

AM03

Notice of administrator's proposals



Companies House

SATURDAY



ABFMM83

A18

29/10/2022

#313

COMPANIES HOUSE

1 Company details

Company number 07999718

Company name in full Doisy & Dam Limited

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

2 Administrator's name

Full forename(s) Miles

Surname Needham

3 Administrator's address

Building name/number 4 Beaconsfield Road

Street St Albans

Post town Hertfordshire

County/Region

Postcode AL13RD

Country

4 Administrator's name ①

Full forename(s) Simon

Surname Carvill-Biggs

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

5 Administrator's address ②

Building name/number 4 Beaconsfield Road

Street St Albans

Post town Hertfordshire

County/Region

Postcode AL13RD

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

Sign and date

Administrator's
Signature

Signature
X

X

Signature date

^d
2

^d
6

^m
1

^m
0

^y
2

^y
0

^y
2

^y
2

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	Andrew Andreou
Company name	FRP Advisory Trading Limited
Address	4 Beaconsfield Road
	St Albans
Post town	Hertfordshire
County/Region	
Postcode	A L 1 3 R D
Country	
DX	cp.stalbans@frpadvisory.com
Telephone	01727 811111



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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

FRP

Doisy & Dam Limited (In Administration)

The Administrators' Proposals

26 October 2022

Contents and abbreviations



Section	Content
1.	Introduction
2.	Conduct of the administration
3.	The Administrators’ remuneration, expenses and pre-administration costs
4.	Estimated outcome for the creditors
Appendix	Content
A.	Statutory information about the Company and the administration
B.	Administrators’ receipts & payments account
C.	Explanation of the pre-packaged sale in accordance with Statement of Insolvency Practice 16
D.	The Administrators’ remuneration, expenses and costs information <ul style="list-style-type: none">• Estimated outcome statement• Schedule of work• FRP disbursement policy• Fee estimate• FRP charge out rates
E.	Schedule of pre-administration costs
F.	Details of the financial position of the Company

The following abbreviations may be used in this report:

The Administrators	Miles Needham and Simon Carvill-Biggs of FRP Advisory Trading Limited
The Company	Doisy & Dam Limited (In Administration)
CVA	Company Voluntary Arrangement
CVL	Creditors’ Voluntary Liquidation
FRP	FRP Advisory Trading Limited
HMRC	HM Revenue & Customs
The Insolvency Rules	The Insolvency (England and Wales) Rules 2016
QFCH	Qualifying floating charge holder
SIP	Statement of Insolvency Practice
The Purchaser	Nurture Brands Limited

1. Introduction

On 19 October 2022, the Company entered administration and Miles Needham and Simon Carvill-Biggs were appointed as Administrators.

This document, together with its appendices, forms the Administrators' statement of proposals to creditors in accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and the Insolvency Rules. The proposals are deemed delivered four business days after they are dated.

Certain statutory information about the Company and the administration is provided at **Appendix A**.

A sale of all of the business and assets of the Company was effected on 19 October 2022 by the Administrators. Background information regarding the Company together with full details of the events that resulted in the appointment of the Administrators and this transaction taking place and why it was considered to be in the overall best interest of the creditors of the Company as a whole are set out in the statement attached at **Appendix C** in accordance with SIP16.

2. Conduct of the administration

The objective of the administration

The Administrators think that objective (a) of the administration, as detailed in Paragraph 3(1) of Schedule B1 to the Insolvency Act 1986, being to rescue the Company as a going concern, will not be achieved as the Company required immediate and substantial funding to continue to trade and as such this was not an option.

Furthermore, the Administrators think that Objective (b), being to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), is also not achievable as the level of the assets available for realisation will not allow for a distribution to the general unsecured creditors, once the costs of the administration are settled.

As such, it is envisaged that objective (c) will be achieved, to realise property in order to make a distribution to one or more secured or preferential creditors.

I can confirm that the transaction detailed in **Appendix C** will enable the statutory purpose identified above to be achieved and that the sale price was the best reasonably obtainable in all the circumstances and was considered to be in the overall best interests of all creditors of the Company.

The Administrators' actions

The Administrators' actions to the date of the sale of the business and assets is set out in detail in the SIP16 statement set out at **Appendix C**. The work carried out includes:

- Undertaking a marketing exercise of the business and assets compliant with SIP16 with a view to finding an investor that would consider refinancing the secured debt, or alternatively, purchase the business and assets;
- Engaging with interested parties and assisting with their enquiries;
- Engaging with stakeholders and providing regular updates as to the progress of the marketing process;

- Undertaking contingency planning for implementation in the event a refinance or going concern sale could not be achieved;
- Instructing solicitors to prepare the legal documentation to place the Company into administration and corresponding with the secured creditors. The solicitors were also instructed to draft the sale and purchase agreement for the execution of the sale of the business and assets; and
- Instructing independent agents to undertake a valuation of the Company's assets.

Details of work already undertaken since appointment or anticipated will be undertaken is set out in the schedule of work attached at **Appendix D**.

Following approval of the Administrators' proposals, the Administrators will continue to manage the affairs of the Company and conduct the administration to achieve the purpose of the administration. Key matters to be undertaken include:

- Liaising with Praetura Invoice Finance Limited to monitor the collection of the book debts and taking all necessary steps required to maximise recovery of the book debts;
- Investigate and, if appropriate, pursue any claims that the Company may have against any person, firms or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company;
- Seeking an extension of the administration, if needed;
- Distributing realisations to the secured creditors and preferential creditors;
- Ensuring all statutory and compliance matters are attended to; and
- Paying all administration expenses and bring the administration to an end when deemed appropriate by the Administrators.

2. Conduct of the administration

FRP

Receipts and payments account

A copy of the Administrators' receipts and payment account to date is attached as **Appendix B**. At present, the sale proceeds as identified in the Administrators' SIP16 disclosure state, are held with Russell Cooke LLP pending the administration estate bank account being opened.

The Directors' Statement of Affairs

The directors of the Company have been asked to submit a Statement of Affairs under paragraph 47 of Schedule B1 of the Insolvency Act 1986 and this is awaited. Details of the financial position of the Company at the latest practical date, prepared from information available to the Administrators and including a list of creditors' names and addresses is provided at **Appendix F**. As and when the directors' Statement of Affairs is received it will be filed with the Registrar of Companies.

Matters requiring investigation

The Administrators are required as part of their duties to establish what assets the Company owns and to consider the way in which the Company's business has been conducted. They are also required under the provisions of the Company Directors Disqualification Act 1986 to report to the Secretary of State for Business Energy and Industrial Strategy on the conduct of the directors. If you have any information or concerns regarding the way in which the Company's business has been conducted, or have information regarding potential recoveries for the estate please contact me as soon as possible.

The end of the administration

The administration will end automatically after 12 months from the date of appointment of the Administrators. This period can be extended with consent of the creditors for up to 12 months or longer by application to the Court as required.

If the Administrators think the Company has no property which might permit a distribution to its unsecured creditors, or if they also consider that an exit from the administration into liquidation is not appropriate they will send a notice to the Registrar of Companies in accordance with Paragraph 84 of Schedule B1 to the Insolvency Act 1986 to bring the administration to an end and three months after the filing of the notice the Company will be deemed to be dissolved.

If the Administrators are of the view that a dividend will become available to the unsecured creditors (other than by virtue of the prescribed part) it is appropriate for the Company to move from administration into CVL pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986. If applicable the Administrators will take steps to place the Company into CVL.

Should a dividend not become available to the unsecured creditors but it is still appropriate for the Company to enter liquidation, the Administrators will petition the Court pursuant to Paragraph 79 of Schedule B1 to the Insolvency Act 1986 for an order to bring the administration to an end with a consequential order for the compulsory winding up of the Company.

Pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986, should the creditors not nominate a Liquidator, the proposed Liquidators in a CVL are to be the Administrators or any successor office holder(s). Any act to be done by the Liquidators may be done by all or any one of them. Pursuant to Paragraph 83(7)(a) of Schedule B1 to the Insolvency Act 1986 and the Insolvency Rules, creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of these proposals and before these proposals are approved.

The Liquidators in a compulsory winding up will be appointed by the Court and may be the Administrators, or any successor office holder(s).

If the Administrators are of the view that it is appropriate for the creditors to consider the approval of a CVA the proposed Supervisors are to be the Administrators or any

2. Conduct of the administration

successor office holder(s). Creditors may nominate different Supervisors when considering whether to approve the CVA proposals.

In this administration it is proposed that the Administrators will take the necessary steps to dissolve the Company as it is not anticipated there will be any funds available for distribution to unsecured creditors.

Decision of creditors

Based on information currently available, the Administrators think that the Company has insufficient property to enable a distribution to be made to unsecured creditors, except potentially from the prescribed part if funds allow. This statement is made in accordance with Paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986.

