pre administration fees	57,753.50
Pre administration legal fees and expenses (Eversheds)	52,185.01
Total	109,938.51

The costs predominantly relate to the following work streams:

- Interpath negotiated commercial, financial and legal terms with the purchaser as part of the sale process as detailed in our SIP16 memorandum circulated to creditors on 22 August 2023;
- Interpath advised the Company in relation to the administration appointment including rapid insolvency planning;
- Interpath liaised with the key stakeholders, including the Secured creditor, throughout the sale negotiation process;
- Interpath liaised with the purchaser throughout their final diligence and coordinated inbound queries;
- Eversheds assisted with the preparation of the Sale and Purchase Agreement, Excluded leases, IP assignments, Deed of Release and various other sale documents; ; and
- Interpath reviewed various iterations of the Sale and Purchase Agreement and other ancillary documents.

The payment of unpaid pre-administration costs as an expense of the administration is subject to the same approval as our remuneration, as outlined above. It is not part of our proposals.

8 Summary of proposals

Following an extensive sales process, no deliverable offers for a solvent rescue of the whole Company were received, therefore rescuing the Company in accordance with Paragraph 3(1)(a) is not achievable.

Therefore our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals.

We propose the following:

General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above;
- to investigate and, if appropriate, to pursue any claims the Company may have;
- to seek an extension to the administration period if we consider it necessary.

Distributions

- to make distributions to the Secured and preferential creditors where funds allow;
- to make distributions to the unsecured creditors if funds become available, and to apply to the Court for authority to do so, where applicable.

Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:

- apply to Court for the administration order to cease to have effect from a specified time and for control of the Company to be returned to the Directors;
- formulate a proposal for either a company voluntary arrangement (CVA) or a scheme of arrangement and put it to meetings of the Company's creditors, shareholders or the Court for approval as appropriate;
- place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, Timothy Bateson and Ryan Grant, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;
- petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, Timothy Bateson and Ryan Grant, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together;
- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

Joint Administrators' remuneration and pre-administration costs

We propose that:

our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5.;

Category 2 expenses (as defined in Statement of Insolvency Practice 9) will be charged and drawn in accordance with Interpath Advisory's policy as set out in Appendix ; unpaid pre-administration costs be an expense of the administration.

Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Appendix 1 Statutory information

Company and Trading name	VTL Realisations 2023 Limited (formerly Vinoteca Limited)
Date of incorporation	15 February 2005
Company registration number	05365085
Trading address	15 Clerkenwell Green, London, United Kingdom, EC1R 0DP
Previous registered office	15 Clerkenwell Green, London, United Kingdom, EC1R 0DP
Present registered office	Interpath Limited, 2nd Floor, 45 Church Street, Birmingham, B3 2RT
Company Directors	Charles Andrew Young Maria Elena Ares Brett James Woonton
Company Secretary	Charles Andrew Young

Administration appointment	The administration appointment granted in the High Court of Justice, London, 004445 of 2023.
Appointor	Directors
Date of appointment	18 August 2023
Joint Administrators	Timothy Bateson and Ryan Grant
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2).
Current administration expiry date	17 August 2024
Prescribed Part	The Prescribed Part is applicable on this case. It has been taken into account when determining the dividend prospects for unsecured creditors (Section 4).
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is £Nil. Estimated Prescribed Part is £Nil.
Prescribed Part distribution	The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply. This is because it is anticipated that the Prescribed Part will be automatically disapplied given that the estimated Net Property is less than £10,000 and the costs of making a distribution are anticipated to be disproportionate to the benefits. However, if the circumstances of the administration change, the Joint Administrators may make a distribution to the unsecured creditors; or if appropriate, may apply to the Court to obtain an order that the Prescribed Part shall not apply on the grounds that the cost of making a distribution to the unsecured creditors would be disproportionate to the benefits.
Application of EU Regulations	EU Regulations apply and these proceedings will be the COMI Proceedings as defined in Article 3 of the EU Regulations.

Appendix 2

Joint Administrators' receipts and payments account

Vinoteca Limited - in Administration		
Abstract of receipts & payments		
Statement of affairs (£)	From 18/08/2023	From 18/08/2023
	To 22/08/2023 (£)	To 22/08/2023 (£)
	NIL	NIL

The receipts and payments account is currently showing Nil due to the consideration for the sale being held by Eversheds whilst the administration bank account is set up. Eversheds will send the estate the consideration in due course and we will provide an updated receipts and payments account in our first progress report.

Appendix 3

Joint Administrators' fees estimate

Estimated time costs for the engagement				
	Narrative	Estimated total hours	Estimated time cost (£)	Estimated average hourly rate (£)
Administration & Planning				
Director/Member		5.00	2,155.00	431.00
Cashiering - processing receipts, payments and bank reconciliations	Note 1	24.50	7,937.50	323.98
General - books & records, fees & work in progress	Note 2	16.00	6,730.00	420.63
Statutory and compliance - appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy	Note 3	45.50	20,300.00	446.15
Tax - VAT & Corporation tax, initial reviews, pre and post appointment tax	Note 4	63.00	33,880.00	537.78
Creditors				
Creditors and claims - general correspondence, notification of appointment, statutory reports	Note 5	59.00	19,775.00	335.17
Employees - correspondence	Note 7	14.00	5,565.00	397.50
Investigations				
Directors - correspondence, statement of affairs, questionnaires	Note 8	9.00	3,305.00	367.22
Investigations - director conduct and affairs of the Company	Note 9	19.00	7,065.00	371.84
Realisation of Assets				
Asset Realisation - including insurance of assets	Note 10	150.50	51,477.50	342.04
Total		405.50	158,190.00	390.11

Please note, while the above table estimates that our time costs will total £158,190 the fees drawn in this case will be limited dependent upon the total level of asset realisations. Fee approval will be sought, and fees will be drawn in accordance with the approvals to be obtained from the Secured creditor.

Should we seek to draw remuneration in excess of this sum, we will revert to the appropriate class of creditors for further approval in due course.

Below is further detail of the work to be undertaken for this engagement:

Note 1 – Cashiering

Following our appointment, a floating charge bank account has been opened with Barclays for the future receipts and payments relating to the administration.

Receipts and payments accounts will be prepared, reviewed and reconciled to internal systems as part of our statutory duties to provide updated on the progress of the administration to the Company's creditors.

Note 2 - General

This will include general time spent on administration matters, including time spent on arranging for our fees to be settled in line with approvals received. Our time costs will be subject to regular review and compared to our fees estimate to minimise potential costs overruns.

Note 3 – Statutory and Compliance

We are required to complete our statutory duties, as appropriate, as the Joint Administrators of the Company. This includes notifying the Company's creditors of our appointment.

The strategy for the administration will be set and updated on a cyclical basis throughout the course of our appointment. This will include the completion of checklists, reviews, and regular staff meetings to ensure the administration is progressing in an efficient and effective manner.

We are required to comply with bonding requirements and have spent time in arranging the required cover based on the value of the Company's assets at our appointment.

Time has been incurred to date on initial appointment related formalities, which included making notifications to creditors and other third parties regarding our appointment as Joint Administrators.

Note 4 – Tax

The Company is registered for VAT purposes and as such, time will be spent preparing, reviewing and submitted the Company's VAT returns.

Time will also be spent in reviewing the Company's corporate tax position and assessing whether any historic losses are available to be utilised against any disposal of the Company's business and assets.

Note 5 – Creditors and claims

Our time spent in relation to creditors and claims includes, but is not limited to, the following:

- Preparing our Proposals and circulating to creditors in accordance with our statutory duties;

- Preparing and circulating our six-monthly progress reports to creditors;

- Dealing with creditor queries as they arise throughout the administration and in particular, any creditors who claim retention of title;

- Arranging for distributions to be made to the secured, preferential and unsecured as appropriate; and

Various other matters relating to creditors and claims.

Note 7 – Employees

Time allocated to reviewing pension matters and finalising the ordinary preferential claim position, as well as ad-hoc employee matters which may arise during the administration.

Note 8 – Directors

This estimate includes time corresponding with Directors regarding various matters pertaining to the administration, including seeking completion of Statement of Affairs and Director's Questionnaires.

