



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 1 1 0 2 0 1 2 9

Company name in full Luxuryshakes Ltd

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Martin C

Surname Armstrong

### 3 Administrator's address

Building name/number Allen House

Street 1 Westmead Road

Post town Sutton

County/Region Surrey

Postcode S M 1 4 L A

Country

### 4 Administrator's name ①

Full forename(s) Andrew R

Surname Bailey

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Allen House

Street 1 Westmead Road

Post town Sutton

County/Region Surrey

Postcode S M 1 4 L A

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 1	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2
To date	<sup>d</sup> 2	<sup>d</sup> 0	<sup>m</sup> 0	<sup>m</sup> 6	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 3

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

X

Signature date	<sup>d</sup> 2	<sup>d</sup> 0	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 3
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**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 **Martin C Armstrong**

Company name **Turpin Barker Armstrong**

Address **Allen House**

**1 Westmead Road**

Post town **Sutton**

County/Region **Surrey**

Postcode **S M 1 4 L A**

Country

DX **tba@turpinba.co.uk**

Telephone **020 8661 7878**

**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 the form.

**Important information**

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

**Where to send**

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

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

**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

**Luxuryshakes Ltd**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 21/12/2022 To 20/06/2023 £	From 21/12/2022 To 20/06/2023 £
	<b>FIXED CHARGE ASSETS</b>		
772.00	Cash at bank	NIL	NIL
1.00	Goodwill	1.00	1.00
1.00	BIPR	1.00	1.00
1.00	Sellers Records	1.00	1.00
1.00	Business Contracts	1.00	1.00
		<u>4.00</u>	<u>4.00</u>
	<b>FIXED CHARGE CREDITORS</b>		
(177,777.80)	HSBC	NIL	NIL
(20,550.00)	Morgan Lloyd Trustees	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>ASSET REALISATIONS</b>		
9,995.00	Office Furniture & Equipment	5,995.00	5,995.00
50,000.00	Plant & Machinery	NIL	NIL
1.00	Stock	1.00	1.00
		<u>5,996.00</u>	<u>5,996.00</u>
	<b>COST OF ADMINISTRATION</b>		
	Accountancy costs	13.30	13.30
	Bank Charges	0.45	0.45
	Specific Bond	240.00	240.00
	Statutory Advertising	181.60	181.60
		<u>(435.35)</u>	<u>(435.35)</u>
	<b>PREFERENTIAL CREDITORS</b>		
(7,200.00)	Employees' Wage Arrears and Holiday	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>SECONDARY PREFERENTIAL CREDITORS</b>		
(43,208.75)	HMRC - PAYE	NIL	NIL
(5,000.00)	HMRC - VAT	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>UNSECURED CREDITORS</b>		
NIL	Directors	NIL	NIL
(6,000.00)	Employees - RP & PILON	NIL	NIL
(385,450.25)	Trade & Expense Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>DISTRIBUTIONS</b>		
(4,425.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>(588,839.80)</b>		<b>5,564.65</b>	<b>5,564.65</b>
	<b>REPRESENTED BY</b>		
	Bank - Current a/c non- interest bearin		5,477.67
	Input VAT		86.98
			<u><b>5,564.65</b></u>

**Note:**

It should be noted that all figures stated in the Receipts and Payments Account are detailed net of VAT.

**JOINT ADMINISTRATORS' PROGRESS REPORT TO CREDITORS FOR THE 6 MONTH PERIOD 21  
DECEMBER 2022 TO 20 JUNE 2023 ("THE REPORTING PERIOD")**

**Luxuryshakes Ltd ("the Company") – in Administration  
In the High Court of Justice In England and Wales Number 004177 of 2022**

**APPENDICES**

- |                   |  |
|-------------------|--|
| <b>Appendix 1</b> | <b>Details of work undertaken and to be undertaken in the Administration</b> |
| <b>Appendix 2</b> | <b>Receipts &amp; Payments Account</b>                                       |
| <b>Appendix 3</b> | <b>Post Appointment SIP9: Reporting Period</b>                               |
| <b>Appendix 4</b> | <b>Practice Fee Recovery</b>   |

## EXECUTIVE SUMMARY

In accordance with Rule 18.6 of the Insolvency Rules 2016, we now report on the progress made in the Administration during the six months ending 20 June 2023. This report should be read in conjunction with the Joint Administrators Statement of Insolvency Practice 16 (SIP 16) memorandum, which was circulated to creditors on the 22 December 2022, alongside the Joint Administrators Proposals ("the Proposals"). In the Proposals the Joint Administrators were of the opinion that the objective in accordance with Paragraph 3(1)(c) of the schedule (i.e., being to realise property in order to make a distribution to one or more secured or preferential creditors), would be viable.