The Administrators are therefore not required to seek a decision from creditors as to whether they approve the Administrators' proposals pursuant to Paragraph 51 of Schedule B1 to the Insolvency Act 1986. The Administrators must however seek a decision from the creditors if requested to do so by a single or group of creditors whose debts amount to at least 10% of the total debts of the Company. The request must contain the particulars prescribed by rule 15.18 of the Insolvency Rules and be made within eight business days of the date of delivery of this report, in accordance with the Insolvency Rules. The expenses of seeking the decision shall be paid by the creditor or creditors requesting the decision, who will be required to lodge a deposit with the Administrators as security for this payment. The creditors may decide that the expenses of seeking the decision should be paid as an expense of the Administration payable from the assets of the Company.

In accordance with the Insolvency Rules, where the Administrators have not sought a decision of the creditors, the proposals set out below will be deemed to have been approved by the creditors unless at least 10% by value of the creditors requisition a decision of creditors within eight business days of the date of delivery of this report.

3. The Administrators' remuneration, expenses and pre-appointment costs

FRP

Administrators' remuneration

A schedule of the work to be undertaken during the administration is set out at **Appendix D** together with an estimated outcome statement which includes an estimate of the expenses likely to be incurred by the Administrators. Assumptions made in preparing the summary of work, estimated expenses and the fees estimate where a time cost resolution is proposed are set out in the schedule of work.

The Administrators' remuneration will be drawn from the Company's assets and it is proposed that it will be charged by reference to the time incurred in attending to matters arising. Further details of how this will be calculated is set out below. The basis of the Administrators' remuneration has not yet been approved by creditors, and the Administrators have accordingly not drawn any remuneration in this case.

Should the Company subsequently be placed into liquidation and the Administrators appointed as Liquidators, the basis agreed for the drawing of the Administrators' remuneration will also be that utilised in determining the basis of the Liquidators' remuneration, in accordance with the Insolvency Rules. The Liquidators' will seek further creditor approval for the quantum of fees to be drawn in the liquidation where necessary.

Whichever fee basis is approved by creditors and utilised to calculate the level of remuneration that can be drawn by the Administrators this will include all direct costs of providing professional services by the Administrators and their staff in dealing with Doisy & Dam Limited (In Administration), but will exclude any expenses that may be paid to an associate or which have an element of shared costs (known as category 2 expenses), which require separate approval from creditors before they can be paid.

Where payments are to be made to associates of the office holder or their firm, creditors' approval to such payments must be received prior to payment being remitted. I can confirm no payments are being made to associates of the office holder or their firm.

Where there is an element of costs being shared between this insolvency estate and other parties, and determination of how those costs are to be allocated is being decided by the office holder, creditors' approval to such payments must be received prior to payment being remitted. I can confirm no shared costs are currently envisaged.

Remuneration charged by reference to the time incurred in attending to matters arising

The Administrators' remuneration which is proposed to be charged by reference to time incurred is set out on the fee estimate attached at **Appendix D**. Time costs incurred to date total circa £2k. The time charged is based on computerised records capturing time charged by myself and my staff in dealing with the conduct of those aspect of the case being charged on a time cost basis. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and the experience required. Time is charged to the case in maximum units of six minutes. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters.

Charge out rates are reviewed at least annually, details of FRP's charge out rates are included at **Appendix D**.

Administrators' disbursements

The Administrators' disbursements are a recharge of actual costs incurred by the Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the administration of the Company, are paid by FRP at the HMRC approved mileage rate. It is proposed mileage is recharged and drawn at the HMRC approved mileage rate prevailing at the time the mileage was incurred.

3. The Administrators' remuneration, expenses and pre-appointment costs

FRP

Pre-administration costs charged or incurred by the Administrators

The Company resolved to pay FRP for assisting with the placing of the Company into administration and all related matters on a time cost basis.

Attached at **Appendix E** is a statement of pre-administration costs charged or incurred by the Administrators of which £45k had not been paid when the Company entered administration.

I am seeking to obtain approval for the payment of this amount in accordance with the Insolvency Rules.

Creditors' ability to challenge the Administrators' remuneration and expenses

Creditors have a right to request further information from the Administrators and further have a right to challenge the Administrators' remuneration and other expenses under the Insolvency Rules following receipt of a progress report. Further details of these rights can be found in the Creditors' Guide to Fees which you can access by using the following link <https://www.frpadvisor.com/legal-and-regulatory-notice/information-creditors-insolvency-proceedings/> and select the one for administrations. Alternatively a hard copy of the relevant guide will be sent to you on request.

4. Estimated outcome for the creditors

Estimated outcome statement

We attach at **Appendix D** an estimated outcome statement which has been prepared from the information provided by the directors, advice received in connection with the value of the Company's assets, estimated sums due to creditors and an estimate of our remuneration and other expenses that may be incurred during the course of this administration. The assumptions made in preparing the estimated outcome statement details are set out in the schedule of work.

Based on the information available to date and the assumptions made I set out below the anticipated the outcome for creditors:

Outcome for secured creditor

It is currently anticipated that Praetura Invoice Finance Limited will be paid in full from the recovery of book debt realisations under their fixed charge.

Russell Cooke LLP are currently undertaking a review of the debenture created on 30 March 2022 in favour of Praetura Invoice Finance Limited together with the facility agreements obtained in connection with a sister company, Kingsway Asset Finance Limited, in order to ascertain the secured creditor payment order of priority.

Subject to further legal guidance on the above being obtained, in the event that HSBC UK Plc rank in priority of Kingsway Asset Finance Limited, any surplus over and above Praetura Invoice Finance Limited's exposure against the books debts will be available to HSBC UK Plc, after costs and preferential distributions. At present, we anticipate a distribution being made to HSBC UK Plc under their floating charge of approximately £50k

HSBC UK Plc will receive £4k under their fixed charge for the disposal of the intellectual property and goodwill.

The total expected shortfall therefore to HSBC UK plc is £200k.

Outcome for preferential creditors

There are no preferential creditors in this instance and the sole employee transferred under TUPE pursuant to the asset sale agreement.

Outcome for secondary preferential creditors

From 1 December 2020 HMRC ranks as a secondary preferential creditor in respect of the following:

- VAT;
- PAYE (including student loan repayments);
- Construction Industry Scheme deductions; and
- Employees' NI contributions

It is currently estimated that the secondary preferential creditors will total £66k. It is anticipated that secondary preferential creditors will be paid in full.

Outcome for unsecured creditors

It is currently estimated that there will not be sufficient funds available to make a distribution to unsecured creditors.

Prescribed part

The prescribed part is a carve out of funds available to the holder of a floating charge which is set aside for the unsecured creditors in accordance with Section 176A of the Insolvency Act 1986. The prescribed part only applies where the floating charge was created after 15 September 2003 and the net property available to the floating charge holder exceeds £10,000.

In this instance, it is anticipated that bank set off will apply and ultimately reduce the level of floating charge realisations to less than the prescribed minimum of £10,000 and the Administrators think that the costs of making a distribution to unsecured

4. Estimated outcome for the creditors

FRP

creditors would be disproportionate to the benefits. Therefore in accordance with the Insolvency Rules, the prescribed part shall not apply in this matter.

Appendix A

Statutory information about the Company and the administration

FRP**COMPANY INFORMATION:**

Other trading names: **Doisy & Dam**

Date of incorporation: 21 March 2012

Company number: 07999718

Registered office: FRP Advisory, 4 Beaconsfield Road, St Albans, Hertfordshire, AL1 3RD

Previous registered office: Unit 2.05, New Covent Garden Market, London, SW8 5EL

Business address: Unit 2.05, New Covent Garden Market, London, SW8 5EL

Directors: Edward Smith
Richard Wilkinson

Company secretary: N/A

The directors have the following shareholdings in the Company:

Name	Shares	Type	%
Edward Smith	5,119,057	Ordinary A Shares	25.9
Richard Wilkinson	5,119,331	Ordinary A Shares	25.9

ADMINISTRATION DETAILS:

Names of Administrators: Miles Needham and Simon Carvill-Biggs

Address of Administrators: FRP Advisory Trading Limited
4 Beaconsfield Road, St Albans, Hertfordshire, AL1 3RD

Date of appointment of Administrators: 19 October 2022

Court in which administration proceedings were brought: The High Court of Justice

Court reference number: 003531 of 2022

Date of notice of intention to appoint Administrators presented to Court: 7 October 2022

Administration appointment made by: Directors

Appendix A

Statutory information about the Company and the administration

FRP

The appointment of the Administrators included a declaration that they are acting jointly and severally as Administrators of the Company in accordance with Paragraph 100 of Schedule B1 to the Insolvency Act 1986.