Note 9 – Investigations

Time will be spent reviewing the Company's records and addressing any matters brought to our attention by the Company's creditors in this regard as part of our directors' investigations. This includes drafting of our directors' investigations report and submitting this to the Insolvency Service. This report is confidential. This also includes time spent in arranging for a mail redirection to be put in place from the Company's registered address.

Note 10 – Asset Realisation

The most significant time spent is in relation to dealing with the leasehold property, specifically assigning and surrendering leases. This category also includes time spent following the sale of business, as well as realising value in all the assets excluded from the sale of business.

Appendix 4 Joint Administrators' expenses estimate

Joint Administrators' expenses	1	500.00
Joint Administrators' pre administration fees	2	57,753.50
Pre administration legal fees and expenses	2	52,185.01
Legal fees & expenses	3	30,000.00
Agent's fees & expenses	4	14,500.00
Other costs/ contingency	5	5,000.00
Insurance	6	700.00
Statutory Advertising	7	100.00
Corporation Tax	8	18,750.00
Total		179,488.51

Note 1 – Joint Administrators' expenses

This section will include expenses to the administration such as postage, mileage and printing costs.

Note 2 – Pre-administration costs

Please refer to section 7.2 of this report.

Note 3 – Legal fees & expenses

We have estimated legal fees and expenses of £30,000 in relation to various matters we are required to consult with our legal advisors on. This includes validity of appointment and a security review.

Note 4 – Agent's fees & expenses

We have estimated agent's fees and expenses of £10,900 in relation to assistance with the excluded leases and collecting rent in relation to the five London leases.

Note 5 – Other costs/ contingency

A provision of £5,000 has been included for other costs including a contingency. This includes provisions of costs relating to the excluded leases and additional agent costs which may be incurred.

Note 6 - Insurance

Howdens have been instructed to provide open insurance cover for the administration. We have estimated this cost based on our discussion with Howden.

Note 7 – Statutory advertising

Anticipated costs for advertising the notice of appointment in the London Gazette.

Note 8 – Corporation tax

If the deferred contingent consideration is realised in full, a potential tax liability may arise on the net proceeds. As such a provision of the corporation tax rate of 25% of the full £75,000 contingent consideration has been estimated.

Appendix 5 Joint Administrators' charging and expenses policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of in-house Interpath Advisory tax, VAT and employee specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>

If you are unable to access this guide and would like a copy, please contact Matthew Nash Knight on 0121 817 8623.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Managing Director	780
Director	725
Associate Director	635
Manager	530
Senior Associate	370
Associate	265
Support	165

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of expenses

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 expenses from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

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

Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 expenses: These are payments to associates or which have an element of shared costs. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Associates: are defined in the insolvency legislation but also extends to parties where a reasonable and informed third party might consider there would be an association between the third party and the office holder or their firm.

Category 2 expenses charged by Interpath Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.

- Use of company car – 60p per mile.

- Use of partner's car – 60p per mile.

For all of the above car types, when carrying Interpath passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have not incurred any expenses during the period 18 August 2023 to 22 August 2023.

We have the authority to pay Category 1 expenses without the need for any prior approval from the creditors of the Company.

Category 2 expenses are to be approved in the same manner as our remuneration.

Narrative of work carried out for the period 18 August 2023 to 22 August 2023

The key areas of work have been:

Statutory and compliance	collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences; providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment; ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	formulating, monitoring and reviewing the administration strategy; briefing of our staff on the administration strategy and matters in relation to various work-streams; regular case management and reviewing of progress, including regular team update meetings and calls; reviewing and authorising junior staff correspondence and other work; dealing with queries arising during the appointment; allocating and managing staff/case resourcing and budgeting exercises and reviews; complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	providing oral updates to representatives of the secured creditors regarding the progress of the administration and case strategy.
Cashiering	setting up administration bank accounts and dealing with the Company's pre-appointment accounts;
Shareholders	providing notification of our appointment.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9;
Asset realisations	collating information from the Company's records regarding the assets; liaising with agents regarding the sale of assets; dealing with issues associated with the sale of stock;
Property matters	reviewing the Company's leasehold properties, including review of leases; communicating with landlords regarding rent, property occupation and other issues;
Sale of business	planning the strategy following the sale of the business and assets, including instruction and liaison with professional advisers;
Open cover insurance	arranging ongoing insurance cover for the Company's business and assets; liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; assessing the level of insurance premiums.
Employees	dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments;
Pensions	collating information and reviewing the Company's pension schemes; calculating employee pension contributions and review of pre-appointment unpaid contributions; ensuring compliance with our duties to issue statutory notices;
Creditors and claims	drafting our proposals; creating and updating the list of unsecured creditors; responding to enquiries from creditors regarding the administration;
Investigations/ Directors	reviewing Company and directorship searches and advising the directors of the effect of the administration; liaising with management to produce the Statement of Affairs;

Time costs

Pre-Administration costs (08/08/2023 to 17/08/2023)						
	Hours				Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support		
Pre-Administration Sale of business - preparation	20.50	36.50	20.20		77.20	43,603.00
Pre-Admin Advising company re administration	1.80	0.25			2.05	1,463.75
Pre-Admin Appointment documents	1.20	11.25	14.80		27.25	11,935.75
Pre-administration checks		0.60	1.00		1.60	751.00
Total	23.50	48.60	36.00	0.00	108.10	57,753.50

SIP 9 –Time costs analysis (18/08/2023 to 22/08/2023)			
	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Bankrupt/Director/Member			
Notification of appointment	1.60	592.00	370.00
Statutory and compliance			
Appointment and related formalities	10.70	6,397.50	597.90
Checklist & reviews	0.20	127.00	635.00
Pre-Admin Advising company re administration	0.25	158.75	635.00
Pre-Admin Appointment documents	6.20	2,433.00	392.42
Statutory advertising	0.20	127.00	635.00
Tax			
Initial reviews - CT and VAT	1.10	645.50	586.82
Post appointment corporation tax	2.70	1,431.00	530.00
Post appointment VAT	0.10	63.50	635.00
Creditors			
Creditors and claims			
Pre-appointment VAT / PAYE / CT	2.00	842.50	421.25
Statutory reports	1.80	1,143.00	635.00
Employees			
Pensions reviews	0.10	37.00	370.00

SIP 9 –Time costs analysis (18/08/2023 to 22/08/2023)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Investigation			
Directors			
Directors' questionnaire / checklist	0.60	354.50	590.83
Statement of affairs	1.10	645.50	586.82
Realisation of assets			
Asset Realisation			
Leasehold property	0.20	127.00	635.00
Pre-Administration Sale of business - preparation	16.00	8,482.00	530.13
Rent	1.30	942.50	725.00
Sale of business	5.30	2,777.50	524.06
Total in period	51.45	27,326.75	531.13
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	51.45	27,326.75	
Carry forward time (appointment date to SIP 9 period end date)	51.45	27,326.75	

Appendix 6 Estimated Financial Position

The Directors were due to provide a Statement of the Affairs of the Company by 29 August 2023.

Once received the Statement of Affairs will be filed with the Registrar of Companies.

Please note that disclosure of the contents of the Statement of Affairs may be restricted with the Court's permission if it is considered that disclosure would be adverse to the interests of creditors.

As a Statement of Affairs has not been provided, details of the estimated financial position of the Company at the latest practicable date, are given below using the Company's latest financial information provided by management.