This objective was to be achieved by way of a pre-packaged sale of the Company's assets which included Goodwill and Business Intellectual Property Rights, Sellers records, Business contracts, Office furniture and equipment, Plant and machinery and Stock; however, to date no payments have been received from the purchaser in respect of the sale other than the initial deposit.

After taking into account asset realisations, together with fees and expenses incurred to date, and the estimated future realisations, fees and expenses, it is likely that I will be able to make a distribution to the secured creditor and the ordinary preferential creditors.

## STATUTORY INFORMATION

Company name:	Luxuryshakes Ltd
Registration number:	11020129
Principal Trading Address:	Unit A Aerial Business Park, Lambourn Woodlands, Hungerford, RG17 7RZ
Registered Office:	Allen House, 1 Westmead Road, Sutton, Surrey SM1 4LA
Former Registered Office:	Unit A Aerial Business Park, Lambourn Woodlands, Hungerford, RG17 7RZ
Principal trading activity:	Manufacture of soft drinks
Joint Administrators' names:	Martin C Armstrong and Andrew R Bailey
Joint Administrators' address:	Allen House, 1 Westmead Road, Sutton, Surrey, SM1 4LA
Joint Administrators' contact details:	courtney.blake@turpinba.co.uk and 020 8661 7878.
Date of appointment:	21 December 2022
Actions of Joint Administrators'	Any act required or authorised under any enactment to be done by a Joint Administrator may be done by either or both of the Joint Administrators acting jointly or alone.
Court name and reference	In the High Court of Justice In England and Wales Number 004177 of 2022

## **JOINT ADMINISTRATORS' ACTIONS SINCE THE APPOINTMENT OF THE JOINT ADMINISTRATORS**

There is certain work that I am required by the insolvency legislation to undertake in connection with the Administration that provides no financial benefit for the creditors. A description of the routine work undertaken since the appointment of the Joint Administrators is contained in **Appendix 1**.

### **RECEIPTS AND PAYMENTS ACCOUNT**

My Receipts & Payments Account for the Reporting Period is attached at **Appendix 2**. All amounts are shown net of VAT. I have reconciled the account against the financial records that I am required to maintain.

The balance of funds are held in a non-interest bearing estate bank account.

### **ASSETS**

The business and assets of the Company were sold to an unconnected party, INDUL Ltd (CRN: 14527798), for a sale consideration of £60,000. This included all fixtures and fittings, stock, customer database and any associated goodwill and intellectual property rights. An initial payment of £6,000 was received on completion of the sale and was to be followed by 9 monthly payments of £6,000 per month; however, to date no payments other than the deposit have been received.

The former director of INDUL Ltd provided a personal guarantee ("PG") for the amounts due under the sale contract. The director has since resigned, however the PG remains enforceable. There are no conditions of the contract which could affect the consideration. Details of the assets involved are set out below.

Other than payment via deferred instalments, there are no options, buy-back arrangements, or other conditions attached to the contract of sale.

As previously reported in the Joint Administrators' proposals, and on the advice of Middleton Barton Valuations ("MBV"), the sale price was the best reasonably obtainable in all the circumstances of the case. Whilst the business and assets were marketed, no other firm interest or offers were received. The sale was expected to provide a better return to secured and preferential creditors when compared with a Liquidation (where there would no return to any class of creditor).