The directors have confirmed the Company's centre of main interest has been in the UK and accordingly the proceedings will be COMI proceedings as defined in the Insolvency Rules.

Extracts from the financial statements available are summarised below:

Period Ended	Net assets	Called up share capital	Share premium	Profit and loss account	Shareholders Funds
	£	£	£	£	£
30 Sep 2021	244,667	193	2,199,050	(1,954,576)	244,667
30 Sep 2020	222,635	181	1,681,903	(1,459,449)	222,635

Appendix B

Administrators' receipts & payments account

FRP

**Doisy & Dam Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 26/10/2022**

S of A £	£	£
		NIL
REPRESENTED BY		NIL

Appendix C

Explanation of the pre-packaged sale in accordance with Statement of Insolvency Practice 16

FRP

FRP

Doisy & Dam Limited (in Administration)

Disclosure to creditors in accordance with Statement of Insolvency Practice 16

26 October 2022

Contents and Glossary

FRP

Section	Content
1.	Introduction
2.	Statement of Insolvency Practice 16 – Pre-packed sales in administrations: An overview for creditors
3.	Background information and events leading to appointment of the Administrators
4.	Pre-appointment considerations

Abbreviations

The following abbreviations are used in this document:

The Administrators	Miles Needham and Simon Carvill-Biggs of FRP Advisory Trading Limited
The Company	Doisy & Dam Limited (In Administration)
CDDA86	The Company Directors Disqualification Act 1986
CVA	Company Voluntary Arrangement
IA86	The Insolvency Act 1986
IP	Insolvency Practitioner
IR16	The Insolvency (England and Wales) Rules 2016
FRP	FRP Advisory Trading Limited
NDA	Non-Disclosure Agreement
SIP	Statement of Insolvency Practice

Doisy & Dam Limited (in administration)
Disclosure to creditors in accordance with Statement of Insolvency Practice 16

1. Introduction

FRP

To all known creditors

Following the appointment of the Administrators on 19 October 2022 we are required to provide the creditors with a detailed narrative explanation of the justification of the pre-pack sale within seven days of completion in accordance with SIP 16.

I set out in this document full details of the sale and reasons behind the decision for this sale and why it was considered to be in the overall best interests of all creditors of the Company as a whole.

I can confirm that the transaction will enable the statutory purpose of the administration, Objective (c), realising property in order to make a distribution to one or more secured or preferential creditors, is to be achieved and that the sale price realised was the best reasonably obtainable in all the circumstances.

Should you require any further information regarding this report or the administration in general please contact Andrew Andreou of my staff.

Yours faithfully
For and on behalf of
Doisy & Dam Limited

Miles Needham
Joint Administrator

Licensed in the United Kingdom by the Institute of Chartered Accountants in England & Wales and bound by the Insolvency Code of Ethics

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

The affairs, business and property of the Company are being managed by Miles Needham and Simon Carvill-Biggs who were appointed Joint Administrators on 19 October 2022

Doisy & Dam Limited (in administration)
Disclosure to creditors in accordance with Statement of Insolvency Practice 16

2. Statement of Insolvency Practice 16 – Pre-packaged sales in administrations

An overview for creditors

FRP

What is a SIP?

The purpose of SIPs is to promote and maintain high standards by setting out required practice and harmonising the approach of IPs to particular aspects of insolvency practice. They apply in parallel to the prevailing statutory framework.

SIPs set principles and key compliance standards with which IPs are required to comply. Failure to observe the principles and/or maintain the standards set out in a SIP is a matter that may be considered by an IP's regulatory authority for the purposes of disciplinary or regulatory action in accordance with that authority's membership and disciplinary rules.

SIPs set out required practice, but they are not statements of the law or the obligations imposed by insolvency legislation itself.

What is a pre-packaged sale?

The term 'pre-packaged sale' refers to an arrangement under which the sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of an Administrator and the Administrator effects the transaction immediately on, or shortly after, appointment.

The particular nature of an IP's position in these circumstances renders transparency in all dealings of primary importance. Creditors and other interested parties should be confident that the IP has acted professionally and with objectivity; failure to demonstrate this clearly may bring the practitioner and the profession into disrepute.

What are the principles of SIP 16

The IP should differentiate the roles that are associated with an administration involving a pre-packaged sale.

Creditors should be provided with sufficient information such that a reasonable and informed third party would conclude that the pre-pack was appropriate and that the Administrator has acted with due regard for the creditors' interests.

Doisy & Dam Limited (in administration)
Disclosure to creditors in accordance with Statement of Insolvency Practice 16

Key Compliance Standards

Preparatory work – the IP should be clear about the nature and extent of the role of adviser in the pre-appointment period. The IP should bear in mind the duties and obligations owed to both the company and the creditors in the pre-appointment period. The IP should keep a detailed record of the reasoning behind the decision to undertake a pre-packaged sale and all alternatives considered.

After appointment – the Administrator should be able to demonstrate that the duties of an Administrator have been considered.

Disclosure – the Administrator should provide creditors with a detailed narrative explanation of the justification of the pre-pack sale within seven days of completion. The following information should be included:

- Source of the initial introduction to the IP;
- Pre-appointment considerations;
- Marketing of the business and assets;
- Valuation of the business and assets; and
- Details of the transaction including the assets sold and the consideration received.

The SIP does not restrict an Administrator from not disclosing information in certain limited circumstances in accordance with the IA86.

Further information

A copy of SIP16 can be found from the following link, selecting the relevant country for Statement of Insolvency Practice, <https://www.frp.advisory.com/legal-and-regulatory-notice/information-creditors-insolvency-proceedings/>.

2. Statement of Insolvency Practice 16 – Pre-packaged sales in administrations

An overview for creditors

FRP

Background information regarding the Company

The Company was established in March 2012 as a vegan and ethical wholesale chocolatier.

The directors of the Company are Richard Wilkinson and Edward Smith. Both have been with the Company since inception. Both directors are members of the Company.

The Company had 1 employee, an Operations Manager.

The Company does not have a leasehold premises and all administrative operations are undertaken by the directors and staff member from their personal homes.

Supply chain functions are outsourced to manufacturers and distribution centres located overseas in Spain and the Netherlands.

UK distributions are handled by two fulfilment centres and Amazon.

Events leading to the appointment of the Administrators

In the Company's early years of operation, working capital was obtained by directors' loans and crowd funding. In order to penetrate the market, given the competitive nature of the retail sector, significant contributions were allocated to marketing and advertising, both of which were outsourced.

In the latter years, whilst maintaining high operating costs as a result of outsourcing of the majority of operations, continued external capital funding was required to fund working capital, whilst establishing the brand as a household name.

In late 2021, and early 2022, as a result of the economic climate, raw materials, energy prices and fuel for logistics providers increased significantly thereby detrimentally impacting the Company's margins and resulting in cash flow concerns. Although forecast to make a nominal profit for the current financial year,

the Company was unable to unwind its existing debt. Furthermore, with forecast continued inflationary pressures, the directors deemed that operations were unsustainable unless costs were significantly reduced, which would have required transitioning outsourced operations in-house. However, given the lack of capital, this was unviable.

The Company approached FRP directly following a recommendation from an investor.

Administrators' initial introduction and pre-appointment involvement

On 21 September 2022, the director's engaged FRP to undertake a marketing exercise, to seek external investment in the business, or locate a purchaser for the business and assets.

At this stage FRP's primary duty of care was to the Company which would include consideration of the directors' fiduciary duties to act in the overall best interest of the company and its creditors. Until the appointment of Administrators, the directors continued to be responsible for the Company and its affairs. Neither FRP Advisory nor its insolvency practitioners advised the directors personally, or any parties connected with the purchaser, who were encouraged to take independent advice.

FRP's full scope of work is set out below:

1. Assist the Company in preparing a sales teaser to be made available to potential purchasers (the "Interested Parties");
2. Identify and approach potential Interested Parties and facilitate initial discussions between the Company and Interested Parties;

2. Statement of Insolvency Practice 16 – Pre-packaged sales in administrations

An overview for creditors

FRP

3. Provide the Company and its lenders (as required) with regular progress reports on the process and status of discussions with Interested Parties; and
4. Should a solvent solution appear unlikely, to advise the Company on the appointment of Administrators to execute a sale;

In the event of a proposed sale by Administrators, to:

1. Advise the directors in relation to the appointment of Administrators;
2. Assist the directors in filing the appropriate legal notices to obtain a Court moratorium and effect the appointment of Administrators.
3. If required, to support the directors in preparing Form HR1, Advance Notification of redundancies for submission to the Redundancy Payments Service
4. Liaise and conduct negotiations with Interested Parties with a view to a sale of the Company's assets as Administrators.
5. Liaise with key creditors to seek their views as to any proposed sale of the Company's assets as Administrators.