VTL Realisations 2023 Limited (formerly Vinoteca Limited) Trading As: Vinoteca Limited **Estimated Financial Position as at 18 August 2023**

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Leasehold/Professional fees	473,852	75,005
IP - Intangible assets	0	4
Goodwill	0	49,995
	<u>473,852</u>	<u>125,004</u>
Fixed charge		(685,900)
Fixed charge deficit		(560,896)
Assets subject to floating charge:		
Plant and Equipment	2,832,502	234,996
Stock	145,691	20,000
Other debors	36,976	10,000
Rent Deposit	133,227	10,000
	<u>3,148,396</u>	<u>274,996</u>
Estimated total assets available for preferential creditors		274,996

VTL Realisations 2023 Limited (formerly Vinoteca Limited) Trading As: Vinoteca Limited
Estimated Financial Position as at 18 August 2023

A1 - Summary of Liabilities

	Estimated to Realise	£
Estimated total assets available for preferential creditors (Carried from Page A)		274,996
Liabilities		
Ordinary Preferential Creditors/ employee arrear contribution:-	(115,466)	
Estimated deficiency/surplus as regards ordinary preferential creditors	159,530	
Secondary Preferential Creditors:-	(1,171,881)	
Estimated deficiency/surplus as regards secondary preferential creditors	(1,012,351)	
Debts secured by floating charge pre 15 September 2003	NIL	
Other Pre 15 September 2003 Floating Charge Creditors	NIL	
Estimated prescribed part of net property where applicable (to carry forward)	NIL	
Estimated total assets available for floating charge holders	NIL	
Debts secured by floating charges post 15 September 2003	(560,896)	
Estimated deficiency/surplus of assets after floating charges	(1,573,247)	
Estimated prescribed part of net property where applicable (brought down)	NIL	
Total assets available to unsecured creditors	NIL	
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	(1,132,510)	
Estimated deficiency/surplus as regards non-preferential creditors	(1,132,510)	
Estimated deficiency/surplus as regards creditors	(2,705,758)	
Issued and called up capital	NIL	
Estimated total deficiency/surplus as regards members	NIL	

Savills V5 & V6 service charge		251665.3
Kings cross rent		137184.53
Southwark Council	Southwark Council	120151.21
Jones Lang LaSalle Ltd	Jones Lang LaSalle Ltd,30 Warwick St,W1B 5NH	74418.37
London Borough of Camden	London Borough of Camden	53662
Liberty Wines	Liberty Wines,6 Timbermill Way,London,SW4 6LY	37686.54
Swig Wines Ltd	Swig Wines Ltd,New Covent Garden Market,London,SW8 5EL	29288.97
Ginger Pig	Ginger Pig,Suite 3, Charter House,25 High Street,Banbury,OX16 5EG	21847.78
City of London	City of London,Markets and Consumer Protection,PO BOX 270,Guildhall,London,EC2P 2EJ	20447
Rushton's The Chef's Greengrocer's Ltd	Rushton's The Chef's Greengrocer's Ltd,Bamville End Cottage,Mud Lane,Harpenden,Herts,AL5 1AW	18298.5
Astrum Wines Cellars LTD	Astrum Wines Cellars LTD,Unit 7 Falcon Business Centre,14 Wandle Way,Mitcham,Surrey,CR4 4FG	17151.97
Gastronomica Ltd	Gastronomica Ltd,Unit 3,11 Plough Yard,London,EC2A 3LP	16638.97
Robert Rolls and Co. Ltd	Robert Rolls and Co. Ltd,55 St. John Street,London,EC1M 4AN	15880.98
Catlin Wines	Catlin Wines	14451.8
Stephenson Harwood LLP	Stephenson Harwood LLP,1 Finsbury Circus,London,EC2M 7SH	13610.33
Delibo Ltd t/a Delibo Wine Agencies	Delibo Ltd t/a Delibo Wine Agencies,Rose Cottage,Church Hanborough,Oxfordshire,UK,OX29 8AA	12095.61
Birmingham City Council	Birmingham City Council	11158
Billfields	Billfields,Unit A15-A19,New Covent Garden Market,London,SW8 5EE,0	10402.21
Harri Technologies UK Limited	Harri Technologies UK Limited,Regency House,33 Wood street,Barnet,Hertfordshire,EN5 4BE	9505.92
Biercraft	Biercraft,53 Coopersale Road,London,E9 6AU	8590.59
M&A Hygiene PLC	M&A Hygiene PLC,Unit 5,Stafford Cross,Stafford Road,Croydon,Surrey,CR0 4TU	8567.95
Pho Trading Ltd	Pho Trading Ltd,15 Clerkenwell Green,London,EC1R 0DP	7921.51
PPL PRS use	PPL PRS use,1 Upper James Street,London,W1F 9DE	7364.02
Fluid Options UK Ltd	Fluid Options UK Ltd,Unit 2 Shannon Commercial centre,Beverley way, New Malden,KT3 4PT	7183.33
Amathus Wine	Amathus Wine,309 Elveden Road,Park Royal,London,NW10 7ST	6734.65
Passione Vino V6	Passione Vino V6,Unit W108,Holywell Centre,2 Phipp Street,London,EC2A 4PS	6722.77
Towergate Insurance	Towergate Insurance,Towergate House,24a Duke Street,Henley-on-Thames,Oxon,RG9 1UP	6414.44
Addleshaw Goddard	Addleshaw Goddard	6302.38
VG technical Ltd	VG technical Ltd	5880
GB WINE SHIPPERS LTD	GB WINE SHIPPERS LTD,GB Wine Shippers LTD,3 Millers Court,Chiswick Mall,London,W42PF	5469.35

Les Caves De Pyrene Ltd	Les Caves De Pyrene Ltd,Pew Corner,Old Portsmouth Road,Artington,Guildford,GU3 1LP	5209.16
Clark Foysters Wines Ltd	Clark Foysters Wines Ltd,Northumberland House,11 The Pavement,Popes Lane,London,W5 4NG	4949.94
Passione Vino V8	Passione Vino V8,Unit W108,Holywell Centre,2 Phipp Street,London,EC2A 4PS	4850.44
Guinness Mahon Trust Corp Ltd	Guinness Mahon Trust Corp Ltd,111 Charterhouse Street,London,EC1M 6AW,0,0	4833
Raymond Reynolds	Raymond Reynolds,Furness Vale Ind. Estate,Station Road,Furness Vale,High Peak,SK23 7SW	4827.76
Sopher + Co LLP	Sopher + Co LLP,5 Elstree Gate,Elstree Way,Borehamwood,Hertfordshire,WD6 1JD	4800
Campbell Brothers/ Kingfisher	Campbell Brothers/ Kingfisher,Sherwood Industrial Estate,Bonnyrigg,Midlothian,EH19 3LW	4751.3
Corporate Security Solutions	Corporate Security Solutions,139-141 Watling street, Gillingham,Kent,ME7 2YY	4692.6
London Borough of Hounslow	London Borough of Hounslow,Business Rates Section,Civic Centre,PO Box 186,Lampton Road, Hounslow,TW3 4WD	4373.37
Gemma Bell and Company	Gemma Bell and Company,St Anne's Vicarage,37 Hemsworth Street,London,N1 5LF,0	4335.23
Ucopia world wines	Ucopia world wines	4175.33
Eclectic Wines	Eclectic Wines,The Kitchen Table Wine Co Ltd,70 -72 Richmond Road,Twickenham,Middx,TW1 3BE	4081.43
London Linen Supply Ltd	London Linen Supply Ltd,6-8 Jackson Way,Great Western Industrial Park,Windmill Lane,Southall Middx,UB2 4SF	4033.02
Beef and Burgundy Ltd	Beef and Burgundy Ltd,12 Market Place,Colerne,Chippenham,Wiltshire,SN14 8DF	3943.6
Bread Ahead Ltd	Bread Ahead Ltd,Borough Market,Cathedral Street,London,SE1 9DE	3829.05
Carmelita Ltd	Carmelita Ltd,71-75 Shelton Street,London,WC2H 9JQ	3704.4
Passione Vino V7	Passione Vino V7,85 Leonard Street,EC2A 4QS	3544.12
Edward Alain Cook Ltd	Edward Alain Cook Ltd,Unit 37, The Hub,Nobel Way,Witton,Birmingham,B6 7EU	3517.01
Bookatable Ltd	Bookatable Ltd,5th Floor,Elizabeth House,39 York Road,London,SE1 7NQ	3472.8
Yeni	Yeni	3270.63
Nelson Dish and Glasswashing Machines Ltd	Nelson Dish and Glasswashing Machines Ltd,Unit 1 Rowley Industrial Park,Roslin Road,Acton,London,W3 8BH	3261.47
De Bortoli Wines UK Ltd	De Bortoli Wines UK Ltd,Minchington Farm,Farnham,Blandford Forum,DT11 8DE,0	3036
Wine&Spirit Education trust	Wine&Spirit Education trust	2931
Airship Services Limited	Airship Services Limited,16 South Street,Park Hill,Sheffield,S2 5QX,0	2700
Wireless Social	Wireless Social	2524.8
TomFDrinks	TomFDrinks	2509.48