The value attributed to each category of asset and the values realised are detailed below:

Asset category	Valuation basis & amount (£)		Sale Consideration (£)
	(e.g. Market value in-situ)	(e.g. Market value ex-situ or Orderly Liquidation Value etc)	
<u>Unencumbered Assets</u>			
<i>Tangible Assets</i>			
Office Furniture & Equipment	2,000	500	9,995
Plant and Machinery	2,800	1,000	50,000
Stock	-	-	1
<i>Intangible assets</i>			
Goodwill	5,000	Nil	1
Business IP Rights	-	-	1
Seller's Records	-	-	1
Business Contracts	-	-	1
<b>Unencumbered Assets Total</b>	<b>9,800</b>	<b>1,500</b>	<b>60,000</b>
<u>Encumbered Assets</u>			
With Ultimate Asset Finance			
	160,000	120,000	
Less: Est. O/S Balance	(196,916)	(196,916)	
Available Equity	Nil	Nil	
<b>Encumbered Asset Total</b>	<b>Nil</b>	<b>Nil</b>	
<b>Total</b>	<b>9,800</b>	<b>1,500</b>	<b>60,000</b>

#### Cash at Bank

The Company operated a business bank account with HSBC. It was understood to have held cash at bank totalling £772, however HSBC have since confirmed that it held a negative balance and therefore



there was not a credit balance to retain against their outstanding lending under the terms of the lending and their security.

#### Goodwill

As previously reported, the Company's Goodwill was sold to the Purchaser for £1. It is understood that this asset is subject to the fixed charge held by HSBC UK and has been categorised as so.

During the Reporting Period, £1 has been received in respect of Goodwill.

#### Business and Intellectual Property Rights ("BIPR")

In respect of intellectual property, the Company had a website, all trading styles and associated logo for the brand. Any associated email addresses and contact numbers were also included. We are not aware of any trademarks, patents or designs which are registered or pending registration.

A value of £1 was assigned to the business and intellectual property rights in the asset and sale agreement to the Purchaser. It is understood that this asset is subject to the fixed charge held by HSBC UK and has been categorised as so.

During the Reporting Period, £1 has been received in respect of BIPR.

#### Seller's Records

A value of £1 was assigned to the records in the asset and sale agreement to the Purchaser.

During the Reporting Period, £1 has been received in respect of the Seller's Records.

#### Business Contracts

Due to the Company ceasing to trade and all communication with suppliers and customers ceasing, a value of £1 was assigned to the business contracts in the asset and sale agreement to the Purchaser.

During the Reporting Period, £1 has been received in respect of Business Contracts.

#### Stock

It is understood that the Company held a very limited inventory of ingredients, manufactured product, and packaging.

A value of £1 was assigned to the stock in the asset and sale agreement to the Purchaser.

During the Reporting Period, £1 has been received in respect of Stock.

#### Office Furniture and Equipment

A value of £9,995 was assigned to the office furniture and equipment in the asset and sale agreement to the Purchaser.

During the Reporting Period, £5,995 has been received in respect of Office Furniture and Equipment.

### Plant and machinery

A value of £50,000 was assigned to the Company owned plant and machinery in the asset and sale agreement to the purchaser.

No payments have been received in respect of this asset to date. I am liaising with the solicitors instructed on this matter in order to recover the funds owed in respect of the sale.

### **PRE-ADMINISTRATION COSTS**

On 8 February 2023, the following pre-administration costs were approved by the relevant creditors:

Pre-administration fees charged by Turpin Barker Armstrong: £15,000 plus VAT.

Pre-administration expenses incurred by:

- Middleton Barton Valuations ("MBV") - £3,000 plus VAT.
- Katten Muchin Rosenman UK LLP ("Katten") - £3,000 plus disbursements plus VAT.

These costs remain outstanding and will be paid in due course from realisations made.

### **INVESTIGATION INTO THE AFFAIRS OF THE COMPANY**

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. I am required by the Statements of Insolvency Practice to undertake such an initial investigation and the work detailed below has been undertaken in connection with that initial investigation.

Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 2 years prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the Administration and made enquiries about the reasons for the changes.

There were no matters that justified further investigation in the circumstances of this appointment.

Finally, within three months of my appointment as Administrator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

### **JOINT ADMINISTRATORS' REMUNERATION**

My remuneration was approved by the unsecured creditors on 8 February 2023 on a fixed fee of £35,000 for my work in respect of all categories of work. I also sought consent from both secured creditors: Morgan Lloyd provided their consent on 8 February 2023; and, HSBC advised they do not provide blanket consent for post appointment fees and must be contacted to request draw down as when applicable.