In carrying out our work, the directors agreed that FRP had the express authority to:

- Instruct and liaise with solicitors in relation to statutory formalities of the appointment of the Administrators (the costs of which are to be met by the Company).

- Instruct agents to value the Company's assets, as required

Appointment of the Administrators

In view of the above, it was concluded that a pre-packaged sale via administration as a going concern would be in the best interests of creditors, allowing a smooth handover and protect the existing commercial relationships. Furthermore, a sale via a pre-packaged administration would:

- Allow for a moratorium to be placed over the Company's business and assets whilst a sale is achieved in the best interests of creditors.;
- An early sale was recommended by SIA Group Asset Ingenuity Limited ("SIA") to avoid high costs for storage and site clearances, the possibility of not being able to dispose of the perishable goods and potential liens being enforced by the external fulfilment centres totalling potential ransom payments of c£40k.

On 7 October 2022, the directors of the Company held a board meeting resolving to place the Company into administration. On the same day, Russell Cooke filed a Notice of Intention to Appoint Miles Needham and Simon Carvill-Biggs as Administrators of the Company.

Miles Needham and Simon Carvill-Biggs were duly appointed Administrators on 19 October 2022.

Purpose of the administration

In accordance with Paragraph 3 of Schedule B1 to the IA86 an Administrator of a company must perform his functions with the objective of:

- a) Rescuing the Company as a going concern, or

2. Statement of Insolvency Practice 16 – Pre-packaged sales in administrations

An overview for creditors

FRP

- b) Achieving a better result for the Company's creditors as a whole than would have been likely if the Company were wound up (without first being in administration) or,
- c) Realising property in order to make a distribution to one or more of the secured or preferential creditors.

Based on current information the purpose of the administration will be to achieve objective (c) by facilitating a sale of the business and assets.

Alternative courses of action considered

The following options were considered and discussed with the directors:

1. A Company Voluntary Arrangement ("CVA") was not considered viable as absent financial support of the existing shareholders and secured lenders, the Company had insufficient working capital. For this reason alone, a CVA was not a viable rescue option;
2. Trading the Company in administration was not possible due to insufficient working capital as outlined above.
3. A liquidation was considered, however would have resulted in the sole staff member immediately being made redundant, further increasing creditor claims than if a TUPE transfer was achieved as part of the pre-packaged administration.

Furthermore, given the knowledge of the employee on the Company's debtor ledger, their redundancy would have potentially impacted the debtor collections and resulted in reduced recoveries overall.

Furthermore, the sole staff member was key to the business and therefore if dismissed, would result in a significant reduction in realisations to the intellectual property and goodwill.

In the alternative liquidation, it is likely that the fulfilment agents would enforce a lien over the stock and thereby materially reduce the value and in all likelihood result in there being no recoverable value in the stock.

In view of the above, it was concluded that a pre-packaged sale via administration as a going concern would be in the best interests of creditors, allowing a smooth handover and protect the existing commercial relationships. Furthermore, a sale via a pre-packaged administration would:

- Allow for a moratorium to be placed over the Company's business and assets whilst a sale is achieved in the best interests of creditors.;
- An early sale was recommended by SIA Group Asset Ingenuity Limited ("SIA") to avoid high costs for storage and site clearances, the possibility of not being able to dispose of the perishable goods and potential liens being enforced by the external fulfilment centres totalling potential ransom payments of c£40k.

Post appointment administration trading considerations

As detailed above, absent of further funding, trading in administration was unviable.

2. Statement of Insolvency Practice 16 – Pre-packaged sales in administrations

An overview for creditors

FRP

Consultation with major creditors

The Company granted the following charges:

Charge holder	Date delivered	Charge type	Amount outstanding £
Praetura Invoice Finance Limited ("Praetura")	21 March 2022	Fixed and floating	£70k
HSBC UK Plc ("HSBC")	15 August 2019	Fixed and floating	£250k

It should be noted that Kingsway Asset Finance Limited, a sister company of Praetura, provided a Recovery Loan Scheme ("RLS") to the Company of £150k, with current exposure estimated at £130k. The Administrators and Russell Cooke LLP are currently reviewing the validity of a consolidation clause within the agreements/debenture in order to ascertain the secured creditor priority status, absent of a deed of priority.

Marketing activities undertaken

On 27 September 2022, FRP commenced a marketing exercise with a view of seeking external investment to either refinance the Company's existing debt or alternatively locate a purchaser for the business and assets.

Due to the working capital funding requirement, the marketing process was undertaken on an accelerated basis from 27 September 2022 to 10 October 2022. In addition, the business was marketed on an accelerated basis to protect the value of the current assets which largely consisted of perishable stock.

Doisy & Dam Limited (in administration)
Disclosure to creditors in accordance with Statement of Insolvency Practice 16

Praetura will continue post administration to collect out their exposure against the book debt ledger. It is anticipated that they will be repaid in full. As advised above, further considerations are in progress in order to ascertain the validity of a consolidation clause within the Praetura security documents for Kingsway Asset Finance Limited's exposure.

It should be noted that the directors of the company both provided personal guarantees of £50k to Praetura, however, it is anticipated that these will not be relied upon due to the recoverability of the book debt ledger (unless the benefit and the burden of the Kingsway Asset Finance Limited agreement is able to be assigned).

A Notice of Intention to Appoint Administrators was served on both charge holders on 7 October 2022.

Additionally, the proposed Administrators notified HMRC of the Company's financial position, requesting that any queries relating to the proposed pre-packaged sale be brought to FRP's attention. No response has been provided.

Previous acquisitions from an IP

There has been no acquisition from an Insolvency Practitioner within the last 24 months.

A data room was created on the firm's secure portal with the following details and documents being uploaded to enable users to view and conduct enhanced due diligence:

- Financial information;
- Asset register; and
- The sales teaser

The data room was published on 27 September 2022 and the sales teaser was distributed to 918 registered users of the FRP data room database.

2. Statement of Insolvency Practice 16 – Pre-packaged sales in administrations

An overview for creditors

FRP

Best and final offers were invited by 10 October 2022.

A total of 14 parties expressed an interest in the opportunity and signed an NDA and were provided access to the data room.

Out of the 14 interested parties, only 3 party conducted further due diligence.

Valuation of assets

SIA have confirmed their independence and hold professional indemnity insurance totalling £5,000,000.

This valuation has been prepared in accordance with the Royal Institution of Chartered Surveyors' (RICS) – Global Standards 2020 Edition Valuations Practice Statement ("VPS") 4.1.

Kevin Counihan, who provided a valuation of the stock, office equipment, IP and goodwill on behalf of SIA, confirmed he has the knowledge, skills and understanding to undertake the valuation competently, and furthermore is in a position to provide an objective and unbiased valuation. A summary of the valuation advice provided is below.

Assets owned free from finance	Market In-Situ £	Value	Market Ex-Situ £	Value
Office & Computer Equipment	1,000		525	
Raw Material and Finished Stock	120,000		40,000	
Goodwill/IP*	25,000		NIL	
Total	126,000		47,500	

*SIA advised that the goodwill could achieve sales consideration of £25,000. However, in the event of a formal insolvency scenario where the business ceased to trade and suffered a loss of confidence from clients it is unlikely any significant realisation for goodwill would be achievable.

Offers received and further negotiations

Although a number of interested parties undertook enhanced due diligence on the opportunity, only one party provided an offer for the business and assets, Nurture Brands Limited ("the Purchaser").

2. Statement of Insolvency Practice 16 – Pre-packaged sales in administrations

An overview for creditors

FRP

The offer received was for £133k is set out below:

Asset/property	Apportionment	Security
Goodwill	£1	Fixed
Seller's Records	£1	Floating
Stock	£127,000	Floating
Office Equipment	£1	Floating
Additional Stock	£5,995	Floating
Business Intellectual Property Rights	£1	Fixed
Company Contact Information and Log-Ins	£1	Fixed
Total	£133,000	

The transaction

The transaction completed on 19 October 2022.

Purchaser and related parties

As previously advised, the Purchaser was Nurture Brands Limited.

The Company's existing directors/members did not transfer to the Purchaser, but may, from time to time, provide consultancy services.

The board of directors consist of Adam Draper, Adrian Carne, Benjamin Arbib and Maximilian Gottschalk.

Assets

As previously set out.

The excluded assets are as set out below:

1. the Business Contracts;
2. the Book Debts;
3. the Administrators' Records;
4. the VAT Records;
5. the Third Party Assets;
6. any cash in hand or at the bank;
7. any real property owned, leased or used by the seller;
8. all policies of insurance and assurance and any actual or potential claim under such policies or similar contracts or in damages against any third party;
9. the benefit of any actual or potential claim, or right to make a claim, against any person; and
10. any other property, rights or assets of the seller

A deed of release was requested from HSBC and Praetura (excluding book debts). These have now been provided.