Lyncraft Marketing & Exhibitions Ltd t/a Printdot	Lyncraft Marketing & Exhibitions Ltd t/a Printdot,Unit 25,Fallings Park ind,Wolverhampton,WV10 9QB,0	2472.96
Sonic Frost Ltd	Sonic Frost Ltd,34 Park Royal road,London,NW10 7LN	2415.31
Neals Yard Dairy Ltd	Neals Yard Dairy Ltd,108 Druid St,London,SE1 2HH	2239.63
Wineware Racks&Accessories Ltd	Wineware Racks&Accessories Ltd	2220
Cygnus	Cygnus,86 Station Road,Bow Brickhill,Milton Keynes,MK17 9JT,	2201
Islington Council	Islington Council,Sundry Income team,7 Newington Barrow Way,London,N7 7EP	2165
Cooking Oil Services	Cooking Oil Services,Units 1 / 2 Wood Lane Farm,Wood Lane,Iver Heath,Bucks,SL0 0LD	2139
Lollipop Labs Ltd	Lollipop Labs Ltd,60 The Highway,Stirling Eco Building,London,E1W 2BF	1987.2
Vignobles Mourat	Vignobles Mourat,Rote de la Roche suryon,Mareuil Sur Lay	1945.95
Debono Ltd	Debono Ltd,Unit 19/20,London Industrial Park,Eastbury Road,London,E6 6LP	1915.28
Kone	Kone	1891.01
La Porcellana Ltd	La Porcellana Ltd,1 Somers Place,London,SW2 2AL	1845.08
Freemans solicitors	Freemans solicitors,22 Upper Woburn Place,London,UK,WC1H 0HW	1806
Belazu Ingredient Company	Belazu Ingredient Company,74 Long Drive,Greenford,Middlesex,UB6 8LZ	1718.65
Reaction Group	Reaction Group,Poundbury House,Poundbury West Industrial Estate,Dorchester,Dorset,DT4 7SS	1664.38
ARC Office Systems Ltd/ Smart Office	ARC Office Systems Ltd/ Smart Office,Unit 9 &10,Bowes Industrial Centre Wrotham Road,Meopham, Kent,UK,DA13 0QB	1653.89
Delice de France	Delice de France,149 Brent Road,Southhall,Middlesex,UB2 5LJ	1644.52
Yumpingo Ltd	Yumpingo Ltd,5 Technology Park,Colindeep Lane,Colindale,London,NW69 6BX	1605.12
Environmental Products@Services	Environmental Products@Services	1560
Classeq Ltd	Classeq Ltd	1544.4
B&L Emmet	B&L Emmet	1350
Britannia Sandersteads	Britannia Sandersteads,Quarry Logistics Complex,Quarry Road,Godstone,Surrey,RH9 8DQ	1252.46
Absalom&Tribe Ltd	Absalom&Tribe Ltd,21 East Market Building,Smithfield, London,EC1A 9PQ,0,0	1237.05
Classic Fine Foods Uk Ltd	Classic Fine Foods Uk Ltd,D24-27 New Covent garden market,Nine Elms Lane,SW8 5LL,	1123.2
APT Security Ltd	APT Security Ltd,170 Upper Elmers End Road,Beckenham,Kent,BR3 3DY	1102.8
Dyfi Distillery LTD	Dyfi Distillery LTD	1073.52
Ethos Flowers & Plants Ltd	Ethos Flowers & Plants Ltd,2 Brunswick Street,Brindleyplace,Birmingham,West Midlands,B1 2JF	1044
Pixel Pixel Ltd	Pixel Pixel Ltd	1032
Univent Ltd	Univent Ltd,Unit 2 Bryant Road,Bayton Road industrial Estate,Coventry,Warwickshire,CV7 9EN	1014

Swift Office Cleaning Services Ltd	Swift Office Cleaning Services Ltd,Swift House,Riverway,Harlow,Essex,CM20 2DW	1013.9
Caterfish Ltd	Caterfish Ltd,Units 72/74 The Hub,Nobel Way,Birmingham,B6 7EU	976.36
Bread By Bike	Bread By Bike,10a Cavendish road,London,N4 1RT	970.65
Zip Heaters Ltd	Zip Heaters Ltd,14-15 Bertie Ward Way,Dereham,NR19 1TE	966.8
Conviviality Group Limited	Conviviality Group Limited,113 Regents Park,London,NW1 8UR	921.31
Ola O. Smit		760
Currys	Currys	738
Living for the Weekend	Living for the Weekend,11 Kingfisher Business Park,Arthur Street,Lakeside,Worcestershire,B98 8LG	700
200Degrees	200Degrees	689.35
Judes Ice Cream	Judes Ice Cream,The Green Barn,Easton,Winchester,S021 1EG	674.11
Birmingham Brewing Company	Birmingham Brewing Company,Unit 17 Stirchley Trading Estate,Hazelwell Road,Birmingham,B30 2PF	608.02
IMServ	IMServ,Milton Keynes,MK14 6LY	585.75
Fernando Goncalves		525.16
MIBA Food & Drink Solution Ltd	MIBA Food & Drink Solution Ltd,Unit 8,Block A,105 Eade road,London,N4 1TJ	513.85
FWP UK LTD	FWP UK LTD,Willow Holt Farm,Fosse Road,East Stoke,Newark,NG23 5QH	489.23
Blue Sky Air Conditioning Ltd	Blue Sky Air Conditioning Ltd,Griggs Business Centre,West Street,Coggeshall,Essex,CO6 1NT	474
Fowlers Forest Dairies Ltd	Fowlers Forest Dairies Ltd,Small Lane,Earlswood,Warwickshire,B94 5EL,0	457.23
Hitched Limited	Hitched Limited	429.74
Gelato Mio Ltd	Gelato Mio Ltd,37 Pembridge Road,London,W11 3HG,0,0	415.8
Heart of the Country Meats Ltd	Heart of the Country Meats Ltd,New Road,Netherton,Dudley,West Midlands,DY2 8SY	376.25
Fluid Adventures Ltd	Fluid Adventures Ltd	350
Seethelight	Seethelight	340.8
Control Energy Cost Ltd	Control Energy Cost Ltd,Tollers Farm,Drive Road,Old Couldson,Surrey,CR5 1BN	324
Rajapack Ltd	Rajapack Ltd,Unit 1 Marston Gate Ridgmont,bedford,MK43 0YL	310.2
Monomax Limited	Monomax Limited,3rd Floor Quadrant House,250 Kennington Lane,London,SE11 5RD	300
BCD Meetings & Events Ltd	BCD Meetings & Events Ltd	287.04
Stark Software International Ltd	Stark Software International Ltd,Sentinel House,10-12 Massetts Road,Horley,Surrey,RH6 7DE	286.8
Em Oils Ltd	Em Oils Ltd,Unit 9 Marlow Road Industrial Estate,Marlow Road,Leicester,LE3 2BQ	273
The filta group Ltd	The filta group Ltd	270
Humitech (UK) Ltd	Humitech (UK) Ltd,Unit J5,Win Business Park,Newry Co. Down,BT35 6PH	240
I&R Cleaning Enterprises	I&R Cleaning Enterprises,48 Fairlight Cross,Newbarn,Longfield,Kent	240

The wine box company	The wine box company,15 Bessemer park,250 Milkwood road,London,SE24 0HG	217.92
Premier Vanguard Ltd (premvant)	Premier Vanguard Ltd (premvant),Stewart Close,Eccleshill,Bradford,BD2 2EE	215.38
DAC Beachcroft	DAC Beachcroft	165.32
Belu Water Ltd	Belu Water Ltd,c/o CAN Mezzanine,32 - 36 Loman Street,Southwark,London,SE1 0EE	165.3
Sodexo		158.4
Charlie Young	Charlie Young,15 Clerkenwell Green,London,EC1R 0DP,0,0	151.88
Professional Venue Solutions Ltd	Professional Venue Solutions Ltd,Bridgeway House,Icknield Way Business Estate,Tring,Hertfordshire,HP23 4JX	149.95
First Choice	First Choice,4a Ryknild Trading Estate,Derby Road,Burton upon Trent,Staffordshire,DE14 1RZ	149.29
NCE London	NCE London	148.2
King's Cross Estate Services Ltd DO NOT USE	King's Cross Estate Services Ltd DO NOT USE,4 Stable Street,King's Cross,London,N1C 4AB,0	143.28
Pace IT Systems Ltd	Pace IT Systems Ltd,Batley Business Park,Technology Drive,Batley,West Yorkshire,WF17 6ER	118.8
Head Box	Head Box	100
Thames Water Utilities Ltd	Thames Water Utilities Ltd,PO Box 286,Swindon,SN38 2RA	98.96
Brett James Woonton	Brett James Woonton,15 Clerkenwell Green,London,EC1R 0DP	75.13
Brindisa Ltd	Brindisa Ltd,9-B Weir Road,Balham,London,SW12 0LT	41.4
Alan Woodard Limited	Alan Woodard Limited,Office B6,Arena Business Centre,Nimrod Way, Ferndown Industrial Est.,Wirnbome, Dorset,BH21 7SH	40.46
Oli Verrilli Ltd	Oli Verrilli Ltd,Unit 18,Ingate Place,London,SW8 3NS	39.11
Ironmongery Direct	Ironmongery Direct	34.62
Prontaprint	Prontaprint	28.2
Design my night	Design my night	18.61
Knifeman	Knifeman	15.4
Allan Reeder Ltd	Allan Reeder Ltd,673 Spur Road,Feltham,London,TW14 0SL	10
TOTAL		1132510.29

VTL Realisations 2023 Limited (formerly known as Vinoteca Limited) - in Administration

SIP 16 memorandum of sale of business

This statement is made in order to comply with the Joint Administrators' responsibilities under Statement of Insolvency Practice ("SIP") 16, the latest version of which is effective from 30 April 2021. Statements of Insolvency Practice are guidance notes issued by the insolvency regulatory authorities with a view to maintaining standards by setting out required practice and harmonising practitioners' approach to particular aspects of insolvency.

SIP 16 concerns arrangements where the sale of all or part of a company's business and assets is negotiated with a purchaser prior to the appointment of an administrator, who affects the sale immediately on, or shortly after, his appointment or for the case of a substantial disposal to a connected person, within eight weeks of appointment. A connected person is defined in SIP 16 as a person with any connection to the directors, shareholders or secured creditors of the company or their associates.

SIP 16 can be located via this link <https://www.icaew.com/-/media/corporate/files/technical/insolvency/regulations-and-standards/sips/england/sip-16---england-and-wales-300421.ashx>

Background

The entity that is subject to this SIP 16 Memorandum for the sale of business and certain assets is VTL Realisations 2023 Limited (formerly known as Vinoteca Limited (the 'Company' or 'Vinoteca')).

The Company was incorporated in 2005, founded by Charlie Young, Brett Woonton and Elena Ares (the 'Founders').

The Company operates a chain of wine bars from five leasehold properties (Borough Yards, Chiswick, Farringdon, Kings Cross and City) across London branded as Vinoteca. The Company has approximately 150 employees.

The Company is controlled by the Founders, who together hold 57.7% of the ordinary share capital. The remaining 42.3% is held by 21 different parties, including private and institutional investors.

The Company's recent trading has been adversely impacted by COVID-19, train strikes and an underperforming site in Birmingham which opened in July 2022 and was closed in May 2023.

The Company's management accounts show a loss after tax of £1.3m in the financial year 31 March 2023 and a loss after tax (post exceptionals) of £0.3m for the three months to 30 June 2023. The recent losses combined with the capital expenditure on the Birmingham site led the Company to experience significant cash flow pressures and was unable to continue paying its overheads, resulting in a high level of creditor stretch.

The Company approached Gresham House Asset Management Limited ('Gresham'), an existing investor in the business, with a request of securing additional funding. Gresham were unable to provide any additional financial support. Following this request, the Company also approached Metro Bank PLC (the 'Bank') with a request for additional financial support. However, the Bank were unable to do so.

Initial introduction

Interpath Ltd ('Interpath') was introduced to the Company in April 2023 via the Bank and were originally engaged on 4 May 2023.

Interpath had not had a prior professional relationship with the Company nor any of its directors prior to this engagement.

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Pre-appointment considerations

Prior involvement with the Company

Interpath has been engaged by the Company to carry out the following engagements:

- **4 May 2023:** Interpath was engaged to perform a high-level review of the Company's short term cash requirements and creditor pressure, a high-level assessment of its operational performance, and provide a view on the medium-term viability of the business. The medium-term viability assessment was removed from this scope on 31 May 2023.
- **10 July 2023:** Interpath was engaged to assess the options available to the Company and undertake a piece of high level contingency planning work.
- **19 July 2023:** Interpath was engaged to run an M&A process to evaluate the sale and investment options available to the Company on an accelerated basis (known as an 'Early Options Process').

Given the solvency issues of the Company, the Early Options Process did not result in any additional investment solvent offers for the Company. The offers received were to purchase all or part of the business and assets of the Company. Therefore, it was concluded that these offers were to be transacted via a pre-pack Administration.

The directors of the Company took steps to appoint Ryan Grant and Timothy Bateson as Joint Administrators of Vinoteca on 18 August 2023, with the pre-pack transaction to conclude a sale of the business and the majority of the assets occurring shortly afterwards on the same day.

Having considered the above engagements and the work undertaken for the Company, the Joint Administrators do not consider that this prior work represents a threat to their independence or gives rise to any conflict of interest.

Interpath's engagements have not included providing advice to the directors of the Company on their personal positions. Independent legal advice has been sought by the Company's board of directors (the 'Board') from Pinsent Masons LLP in this regard.

Alternative Options

Interpath initially carried out an options review which was delivered to the Company and the directors on 14 July 2023. This report considered of the available options for the business including a solvent transaction, Company Voluntary Arrangement ('CVA'), Restructuring Plan, trading Administration and subsequent sale, sale executed via a pre-pack Administration, Administration followed by an immediate shut down and a Creditors Voluntary Liquidation ('CVL'). A number of these options were discounted, as set out below.

- **Solvent transaction:** As part of the Early Options sale and investment process undertaken by Interpath, interested parties were invited to submit offers on any basis, however, no solvent offers were received.
- **CVA:** A CVA was considered as part of the options review, however, the Company did not have sufficient cash or timeframe to enable the delivery of a CVA viability assessment through to the creditors meeting and approval. Given these factors, it was determined that CVA would not be a feasible option.

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- **Restructuring Plan:** A Restructuring Plan was considered as part of the options review, however, the Company did not have sufficient cash or timeframe to enable the preparation and execution of a Restructuring Plan, therefore it was determined that a Restructuring Plan would not be a feasible option.
- **Trading administration and subsequent sale:** An appointment of Administrators over the Company, with the Administrators continuing to trade the business and commencing a sales and marketing process with the view to concluding a sale of the business and assets was considered. However, it was not deemed feasible given:
 - The Administrators' trading period would include August. Historically, August is a poor trading month for the Company due to the holiday period reducing footfall, therefore, it is unlikely that the Administrators' trading period would generate a profit from trading operations.
 - The trading outcome during the Administration could be adversely impacted by successful retention of title claims over stock.
 - The overlay of additional professional costs, principally Administrators' fees, legal fees and agents' fees, to manage the trading period would increase the costs of the Administrator's trading period.
 - Based on the above it is likely that an Administrators' trading period would be loss making and therefore funding would be required. It was considered unlikely that funding could be secured.
 - An extensive Early Options Process had already been conducted which had resulted in offers for the business and assets of the Company. Consequently, we did not consider that continuing to trade the business would have resulted in further offers and/or a better outcome for creditors.
- **Administration and immediate wind down:** This option would only be relevant if no offers had been received for the business. As set out above, given the resulting employee and landlord claims, this option would have resulted in a worse outcome for the creditors than the successful pre-pack administration option undertaken.
- **CVL:** A liquidation would have resulted in the immediate closure of the business and all employees being made redundant. A sale of the assets in a liquidation scenario would have resulted in a worse outcome for the creditors than the successful pre-pack administration undertaken.

Therefore, the directors resolved to commence an Early Options Process.

Early Options Process

Following the conclusion of the Early Options Process, three offers were received for the business and assets on a pre-pack administration basis. Therefore, the directors resolved to pursue a sale of the business and assets on a pre-pack administration basis.