2. Statement of Insolvency Practice 16 – Pre-packaged sales in administrations

An overview for creditors

FRP

Connected Party transactions

It is anticipated that the existing directors of the Company will provide consultancy services to the Purchaser, however, will not obtain director/member status, as such, in this instance, this transaction is not deemed to be a "Connected Party Transaction".

Evaluators Report

An evaluators report has not been required in this instance for the reasons set out above.

Viability review

A viability review has not been obtained in this instance for the reasons set out above.

Appendix D

The Administrators' remuneration, expenses and costs information

FRP

Appendix D

The Administrators' remuneration, disbursements and costs information

FRP

The table below sets out a detailed summary of the work undertaken by the office holder to date and details of the work it is anticipated will be undertaken by the office holder throughout the duration of this assignment. Details of assumptions made in compiling this table are set out below. The fee basis for the different categories of work are set out in this table together with an estimate of the estimated fee for each category of work where this can be estimated.

Where the fee basis proposed is time costs, further details of the estimated time costs to be incurred are set out in the fee estimate accompanying this schedule.

Where work undertaken results in the realisation of funds (from the sale of assets; recoveries from successful actions taken against third parties), there may be a financial benefit to creditors should there be sufficient funds available to make a distribution to one or more class of creditor.

A proportion of the work undertaken by an Insolvency Practitioner is required by statute, including ensuring the appointment is valid, notifications of the appointment to third parties, regular reporting on the progress, notifying statutory bodies where required in relation to the conduct of the directors complying with relevant legislation and regulatory matters. This may not have a direct financial benefit to creditors but is substantially there to protect creditors and other stakeholders and ensuring they are kept informed of developments.

GENERAL ASSUMPTIONS IN COMPILING THIS SCHEDULE OF WORK

- The records received are complete and up to date
- No financial irregularities are identified
- A committee of creditors is not appointed
- There are no exceptional queries from stakeholders
- Full co-operation of the directors and other relevant parties is received as required by legislation
- There are no health and safety or environmental issues to be dealt with
- The work that may be undertaken by any subsequently appointed Liquidator, including the scrutiny and agreement of creditor claims, has been excluded
- No prescribed part dividend is payable to unsecured creditors in the administration
- The Purchaser adheres to the terms of the sale agreement
- There are not significant number of queries from customers
- There are no exceptional delays or difficulties collecting the book debts, of which a material and significant proportion should be received within 90 days from the date of administration
- The case will be closed within 12 months

Appendix D

The Administrators' remuneration, disbursements and costs information

FRP

Note	Category	
1	ADMINISTRATION AND PLANNING Work undertaken to date since appointment	ADMINISTRATION AND PLANNING Future work to be undertaken
		General matters
	<p>The following tasks have ensured that the Administrators complied with their statutory duties and did not have any financial benefit to the creditors:-</p> <ul style="list-style-type: none"> • Creating an electronic case file and filing of case related paperwork. • Opening an administration estate bank account. • Issuing information requests to the Company's directors and senior management. • Preparation of post appointment documentation as dictated by the Insolvency Act 1986, the Insolvency Rules and FRP's own internal protocols. • Advising insurers of the appointment and requesting 30-day open cover be put in place. Requesting that the insurers investigate the pre-appointment covers which were in place. 	<p>The following tasks will ensure that the Administrators comply with their statutory duties and does not have any financial benefit to the creditors:-</p> <ul style="list-style-type: none"> • Regularly reviewing the conduct of the case and the case strategy and updating as required by the insolvency practitioners regulatory professional body to ensure all statutory matters are attended to and to ensure the case is progressing. This aids efficient case management. • Consider any ongoing liaison with third parties that may be required. • Completing periodic case progression reviews. • Posting payments and receipts when required. • Periodic bank reconciliations. • General case filing and printing of emails to ensure case file is up to date. • Assess the records held and arrange for the collection/destruction of records.

Appendix D

The Administrators' remuneration, disbursements and costs information

FRP

	Case Management Requirements	
	<p>The following tasks have ensured that the Administrators complied with their statutory duties and did not have any financial benefit to the creditors:-</p> <ul style="list-style-type: none"> • Determined the case strategy and documented this. • Compiled a forecast of the work that has been anticipated will be undertaken throughout the duration of the case, circulated this to creditors together with other such documentation as required to enable the relevant approving creditors to assess and vote on the fee basis proposed. 	<p>The following tasks will ensure that the Administrators comply with their statutory duties and does not have any financial benefit to the creditors:-</p> <ul style="list-style-type: none"> • Updating case strategy document throughout the duration of the case. • Ongoing adherence with Money Laundering Regulations. • Issuing the notice of appointment to various parties including but not limited to creditors, HMRC and the Company's bank, as required. • Ensure that the administration estate bank account is regularly reconciled and payments and receipts are posted as and when required.
2	ASSET REALISATION Work undertake to date since my appointment	ASSET REALISATION Future work to be undertaken
	<p>One of the main purposes of an insolvency process is to realise the insolvency assets and to ensure a fair distribution of the proceeds to the creditors in the correct order of priority as set out by legislation.</p> <p>Creditors should refer to Appendix C for details of the assets realised immediately on the appointment of the Administrators. The breakdown of the consideration is detailed further in Appendix C. Additional work since the transaction completed has included the following:</p> <ul style="list-style-type: none"> • Liaising with the Purchaser to ensure a smooth transition of the business. • Entered into correspondence with HSBC UK Plc to arrange for the bank account to be frozen and any credit balances remitted. 	<p>The following matters will maximise potential asset realisations for the benefit of the Company's creditors:-</p> <ul style="list-style-type: none"> • Consideration of any VAT bad debt relief claim being made. • Considering the likelihood of additional recoveries being made e.g. antecedent transactions etc. • Completing VAT returns in order to obtain a VAT refund due for post appointment expenses from HM Revenue & Customs. • Assisting with debtor realisations as and when required. This will include obtaining updates from the Praetura Invoice Finance Limited and taking all steps as deemed necessary to maximise recoveries for the benefit of the administration estate.

Appendix D

The Administrators' remuneration, disbursements and costs information

FRP

	<ul style="list-style-type: none"> Entered into correspondence with HSBC UK Plc and Praetura Invoice Finance Limited to obtain partial deed of releases in respect of any asset sold subject to a fixed charge pursuant to the sale and purchase agreement. 	<ul style="list-style-type: none"> Arranging for any surplus over and above the specifically pledged book debts to be remitted to the administration estate and conduct the necessary work required in order to seek recovery of any further debtors that remain unpaid.
3	STATUTORY COMPLIANCE AND REPORTING Work undertaken to date since my appointment	STATUTORY COMPLIANCE AND REPORTING Future work to be undertaken
	<p>The following tasks have ensured that the Administrators complied with their statutory duties and did not have any financial benefit to the creditors:-</p> <ul style="list-style-type: none"> Input statutory information on the Administrators' operating system. Dealing with all appointment formalities including notification to relevant parties, filings with the Court, the Registrar of Companies and statutory advertising. The Administrators are required to provide creditors with the proposals for the conduct of the administration for approval by creditors in accordance with legislation. Advertising notice of the Administrators' appointment as required by statute. Dealing with any matters in connection with the Administrators statutory obligation, included but not limited to, those contained within SIP16 (attached at Appendix C), in order to effect a sale of the business of the Company immediately upon the appointment of the Administrators. 	<p>The following tasks will ensure that the Administrators comply with their statutory duties and does not have any financial benefit to the creditors:-</p> <ul style="list-style-type: none"> Complete the calculation of the bond to protect the value of assets that are not subject to a charge by obtaining a bond to the correct level. Request that the director submits a statement of affairs for the Administrators review and filing at the Registrar of Companies. Providing statutory reports to the stakeholders at regular intervals and manage any queries arising therefrom. Copies of these reports will be filed at the Registrar of Companies. Potentially placing legal advertisements as required by statute which may include formal meetings of creditors, notices to submit claims and notice of intended dividend if applicable. Dealing with post-appointment VAT and or other tax returns as required. To deal with the statutory requirements in order to bring the case to a close and for the officeholders to obtain their release from office; this includes preparing final reports for stakeholders