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One of the interested parties withdrew from the process on 8 August 2023. Of the two remaining offers the offer received from Breal Capital Limited ('Breal'/'the Purchaser') via its vehicle (Andrea Q Limited ('Andrea Q')) was considered to provide the best outcome to creditors. In drawing this conclusion, the following factors were considered:

- More than one offer for the business and assets of the Company was received and therefore there was an additional option if the sale to Breal was not to conclude. In the event the second offer was not executed, the only viable alternative to the pre-pack sale was an immediate wind down administration. See the wind down administration section above.
- Creditor claims are expected to be lower in a pre-pack compared with a wind down scenario, in particular landlord claims are likely to be lower as it is expected that the property leases will transfer to the Purchaser.
- Furthermore, there will be no ordinary preferential claims as all employees will transfer to the new company via TUPE.

Creditor Consultation

The Bank in its capacity as secured creditor, was regularly consulted throughout the process and provided their consent to proceed with the administration and subsequent transaction on 11 August 2023.

The Bank provides the Company with a CBILS loan and credit card facilities with total exposure of approximately £0.8 million as per the June 2023 balance sheet.

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Registered Charges

The following table summarises all current registered outstanding charges.

Registered Charge	Registration Date	Description of Charge
Metro Bank PLC	5 July 2023	The leasehold property known as basement and ground floor premises, 7-9 St John Street, London (EC1M 4AA)
Metro Bank PLC	5 July 2023	The leasehold property to be known as 18 Devonshire Road, Chiswick, London
Metro Bank PLC	31 July 2017	The leasehold property to be known as 18 Devonshire Road, Chiswick, London
Metro Bank PLC	31 July 2017	The leasehold property known as 13-15 Seymour Place, London
Metro Bank PLC	31 July 2017	The leasehold property known as basement and ground floor premises, 7-9 St John Street, London (EC1M 4AA)
Metro Bank PLC	31 July 2017	The leasehold property known as Basement and ground floor level, Unit 11, Pancras Square, London
Metro Bank PLC	31 July 2017	The leasehold property known Unit C2 and C3 and ancillary storage area, The Arcade, Bloomberg, London
Metro Bank PLC	31 July 2017	Fixed and floating charge. Floating charge covers all the property and undertaking of the Company

Marketing of the business and assets

Interpath was engaged on 19 July 2023 to carry out a full marketing process of the Company and a confidential teaser document was circulated on 20 July 2023 to over 167 trade and specialist turnaround investors.

As part of the process, Interpath approached 134 specialist investors who are known to have immediate access to funds and the resources to complete a transaction within a short timeframe. In addition, we also actively approached and marketed the opportunity to 33 trade parties identified by a combination of the directors of the Company and through market research.

Online advertisement was not part of the marketing process given the extensive list of specialist investors and trade parties approached.

Interpath set an initial offer deadline of Monday 31 July 2023 and subsequently a best and final offer deadline of Friday 4 August 2023. The timetable was driven by the Company's liquidity and creditor pressure.

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Further negotiations were held with the interested parties who submitted offers in order to clarify any points of conditionality in their offers.

Following this process, no solvent offers were received.

Three interested parties submitted best and final offers on a business and assets basis which included: one offer on a pre-pack basis for all trading sites, one offer on a pre-pack basis for four of the five trading sites and one further pre-pack offer for two sites. On 8 August 2023, one of the interested parties withdrew from the process due to being unable to meet the proposed completion timetable, leaving two offers for the business and assets of the Company.

On 8 August 2023, the Board resolved to proceed with the Purchaser's offer as this was the best outcome to creditors. Following the other interested party being informed of the Board's decision, this interested party submitted an unsolicited offer. The Purchaser was then provided with an opportunity to submit a revised offer on 9 August 2023.

On 9 August 2023 the Board elected to proceed with the revised Purchaser's offer. Whilst the upfront consideration was the same in both the revised best and final offers received, the estimated return to creditors as a whole is maximised via the Breal offer due to:

- The whole of the business being rescued as a going concern and therefore employee preferential claims are significantly lower.
- The estimated process costs of the process are lower given the structure proposed.
- The other offer was for part of the business. There were no other offers for the remaining parts of the business therefore would have resulted in additional unsecured creditor claims and additional process cost to deal with the residual estate.

As the Company's forecast cash flow indicated an unfunded cash requirement in mid-August 2023, the Board and Interpath did not consider that any further marketing of the business would be beneficial given the extensive sales and investment process and the number of parties approached.

Following further negotiations with Breal to conclude a transaction, the headline consideration was reduced by £45,000 to £305,000. £30,000 of this reduction was to reflect the Purchaser honouring the current customer bookings for future events where £45,000 of customer deposits had been taken by the Company, and £15,000 of the reduction related to the exclusion of certain assets from the sale.

It was further identified that there was c£105,000 of employee arrears at the date of the proposed transaction. Accordingly, it was agreed that the Administrators would pay £52,500 as a contribution to employee wage arrears as at 18 August 2023, given that these will be paid as preferential creditors had they remained unpaid.

The above changes to the Breal offer reduced the return to creditors when compared to their original offer accepted by the Board at 9 August 2023. The Board and Interpath considered re-engaging with the other interested party but given the following, it was considered the Breal offer still provided an overall better outcome to creditors:

- The offer from the other interested party received was before final due diligence and therefore may have also been subject to the same price reductions arising in negotiations with Breal, especially the customer deposits and arrears of wages.
- The level of additional costs which would be incurred in progressing a second set of deal documents would significantly erode any possible upside value.

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- The business had filed an NOI and had a short cash runway with limited funds to cover further deal costs and restricted time available to switch to an alternative transaction.

For these reasons, the Joint Administrators' consider the Breal offer offered the best outcome to creditors on both the certainty of value and deliverability.

Given the increasing creditor pressure and cash flow restrictions, the directors resolved to file a notice of intention to appoint administrators ('NOI') in Court on Friday 11 August 2023. This NOI was served on the qualifying floating charge holder on 11 August 2023.

Valuation of the business and assets

The Company instructed independent valuations of the Company's intellectual property ('IP'), stock, Plant and Equipment ('PE'), fixtures and fittings and leasehold property interests.

The valuation for the leasehold property interests was conducted by Alan Ryall, MRICS of Watling Real Estate ('Watling'). Watling have Personal Indemnity ('PI') cover and have confirmed their independence.

The valuations for the other assets outlined above were undertaken by Ian Bacon, MRICS of Hilco Appraisal Limited ('Hilco'). The Hilco valuation presented the assets of the Company on an in-situ and ex-situ basis. Hilco have PI cover and have confirmed their independence.

Watling's valuation of the leasehold interests determined that there was not a sufficient timescale to obtain any value on the leases.

Hilco undertook desktop valuations of the Company's IP, stock, PE and fixtures and fittings which valued these assets on an in-situ basis and on an ex-situ basis as follows.

	in-situ	ex-situ
Intellectual property	18,000	18,000
Stock – high valuation	84,685	24,271
Stock – low valuation	70,571	11,923
Plant and equipment	282,000	31,400
Fixtures and fittings	234,500	21,250
TOTAL (Stock high valuation)	619,185	94,921
TOTAL (Stock low valuation)	605,071	82,573

The headline consideration paid for the assets of the Company was £305,000 plus £75,000 deferred, contingent upon lease assignments being £15,000 to each of the five trading leases. From the headline consideration, a deduction of £52,500 was made to reflect the Administrator's contribution to the wage arrears which would have otherwise been an ordinary preferential claim through the Administration. This was considered a significantly better outcome to creditors than a wind down administration given the costs of selling the assets would likely exceed the realisations.

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We are satisfied that these valuations were carried out by qualified independent parties.

The transaction

A sale of the Company's business and assets was completed on 18 August 2023 to Andrea Q.

The Joint Administrators were advised by specialist insolvency lawyers from Eversheds Sutherlands LLP.

Purchaser and related parties

The Purchaser of the business and assets of the Company, Andrea Q, is an entity which was incorporated on 15 May 2023 and is ultimately owned Breal.

As part of the transaction, four members of the Company's current shareholders and senior management team (being: Charlie Young, Brett Woonton, Caroline Le Filoux and Willoughby Andrews-King) including two of the current directors (Charlie Young and Brett Woonton) are to be offered a total of 15% equity in the Andrea Q, with the split of the equity between these individuals to be determined by the Purchaser.