Appendix D

The Administrators' remuneration, disbursements and costs information

FRP

	<ul style="list-style-type: none"> Notifying creditors of their rights to set up a creditors' committee. Dealing with tax and VAT matters arising following appointment. 	<p>and filing the relevant documentation with the Registrar of Companies.</p> <ul style="list-style-type: none"> To obtain creditor approval for the basis on which the officeholders' fees will be calculated and dealing with the collation of votes. Once the decision date has passed a post notification of the outcome will be circulated to creditors. Potentially seek an extension of the administration if required.
4	<p>INVESTIGATIONS Work undertaken to date since my appointment</p> <p>The Administrators have a duty to review the books and records and other information available to identify the assets that may be available to realise for the benefit of the insolvency estate.</p> <p>Furthermore, there may be other antecedent or voidable transactions that are identified which if pursued could swell the funds available for the insolvency estate.</p> <p>The following tasks have ensured that the Administrators complied with their statutory duties and did not have any financial benefit to the creditors:-</p> <ul style="list-style-type: none"> Requesting all directors of the Company both current and those holding office within 3 years of the insolvency to complete a questionnaire to assist in preparing the statutory return to the Department of Business Energy and Industrial Strategy ("DBEIS") in accordance with the Company Directors Disqualification Act. 	<p>INVESTIGATIONS Future work to be undertaken</p> <p>The following tasks will ensure that the Administrators comply with their statutory duties and does not have any financial benefit to the creditors:-</p> <ul style="list-style-type: none"> Conducting initial enquiries into the conduct of the Company, its officers and, if appropriate, associated parties through interrogation of electronic and paper records. Consideration of whether any matters have come to light which require notification to the Secretary of State or National Crime Agency. Corresponding with directors and former directors in respect of any matters that come to light during investigations and requesting their comments. Considering information provided by stakeholders that might identify further assets or lines or enquiry for the office holder to explore if benefit to the estate is possible. The collation and review of all information received along with the preparation and submission of the conduct report to DBEIS under CDDA – the content of this report is confidential.

Appendix D

The Administrators' remuneration, disbursements and costs information

FRP

		Information provided to DBEIS is confidential but can be used to assist DBEIS in identifying conduct that should be investigated further and could result in individuals being disqualified from acting as a director.
5	CREDITORS Work undertaken to date since my appointment	CREDITORS Future work to be undertaken
	<p>The following tasks have ensured that the Administrators comply with their statutory duties and did not have any financial benefit to the creditors:-</p> <ul style="list-style-type: none"> Updated the creditor details on the Administrators' software system. Circulated various notices to the creditors, as required by statute. Updated the Secured Creditor on the completion of the sale of the Company's assets. The Administrators have responded to queries of a general nature from creditors. Contacting creditors in order to advise of the appointment and provide proof of debts to enable claims to be lodged. The administrators have entered into lengthy correspondence with two trade suppliers who claimed retention of title over certain stock assets. 	<p>The following tasks will ensure that the Administrators comply with their statutory duties and does not have any financial benefit to the creditors:-</p> <ul style="list-style-type: none"> General correspondence with creditors. Logging creditors' claims when received. Review any counterclaims that may arise. Provide updates to creditors on the likelihood of a dividend becoming payable. Liaising with HMRC to establish their claim and seeking tax advice to minimise claims and maximise returns to creditors where appropriate. Establishing the position with regards any employer pension scheme, notifying the relevant parties in accordance with the legislation. Where appropriate appointing an independent trustee to the scheme and winding it up. Undertaking the necessary work to maximise realisations to creditors of all classes. At present, it is anticipated that Praetura Invoice Finance Limited will be paid in full together with the preferential creditors. The administrators anticipate.

Appendix D

The Administrators’ remuneration, disbursements and costs information



			that HSBC UK Plc will receive a nominal distribution under their fixed charge and any distribution under their floating charge will be dependent on asset realisation. Please see the section below for work currently being undertaken by the administrators and their instructed solicitors in respect of the secured creditors.
6	LEGAL AND LITIGATION Work undertaken to date	LEGAL AND LITIGATION Future work to be undertaken	
	<p>Liaising with solicitors immediately following appointment to conclude the sale process, reviewing the contract and other agreements with the Purchaser and expediting the sale in an efficient and timely manner.</p> <p>Instructed solicitors to review security agreements in order to ascertain the secured creditors order of priority.</p>	<p>Continue to seek legal advice and intervention as and when needed throughout the administration.</p>	

Appendix D

The Administrators' remuneration, disbursements and costs information

FRP

Doisy & Dam Limited			
£'000	Book Value	ADM	LIQ
Assets specifically pledged			
Receivables	201.00	201.00	201.00
Provision for disputes		(65.00)	(65.00)
Less - Praetura Invoice Finance Limited	(70.00)	(70.00)	(70.00)
Surplus / (deficit) under pledged assets (c/fwd)		66.00	66.00
Assets subject to fixed charge			
Goodwill		2.00	0.00
Intellectual Property		2.00	0.00
Less - HSBC UK Plc		(250.00)	(250.00)
Surplus / (deficit) under pledged assets (c/fwd)		(246.00)	(250.00)
Assets subject to floating charge			
Surplus under pledged assets		66.00	66.00
Cash at bank		24.00	24.00
Office Furniture & Equipment		2.00	1.00
Stock		127.00	40.00
- Administrators' / Liquidators' fees - Post		(50.00)	(50.00)
- Administrators' / Liquidators' fees - Pre		(20.00)	(10.00)
- Administrators' / Liquidators' disbursements		(2.00)	(2.00)
- Solicitors' fees - Post		(8.00)	(8.00)
- Solicitors' fees - Pre		(12.00)	0.00
- Agents' costs - Post		(2.00)	(10.00)
- Agents' costs - Pre		(10.00)	(10.00)
- Disposal costs associated with breakup sale		0.00	(5.00)
- Insurance		(1.00)	(1.00)
Available to preferential creditors		114.00	35.00
Less preferential creditors:			
- Employees (1st)		NIL	(5.00)
- HMRC (2nd)	(66.00)	(66.00)	(66.00)
Less prescribed part (disapplied due to disproportionate to declare)		N/A	N/A
Assets available to floating charge holders		48.00	N/A
Deficit to fixed charge secured creditors (b/fwd)		(246.00)	(250.00)
Surplus / (deficit) to floating charge holders		(198.00)	(250.00)
Unsecured creditors	(377.00)	(377.00)	(380.00)
Deficit to creditors		(575.00)	(666.00)
Deficit to members		(575.00)	(666.00)

Notes:

Doisy & Dam Limited (In Administration)("the Company")
Joint Administrator's fee estimate as at 26 October 2022

Activity	Hours	Total Cost (£)	Average hourly rate £
ADMINISTRATION	41.0	12,350	301
ASSET REALISATION	9.0	2,420	269
STATUTORY COMPLIANCE AND REPORTING	66.0	20,100	305
TRADING	-	-	-
INVESTIGATION	26.0	7,460	287
CREDITORS	25.0	7,750	310
LEGAL AND LITIGATION	-	-	-
TOTAL	167.0	50,080	

Hourly Charge out rates:	
	£
Appt taker/partner	400-530
Managers/directors	300-400
Other professional	180-250
Junior Professional/support	90-120

The above fee estimate is based on the assumptions contained in the accompanying schedule of work.

The office holder anticipates that it will be necessary to seek further approval. The reasons it may be necessary to seek further approval are set out in the documentation accompanying this estimate.

Time costs are maintained on computerised records of all time spent on the administration of each case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in maximum of six minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP Advisory's charge out rates applicable to this assignment are set out above.

Further information can be found in the Creditors' Guide to Fees which you can access using the following link <https://www.frpadvisor.com/legal-and-regulatory-notice/information-creditors-insolvency-proceedings/>. Alternatively, a hard copy of the relevant guide will be sent to you on request.

On occasions it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment this will be notified to creditors as part of the normal reporting procedures.

FRP ADVISORY TRADING LIMITED ("FRP")

HOURLY CHARGE OUT RATES

	<u>£/hour</u>
Appointment taker/Restructuring Advisory Partner/Director	400-530
Managers/Directors	300-400
Other Professional	180-250
Junior Professional/Support	90-120

Time costs are maintained on computerised records of all time spent on the administration of each case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in maximum of six minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP charge out rates applicable to this assignment are set out above.

Further information can be found in the Creditors' Guide to Fees which you can access using the following link <https://www.frapadvisory.com/legal-and-regulatory-notice/information-creditors-insolvency-proceedings/>. Alternatively, a hard copy of the relevant guide will be sent to you on request.

On occasions it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment this will be notified to creditors as part of the normal reporting procedures.

EXPENSES POLICY

Expenses are any payment from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements.

Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.

Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

Category 1 expenses:

These are payments to independent third parties who are not an associate of the office holder and where there is specific expenditure directly referable to the appointment.

Category 1 expenses may include but are not limited to items such as case advertising, storage, bonding, company searches, and insurance.

Category 1 expenses can be paid without prior creditor approval.

Category 2 expenses

These are payments made to associates of the office holder or which have an element of shared costs.

With the exception of mileage, FRP do not charge category 2 disbursements. Mileage payments relate to the use of private vehicles for business travel and are directly attributable to the estate. They are paid by FRP at the HMRC approved mileage rate prevailing at the time the mileage was incurred, at the time of this report this is 45p per mile.

Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration whether paid directly from the estate or as a disbursement.

Appendix E

Schedule of pre-administration costs

FRP

Provider	Service	Fee charged £	Expenses incurred £	Total £	Amount paid £	Amount unpaid £	Who payments made by	Basis of fees charged	Date of letter of engagement under which fees charged	Parties to the agreement under which fees charged
FRP Advisory Trading Limited	Proposed Administrator	20,000	250	20,250	NIL	20,250		Time cost	21 September 2022	Company
Russell Cooke LLP	Legal services	15,000		15,000	NIL	15,000		Time cost	3 October 2022	Company & Proposed Administrators
SIA Group Asset Ingenuity Limited	Agents	10,000		10,000	NIL	7,000		Time cost	3 October 2022	Company & Proposed Administrators
OTHER										
TOTAL		45,000		45,250		45,250				

Notes

- FRP were engaged under the terms of an engagement letter dated 21 September 2022 to undertake an accelerated marketing process with a view to completing a sale of the Company's assets by way of pre-packaged sale. Extensive details on the work undertaken by FRP are included at Appendix C of this report. FRP's fees were calculated on a time cost basis. These costs represent a fair and reasonable reflection of the work undertaken prior to the appointment of the Administrators.
- Russell Cooke LLP were engaged by the prospective administrators (who under the terms of their engagement with the Company were authorised to engage solicitors and agents on its behalf) to provide legal advice on the appointment of the Administrators and executing any proposed transaction. Russell Cooke LLP were instructed to undertake the below mentioned:
 - Preparation of the requisite notices to place the Company into administration;
 - Assisting with the meeting of the board of directors to propose and pass the necessary resolutions to place the Company into administration;
 - Circulating a Notice of Intention to appoint administrators to the Secured Creditor and Company;

Appendix E

FRP

Schedule of pre-administration costs (continued)

- Filing appointment documents in Court; and
 - Drafting the sale agreement and providing general legal advice.
3. SIA Group Asset Ingenuity Limited were instructed to undertake an independent review of the Company's assets and provide their professional recommendation on the valuation of these assets.
 4. In order to advertise the Company's business and assets for sale, an advertisement was placed on the website IPBid.com.

The payment of these unpaid costs as an expense of the administration is subject to approval in accordance with the Insolvency Rules and is not part of the proposals subject to approval in accordance with Paragraph 53 of Schedule B1 to the Insolvency Act 1986.

Appendix F

Statement of financial position

FRP

£'000	Book Value	ETR/Pay
Assets specifically pledged		
Receivables	201.00	201.00
Provision for disputes		(65.00)
Less - Praetura Invocie Finance Limited	(70.00)	(70.00)
Surplus / (deficit) under pledged assets (c/fwd)		66.00
Assets subject to fixed charge		
Goodwill		2.00
Intellectual Property		2.00
Less - HSBC UK Plc		(250.00)
Surplus / (deficit) under pledged assets (c/fwd)		(246.00)
Assets subject to floating charge		
Surplus under pledged assets		66.00
Cash at bank		24.00
Office Furniture & Equipment		2.00
Stock		127.00
Available to preferential creditors		219.00
Less preferential creditors:		
- Employees (1st)		NIL
- HMRC (2nd)	(66.00)	(66.00)
Less prescribed part		(33.60)
Assets available to floating charge holders		119.40
Deficit to fixed charge secured creditors (b/fwd)		(246.00)
Surplus / (deficit) to floating charge holders		(126.60)
Add back prescribed part		33.60
Unsecured creditors	(377.00)	(377.00)
Deficit to creditors		(470.00)
Deficit to members		(470.00)

FRP Advisory Trading Limited
Doisy & Dam Limited
Company Registered Number: 07999718
B - Company Creditors

Key	Name	Address	£
CA00	Absolute Translations	83 Victoria Street, Victoria Street, London, England, SW1H 0HW	95.90
CB00	Blueboxcreative Limited	75 Newnham Street, Ely, Cambs, England, CB7 4PQ	504.04
CB01	Brandbank Limited	35b Barnard Road, Norwich, Norfolk, England, NR5 9JB	156.00
CB02	Stephen Bond		354.00
CC00	Challenge Packaging	2-3 Oakwood Business Park, Golden Cross, Hailsham, East Sussex, BN27 4AH	1,501.44
CC01	Chocolates Lacasa Group	CARRETERA LOGROÑO (KM 14), 50180, Utebo (Zaragoza)	59,161.08
CC02	Codestorm	59-61 Charlotte Street , St Pauls Square, Birmingham, West Midlands, England, B3 1PX	1,911.86
CC03	Covent Garden Market Authority	Cgma, Food Exchange, New Covent Garden Market, London, SW8 5EL	7,988.38
CD00	DDC Foods Limited	166 College Road, Harrow, HA1 1RA	594.67
CD01	Diverse Fine Food	4 King Square, Bridgwater, Somerset, TA6 3YF	325.01
CD02	Diversified Business Communications Limited	The Brinell Building Ground Floor, 30 Station Street, Brighton, BN1 4RB	3,110.40
CD03	DSV		560.00
CD04	Lewis Dace		90.00
CE00	E2B	Swm Y Gwynt Porth Ceiriad, Cilan, Pwllheli, Gwynedd, LL53 7DB	477.05
CE01	Epicurium	Unit 3 Taylors Building, Hownsgill Drive, Consett, County Durham, DH8 9HU	1,157.50
CF00	Feet On The Street Co	Unit 1 156 Crow Lane, Romford, RM7 0ES	2,280.00
CG00	Glider Ventures		333.47
CG01	Global Overview Europa	1 Park Row, Leeds, LS1 5AB	240.05
CG02	Greencity Wholefoods		390.00
CG03	GS1		338.40
CH02	HALBA	2 Gallery Court, 1 - 7 Pilgrimage Street, London, SE1 4LL	56,491.24
CJ00	Justyna Jamroz-Cwik		116.20
CK00	Natalie Kiernan		12.50
CL00	Lenham Storage	c/o MENZIES LLP, Ashcombe House, 5 The Crescent, Leatherhead, KT22 8DY	22,248.12
CN00	Nectar 360 Limited	33 Holborn, London, EC1N 2HT	490.01
CO00	Ocado	Apollo Court 2 Bishop Square, Hatfield Business Park, Hatfield, AL10 9EX	191.31
CQ00	Qualvis	854 Melton Road, Thurmaston, Leicester, LE4 8BT	7,222.69
CS00	Sainsburys	3 Lochside Avenue, Edinburgh, EH12 9DJ	9,931.68
CS01	SGL Co-Packing Limited	19-20 Bourne Court, Southend Road, Woodford Green, IG8 8HD	9,040.24

Signature _____

FRP Advisory Trading Limited
Doisy & Dam Limited
Company Registered Number: 07999718
B - Company Creditors

Key	Name	Address	£
CS02	Shoebury Confectionery Limited	457 Southchurch Road, Southend-On-Sea, SS1 2PH	10,671.98
CS03	Sweetdreams Limited	Unit 2a Admiral Business Park, Nelson Way, Cramlington, NE23 1WG	11,612.64
CT00	Tree of Life		217.84
CU00	United Flexible Packaging Limited		25,661.59
CU01	Universal Flexible Packaging	61 Lunsford Road, Leicester, LE5 0HJ	1,300.21
CW00	Whereby	34 Wrightfield Park, Maryburgh, Dingwall, IV7 8ER	8.64
CW01	Wholefoods Wholesale		150.16
CX00	XEDI Limited	4 Cartwright Court, Bradley Business Park, Bradley, Huddersfield, HD2 1GN	259.20
CX01	Xero (UK) Limited	5th Floor 100 Avebury Boulevard, Milton Keynes, MK9 1FH	49.20
38 Entries Totalling			237,244.70

Signature _____

FRP Advisory Trading Limited
Doisy & Dam Limited
B1 - Company Creditors - Employees & Directors

Key	Name	Address	Pref £	Unsec £	Total £
0 Entries Totalling			0.00	0.00	0.00

Signature _____

FRP Advisory Trading Limited
Doisy & Dam Limited
Company Registered Number: 07999718
B2 - Company Creditors - Consumer Creditors