Given a 15% shareholding is being provided by the Purchaser to the current shareholders and directors, the new Company is considered to be under common control via a connected party. Accordingly, the Purchaser engaged an Evaluator to independently review the transaction. Further details are included below (Evaluator's report).

Two of the directors (Charlie Young and Brett Woonton) provided personal guarantees to the Bank. The Bank is not involved in financing the new business.

Evaluator's report

An Evaluator report was completed on 17 August 2023 by Compass Evaluator Reports and can be found at Appendix 1.

Following the Evaluator's report being obtained, the Joint Administrators have no reason to believe that, on the date of the report, the Evaluator did not have the requisite knowledge, experience and independence to provide the report.

Assets

The Purchaser's offer of £380,000 (£75,000 deferred and contingent on lease assignment) was for the business and assets of the Company including the Company's intellectual property, goodwill, business records, contracts and sales information. The Purchaser also purchased the stock, PE, fixtures and fittings at the five sites to transfer under the transaction and were granted six month excluded leases at each leasehold property to provide time to negotiate lease novations or new leases. The offer also included the PE and fixtures and fittings at the Company's head office. The Company occupied its head office through an informal arrangement with a third party.

The fixtures and fittings and PE from the Birmingham site which was closed by the business in May 2023 are not included in the sale to the Purchaser. Interpath are in discussions to sell these assets separately.

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All other assets were excluded from the sale, these included:

- Cash at bank;
- Prepayments;
- Rent deposits; and
- Other debtors.

Sale consideration

As part of the Purchaser's offer, all rights, title and interests to the following assets were included as part of the sale and purchase agreement ('SPA'):

Consideration	£
Business Records	1
Contracts	1
Goodwill	49,995
Intellectual Property	1
Plant and Equipment	234,996
Leasehold Properties*	5
Sales Information	1
Stock	20,000
Total Consideration*	305,000

* Excludes £75,000 deferred consideration which is contingent on the lease assignment.

† The minimal consideration associated with the leasehold properties relates to the granting of excluded leases for each of the five leasehold properties which were granted for a period of six months.

The consideration of £49,996 for goodwill, the five excluded leases and intellectual property is considered to be a fixed charge realisation.

There is a potential of a further £75,000 of deferred consideration which is contingent on the lease assignment (£15,000 per lease assignment) which would be considered as a fixed charge realisation. The Purchaser was unwilling to provide security to underpin the deferred consideration.

The remaining consideration of £254,999 is considered as a floating charge realisation.

£252,500 was paid in cash on completion and was allocated to the asset categories as set out in the table above less the Administrator's contribution to wage arrears.

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Conclusion

As the rescue of the Company as a going concern was not possible, the Joint Administrators have pursued statutory objective Schedule B1 Para 3(1)(b) of the Insolvency Act 1986 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).

The Joint Administrators have therefore pursued the 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).

They are satisfied that this pre-packaged sale has enabled them to achieve this purpose because:

- A liquidation or wind-down administration would have significantly impacted the value of the business;
- All employees have transferred to the purchaser reducing the level of preferential and unsecured claims; and
- The purchaser intends to assign five property leases for the wine bars and restaurants included in the transaction thereby reducing the level of landlord creditor claims.

The Joint Administrators have acted in the best interests of the creditors as a whole when negotiating this pre-packaged sale and are satisfied that the sale price achieved was the best reasonably obtainable in all the circumstances.

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EVALUATOR'S REPORT

Pursuant to The Administration (Restrictions on Disposal etc. to
Connected Persons) Regulations 2021

Vinoteca Limited

Date of Report: 18 August 2023

Prepared by:
Compass Evaluator Reports Limited
James House, Yew Tree Way
Golborne, Warrington
WA3 3JD

Company Number 13288603

Kevin Murphy
kevin@compassevaluatorreports.co.uk



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Contents & Abbreviations

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Appendices

Appendix I	Evaluator Bio
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The following abbreviations or references are used in this report:

The Act:	The Insolvency Act 1986 (as amended)
The Regulations:	The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021. Unless otherwise stated, any reference to 'Regulation' within this document is a reference to this legislation.
The Company:	Vinoteca Limited.
Substantial disposal:	This has the meaning given to it in Regulation 3, i.e., a disposal, hiring out or sale to one or more connected persons during the period of 8 weeks beginning with the day on which the company enters administration of what is, in the administrator's opinion, all or a substantial part of the company's business or assets and includes a disposal which is effected by a series of transactions.
Relevant property:	This means the property being disposed of, hired out or sold as part of the substantial disposal as defined in Regulation (See Section 5.)
Connected Person(s):	As defined in paragraph 60A (3) of Schedule B1 of the Act. (See Section 4.)
Proposed Administrators:	Ryan Grant and Timothy Bateson from Interpath Advisory who are licenced Insolvency Practitioners, authorised and regulated by the ICAEW.
Valuation agents:	Alan Ryall MRICS from Watling Real Estate – a leading restructuring and real estate advisor, advised on the Company's leasehold interests. Ian Bacon (MRICS), Priya Kapur-Ross and Harry Smith from Hilco Streambank – an industry specialist valuation and asset realisation business – valued the Company's tangible and intangible assets respectively. The valuation agents possess the requisite knowledge of the market for the type of asset being valued and the skills and understanding necessary to undertake the valuation competently.
Purchaser:	Vinoteca Q Limited.
Secured Creditor:	Metro Bank Plc.
TUPE:	Transfer of Undertaking (Protection of Employment) Regulations 2006.

3. THE REQUIREMENTS FOR ACTING AS EVALUATOR

- 3.1. I confirm that I meet the requirements for acting as an Evaluator set out in Part 3 of the Regulations.
- 3.2. I am satisfied that I have the relevant knowledge and experience required to act as Evaluator and I include a summary of my qualifications and experience at Appendix 1.
- 3.3. The Proposed Administrators have not raised any objections to my suitability as an Evaluator.
- 3.4. I confirm that I meet the requirements of independence within Regulation 12, as follows:
- I am not connected with the Company.
 - I am not an associate of the connected person or connected with the connected person.
 - I do not know of or have reason to believe that I have a conflict of interest with respect to the substantial disposal.
 - I have not, at any time during the period of 12 months ending with the date on which this report is made provided advice to, and in respect of, the Company or a connected person in relation to the Company –
 - In connection with, or in anticipation of, the commencement of an insolvency procedure under Parts A1 to 5 of the Act, or
 - In relation to corporate rescue or restructuring.
- 3.5. I am not excluded from acting as an Evaluator for any of the reasons outlined in Regulation 13.
- 3.6. I confirm that I meet the requirements as to insurance specified in Regulation 11.
- 3.7. Details of the professional indemnity insurance for Compass Evaluator Reports Limited are as follows:
- Axa Insurance Plc.
 - Policy number AC SPI 4331301.
 - Expiry date 22 August 2023.
 - Professional indemnity cover limit of £1,000,000 for any one claim.
 - Risks covered: Misc Professional Indemnity breach of professional duty.
 - Exclusions from cover: Misc to include Directors' and Officers' liabilities, deliberate acts and omissions, virus exclusion, dishonesty, and fraud. (Full details available on request.)

4. THE CONNECTED PERSON(S)

4.1. Connected persons include the following:

Name of connected person	Nature of the connection
Vinoteca Q Limited	Purchaser.
Charles Andrew Young	Director and shareholder of the Company, will have a senior leadership role and an equity option in the Purchaser.
Brett James Woonton	Director and shareholder of the Company, will have a senior leadership role and an equity option in the Purchaser.
Caroline Le Filoux	Part of the senior leadership team of the Company and has an equity option in the Purchaser.
Willoughby Andrews-King	Part of the senior leadership team of the Company and has an equity option in the Purchaser.

It is worthy of note that the majority owner of the Purchaser has had no previous involvement with the Company, but the report is required as some former directors, senior leadership team members and shareholders of the Company may become directors and share up to 15% of the equity of the Purchaser.

5. THE RELEVANT PROPERTY

- 5.1. The assets being sold are considered to constitute a substantial disposal and they have been professionally valued by the appointed valuation agents.
- 5.2. The Purchaser is acquiring the following assets from the Company's trading locations at City, Farringdon, Kings Cross, Chiswick, and Borough Yards:
- Stock (subject to retention of title claims)
 - Goodwill (including IPR, Business name, brands, recipes and website)
 - Plant and equipment, kitchen equipment, PPE, fixtures and fittings, office furniture and equipment
- 5.3. Total consideration is stated to be £305,000 payable in full upon completion. Additionally, and only contingent on lease assignments or new leases being entered into, the Purchaser will pay up to a further £75,000 for the 5 premises (£15K per location).
- 5.4. The offer excludes cash at bank, prepayments, rent deposits, other debtors and the assets situated in the Birmingham premises.

6. THE EVALUATOR'S DECISION

6.1 In accordance with Regulation 7, I am satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.

6.2 My principal reasons for this opinion are as follows:

- 6.2.1 The assets have been professionally valued by the appointed valuation agents, who possess the requisite knowledge of the market for the type of asset being valued. The offer has been recommended for acceptance by the valuation agents. The valuation agents are recognised professionals in the industry and are regulated by the industry professional bodies.
- 6.2.2 The Proposed Administrators and the valuation agents have been seeking to maximise realisations from the Company assets. The Proposed Administrators have carried out a marketing exercise in relation to the business and assets in accordance with the guidance issued in SIP 16. In the timescale available to the Proposed Administrators, necessitated by the Company financial position and the need to provide certainty to all stakeholders, a total of 3 bids were received and one bid - from a connected party - is considered the best achievable in the circumstances by the Company directors, valuation agents and the Proposed Administrators.
- 6.2.3 The consideration offered for all the assets is in excess of the valuation agents' opinion of the market value of the assets on an ex-situ / cessation of trading basis, but prior to any costs of sale. In the event of a piecemeal disposal of all assets, the realisations from all categories of assets would be reduced. The proposed sale therefore provides for better realisations than would be the case on a break-up. Based on a review of the Proposed Administrators Estimated Outcome Statement, the deal provides a better outcome for the secured and preferential creditors, as well as the employees, landlords and customers with deposits.
- 6.2.4 The c150 employees associated with the business being acquired will transfer under TUPE to the Purchaser, avoiding a significant claim against the National Insurance Fund. Half of the current arrears of wages are being met by the Purchaser and half will be met by the Company in Administration, all of which would be a claim in the Administration if a going concern sale cannot be concluded.
- 6.2.5 The alternative to the current sale is for the assets to be sold piecemeal at auction and the Company placed into Liquidation. That will however result in a significant reduction in value for the business and assets of the Company, given the nature of the Company activities, and will also lead to increased holding and disposal costs, and increased claims against the Company.
- 6.2.6 The Purchaser will seek to continue to occupy the Company trading premises and, in the process, look to mitigate a claim from the landlord in respect of rent and dilapidations.
- 6.2.7 The Purchaser will honour any existing customer deposits, which would otherwise be claims against the Company.
- 6.2.8 Even though the consideration for the assets being acquired is all payable on completion, other than the consideration attributed to the leasehold interests, I have been provided with projections for the Purchaser which indicates that the Purchaser should be viable. The Purchaser is acquiring the profitable sites as part of the deal. The Purchaser is part of a privately owned investment business which supports acquisition targets through a combination of Turnaround and Growth funding and hands on operational and finance resource from their experienced team of industry leading restructuring professionals. The Purchaser will be

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provided with new investment initially £100K which will provide the necessary working capital going forward.

6.2.9 The Purchaser is part of a wider group with some complimentary businesses in the portfolio so there is the opportunity to increase the attractiveness of the venues and increase revenues through providing a wider product offering outside wine to meet the demands of the consumer. The Purchaser plans to provide a wide range of craft beers which are complimentary to the current offering and through the connected group companies the Purchaser has the ability to quickly deliver a unique craft beer offering and attract new clients to the venues.

6.2.10 I offer no opinion on the viability of the Purchaser.

7. INFORMATION RELIED UPON

7.1. In forming my opinion, I have relied on my discussions with, and information provided by, the connected persons, the Proposed Administrators, and the valuation agents instructed by the Proposed Administrators. This includes the following:

- Compass Evaluator Reports application/information request form
- Valuation report from the agents
- Offer
- Company financial information
- Financial information for the Purchaser
- Correspondence with the Proposed Administrators
- Estimated Outcome Statement and draft SIP 16 statement
- The Company's Website.

7.2. I have also relied on information freely available in the public domain.

7.3. I have relied upon the accuracy of the information as provided to me in forming my opinion. I have not carried out an audit or other verification of the information received. The Proposed Administrators are licenced Insolvency Practitioners with legal duties and obligations to creditors and their regulatory body, as such the decision whether to enter into the sale is for them to determine. As such, I offer no opinion on the decision to enter into the sale.

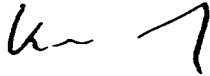
7.4. In addition to the sale of the business and assets, the Proposed Administrators have investigative powers available to them post appointment that may further enhance asset realisations.

7.5. The extent of my work is limited to providing the opinion specified in the Executive Summary.

8. PREVIOUS EVALUATOR REPORTS

8.1 Regulation 8 does not apply, as I am advised that no previous report exists in relation to this substantial disposal, and I have no reason to believe that this statement is incorrect.

For and on behalf of
Compass Evaluator Reports Limited

A handwritten signature in black ink, appearing to be 'Kevin Murphy', written over a horizontal line.

Kevin Murphy
Evaluator

Date: 18 August 2023

APPENDIX I

EVALUATOR BIO: KEVIN MURPHY

Before entering the insolvency profession, Kevin trained as a lawyer, undertaking a law degree (achieving a 2:1 classification) and successfully completing the Law Society's Final Exam. Kevin is a licensed Insolvency Practitioner (currently non-appointment-taking), with over 25 years of experience of dealing with a wide range of insolvency matters, including extensive experience of turnaround work, focusing on Company Voluntary Arrangements and Administration.

He has spent much of his career with a national firm of insolvency specialists, where he progressed to Director of Insolvency, heading up the firm's Administration Team in the Manchester Office. Responsible for many complex and challenging matters, Kevin developed practical skills in dealing with cases in an efficient, commercial, and pragmatic manner alongside the technical demands of compliance with regulation and legislation, to achieve the best outcome for stakeholders.

In more recent times, Kevin has utilised the extensive skill set developed because of his experience of turnaround and insolvency work in dealing with solvent acquisitions. Since 2017, Kevin has been an advisor to a buy and build acquisitions group.

Kevin is a member of the Turnaround and Management Association and R3, the Association of Business Recovery Professionals.

For more information, please visit <https://compassevaluatorreports.co.uk/>

Appendix 9 Glossary

Bank	Metro Bank plc
Breal	Breal Capital Limited
Company	Vinoteca Limited- in Administration
Eversheds	Eversheds Sutherlands LLP
Hilco	Hilco Appraisal Limited
Interpath/Interpath Advisory	Interpath Ltd
Joint Administrators/we/our/us	Timothy Bateson and Ryan Grant
PHD	PHD Property Advisory Limited
Purchaser	Andrea Q Limited (Fully owned subsidiary of Breal Capital Limited)
Secured creditor	Metro Bank plc
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
Watling	Watling Real Estate Limited
Bank	Metro Bank plc
Breal	Breal Capital Limited
Company	Vinoteca Limited- in Administration

Eversheds	Eversheds Sutherlands LLP
Hilco	Hilco Appraisal Limited
Interpath/Interpath Advisory	Interpath Ltd
Joint Administrators/we/our/us	Timothy Bateson and Ryan Grant
PHD	PHD Property Advisory Limited
Purchaser	Andrea Q Limited (Fully owned subsidiary of Breal Capital Limited)
Secured creditor	Metro Bank plc
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
Watling	Watling Real Estate Limited

Any references in these proposals to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

Appendix 10 Notice: About this statement of proposals

This statement of proposals ('proposals') has been prepared by Timothy Bateson and Ryan Grant, the Joint Administrators of Vinoteca Limited – in Administration (the 'Company'), solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

These proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on these proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals.

Ryan Grant and Christopher Robert Pole are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Officeholders may be Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – www.interpathadvisory.com/privacy-insolvency.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Interpath Ltd does not assume any responsibility and will not accept any liability to any person in respect of these proposals or the conduct of the administration.

www.interpathadvisory.com

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