Key	Name	Address	£
0 Entries Totalling			0.00

Signature _____

FRP Advisory Trading Limited
Doisy & Dam Limited
Company Registered Number: 07999718
C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HA00	Genie Adrianopoulos		Ordinary	196.03	28,097	0.00	0.00
HA01	Richard Aitkins		Ordinary	1.46	141	0.00	0.00
HA02	Tony Allen		Ordinary	196.00	150,510	0.00	0.00
HB00	Chris Beveridge		Ordinary	1.46	7,025	0.00	0.00
HB01	Richard Briance		Ordinary	196.03	90,255	0.00	0.00
HC00	Patrick Calvert		Ordinary	196.00	72,249	0.00	0.00
HC01	Jonathan Challinor		Ordinary	1.46	141	0.00	0.00
HC02	Peter Chernyshov		Ordinary	196.00	172,659	0.00	0.00
HC03	Chinedu Chianakwalam		Ordinary	1.46	352	0.00	0.00
HC04	Charmaine Chin		Ordinary	1.46	141	0.00	0.00
HC05	Kaikaavous Clayton		Ordinary	1.46	1,757	0.00	0.00
HC06	Derek Cooper		Ordinary	1.46	14,049	0.00	0.00
HC07	Ruth Cooper		Ordinary	1.46	7,025	0.00	0.00
HC08	Crowdcube Limited		Ordinary	1.46	71	0.00	0.00
HC09	Crowdcube Nominees Ltd		Ordinary	196.00	510,052	0.00	0.00
HD00	Charles Davie		Ordinary	1.46	3,513	0.00	0.00
HD01	Matthew Davy		Ordinary	1.46	1,405	0.00	0.00
HD02	Jean-Louis Dinh		Ordinary	1.46	71	0.00	0.00
HD03	Thomas Draper		Ordinary	1.46	141	0.00	0.00
HD04	Hugh Duffie		Ordinary	1.46	352	0.00	0.00
HD05	Simon Duffy		Ordinary	196.00	163,152	0.00	0.00
HE00	Paul Elliot		Ordinary	1.46	3,513	0.00	0.00
HE01	Joris Evers		Ordinary	196.00	60,698	0.00	0.00
HF00	Sarah Victoria Ferris		Ordinary	1.46	3,513	0.00	0.00
HF01	Jeremiah Freyer		Ordinary	1.46	352	0.00	0.00
HF02	Stefan Fuhrmann		Ordinary	1.46	141	0.00	0.00
HF03	Alexander Fenn		Ordinary	196.00	60,698	0.00	0.00
HG00	Michael Gallagher		Ordinary	1.46	1,405	0.00	0.00
HG01	Ilya German		Ordinary	1.46	703	0.00	0.00
HG02	Virginie Glardon		Ordinary	196.00	102,718	0.00	0.00
HG03	GMBH Salta Investments		Ordinary	196.00	639,363	0.00	0.00
HG04	Philip Goddard		Ordinary	196.00	69,234	0.00	0.00

Signature _____

FRP Advisory Trading Limited
Doisy & Dam Limited
Company Registered Number: 07999718
C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HG05	Nick Gregory		Ordinary	196.00	184,586	0.00	0.00
HG06	Andrew Guarnori		Ordinary	1.46	3,513	0.00	0.00
HH00	Mr Matthew Hicks		Ordinary	1.46	352	0.00	0.00
HH01	Mr Rodney Higgins		Ordinary	1.46	703	0.00	0.00
HH02	Mr David Hill		Ordinary	1.46	703	0.00	0.00
HH03	Benjamin Hadley		Ordinary	1.46	3,513	0.00	0.00
HH04	Sara Halbard		Ordinary	196.00	907,626	0.00	0.00
HH05	Flor Healy		Ordinary	196.00	150,510	0.00	0.00
HJ00	Emma Pia Jackson		Ordinary	196.03	155,786	0.00	0.00
HJ01	Adrienn Jelinek		Ordinary	1.46	211	0.00	0.00
HJ02	Jamil Jivanjee		Ordinary	1.46	352	0.00	0.00
HK00	Nicholas Keye		Ordinary	1.46	7,025	0.00	0.00
HK01	Gabor Kiszler		Ordinary	1.46	1,405	0.00	0.00
HK02	Bhav Kotecha		Ordinary	1.46	1,757	0.00	0.00
HL00	Tien Cong Le		Ordinary	1.46	1,405	0.00	0.00
HL01	Christopher Lees		Ordinary	196.03	37,983	0.00	0.00
HL02	Tom Leigh		Ordinary	1.46	352	0.00	0.00
HL03	Matthew Lindsey-Clark		Ordinary	196.03	167,806	0.00	0.00
HM00	Dan & Jess Martin		Ordinary	196.03	301,019	0.00	0.00
HM01	Neil Mackenzie		Ordinary	1.46	7,025	0.00	0.00
HM02	Paul Massey		Ordinary	1.46	352	0.00	0.00
HM03	Michael Mckay		Ordinary	1.46	352	0.00	0.00
HM04	Ray Mckennon		Ordinary	1.46	71	0.00	0.00
HM05	Sally Minns		Ordinary	1.46	2,459	0.00	0.00
HM06	Christopher Mockett		Ordinary	1.46	3,513	0.00	0.00
HM07	Philip Morley		Ordinary	196.03	210,724	0.00	0.00
HM08	Richard Marris		Ordinary	196.00	60,203	0.00	0.00
HM09	Simon Munir		Ordinary	196.00	455,237	0.00	0.00
HN00	Simon Norris		Ordinary	196.03	210,725	0.00	0.00
HN01	Emma Northcott		Ordinary	1.46	703	0.00	0.00
HN02	Sebastien Noury		Ordinary	1.46	1,405	0.00	0.00
HO00	Olivia Orchard		Ordinary	196.03	42,195	0.00	0.00

Signature _____

FRP Advisory Trading Limited
Doisy & Dam Limited
Company Registered Number: 07999718
C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HP00	Ian Padfield		Ordinary	196.03	226,011	0.00	0.00
HP01	Giacomo Palazzo		Ordinary	196.03	55,927	0.00	0.00
HP02	Niccolo Palazzo-Corner		Ordinary	196.03	47,898	0.00	0.00
HP03	Stephan Pietge		Ordinary	1.46	71	0.00	0.00
HP04	Sherekke Pyfrom		Ordinary	1.46	703	0.00	0.00
HR00	Charles Roeder		Ordinary	1.46	1,757	0.00	0.00
HR01	Benjamin Ross		Ordinary	1.46	71	0.00	0.00
HR02	Ed Russell		Ordinary	196.00	70,242	0.00	0.00
HR03	Abdul Aziz Rajgoli		Ordinary	1.46	1,405	0.00	0.00
HR04	Paul Riches		Ordinary	1.46	7,025	0.00	0.00
HR05	Stephen Robarts		Ordinary	1.46	3,513	0.00	0.00
HS00	Sakana Partners LLC		Ordinary	196.00	419,772	0.00	0.00
HS01	Beth Salter		Ordinary	1.46	352	0.00	0.00
HS02	Robert Sharpe		Ordinary	1.46	703	0.00	0.00
HS03	Adam Smith		Ordinary	196.00	276,431	0.00	0.00
HS04	Kyle Soo		Ordinary	1.46	141	0.00	0.00
HS05	Charles Stevens		Ordinary	1.46	703	0.00	0.00
HS06	David Swindin		Ordinary	196.00	245,732	0.00	0.00
HS07	Robert Symington		Ordinary	1.46	1,405	0.00	0.00
HS08	Dominic Szyber		Ordinary	1.46	281	0.00	0.00
HS09	John William Smith		Ordinary	196.03	392,677	0.00	0.00
HS0A	Edward James Pegrine Smith		Ordinary	196.00	5,119,057	0.00	0.00
HS0B	Alex Smith		Ordinary	196.00	55,936	0.00	0.00
HS0C	Philip Arthur George Seers		Ordinary	196.03	2,132,362	0.00	0.00
HT00	Damian Thornton		Ordinary	196.00	90,951	0.00	0.00
HT01	Charles Thuillier		Ordinary	1.46	703	0.00	0.00
HT02	Harry Thuillier		Ordinary	1.46	703	0.00	0.00
HT03	Robert Todd		Ordinary	1.46	141	0.00	0.00
HV00	Giovanni Agostino Viscomi		Ordinary	1.46	703	0.00	0.00
HW00	Tower Pension Trustees Ltd		Ordinary	196.00	181,901	0.00	0.00
HW01	Katie Wake		Ordinary	1.46	7,025	0.00	0.00
HW02	Christopher Watson		Ordinary	196.00	62,473	0.00	0.00

Signature _____

FRP Advisory Trading Limited
Doisy & Dam Limited
Company Registered Number: 07999718
C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HW03	Michael Edward Wilkinson		Ordinary	196.03	112,318	0.00	0.00
HW04	Harley Williams		Ordinary	1.46	7,025	0.00	0.00
HW05	Lois Williams		Ordinary	1.46	352	0.00	0.00
HW06	Dan Wiseman		Ordinary	1.46	703	0.00	0.00
HW07	Richard Henry Wilkinson		Ordinary	196.03	5,119,331	0.00	0.00
101 Ordinary Entries Totalling					19,731,571		

Signature _____