I have not yet been able to draw any remuneration in respect of work done for which my fees were approved as a fixed fee.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Joint Administrators' Fees' published by the R3, together with an explanatory note which shows Turpin Barker Armstrong's fee policy is enclosed at **Appendix 5**. Please note that there are different versions of the Guidance Notes, and in this case you should refer to the most recent version.

## **JOINT ADMINISTRATORS' EXPENSES**

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

- Category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- Category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

### Category 1 expenses

I have incurred the following category 1 expenses in the Administration:

<b>Nature of category 1 expense</b>	<b>Amount incurred/ accrued in Reporting Period £</b>	<b>Amount incurred/ accrued in total £</b>	<b>Amount unpaid £</b>
Accountancy costs	39.90	39.90	26.60
Bonding	240.00	240.00	-
Statutory Advertising	181.60	181.60	-
<b>Total</b>	<b>461.50</b>	<b>461.50</b>	<b>26.60</b>

I have paid category 1 expenses of £434.90 to date, as indicated in the attached receipts and payments account.

I have used the following professional advisors in the reporting period:

<b>Professional Advisor</b>	<b>Nature of Work</b>	<b>Basis of Fees</b>
Middleton Barton Valuations ("MBV")	Valuer/Auctioneer	Time costs
Katten Muchin Rosenman UK LLP ("Katten")	Solicitors	Time costs

### Katten

Katten is a law firm headquartered in London with offices in the UK, Europe and the Middle East. The Corporate Recovery & Insolvency team is ranked in Chambers and Partners and Legal 500 for both London and the South. Katten were instructed in this matter as they have the requisite knowledge and experience in dealing with such matters.

Kattens have not furnished us with an invoice for their outstanding post-appointment time costs, but their costs are estimated to be in the region of £3,000 plus VAT.

### MBV

I can advise that MBV, a firm of professional, independent valuation agents were instructed to provide an independent professional valuation of the Company's assets. The valuer responsible for preparing the valuation was Neil Duckworth PgDip who has confirmed that he is a member of The Royal Institution of Chartered Surveyors (RICS).

The valuer has the appropriate knowledge to oversee an instruction of this nature on the basis that they have considerable experience in dealing with similar assets and knowledge of the industry. MBV were therefore considered suitable for assisting in this matter and have confirmed that they hold adequate professional indemnity insurance in place. They also confirmed that they held no previous involvement in respect of the Company and no conflict of interest arose.

MBV have not furnished me with an invoice for their outstanding time costs, but they have estimated to be in the region of £3,000 plus VAT.

My choice of professional advisors was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also confirmed that they hold appropriate regulatory authorisations. I have reviewed the fees they have charged and am satisfied that they are reasonable in the circumstances of this case and represents value for money.

### Comparison of estimated expenses with actual expenses incurred

Nature of expense	Estimated expenses £	Expenses incurred to date £
Bonding	480.00	240.00
Statutory Advertising	408.75	181.60
Conference Calls	150.00	-
Room Hire	100.00	-
Postage Costs	150.00	-
Insurance	840.00	-
Armalytix	10.00	-
Travel Expenses	200.00	-
Katten	3,000.00	3,000.00
Accountancy Costs	-	39.90
<b>Total</b>	<b>5,338.75</b>	<b>3,461.50</b>

As you can see above, while the total expenses I have incurred to date are in line with the total expenses I estimated I would incur when my remuneration was approved, some are lower than I estimated. This is because the Administration is not yet finalised.

I do not expect to exceed my estimate of expenses.

## **LIABILITIES**

### Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has granted the following charges:

Chargeholder	Created	Status	Comments
HSBC UK Bank PLC	17/08/2020	Outstanding	The outstanding liability is understood to be £170,000.
Morgan Lloyd Trustees Limited as Trustees for the Luxury Shakes Pension Scheme; Andrew Sherick as Trustees for the Luxury Shakes Pension Scheme	15/10/2019	Outstanding	It should be noted that this chargeholder has relinquished their right to any distribution in the Administration.

### Preferential Creditors

The proposals anticipated £7,100 in respect of ordinary preferential creditors relating to employee claims, and £48,208.75 in respect of secondary preferential creditors relating to HMRC's claim. To date, no claims have been received.

### Crown Creditors

The proposals included no amounts owing to HMRC in respect of their non-preferential claim. Accordingly, no claim has been received.

### Non-preferential unsecured Creditors

The proposals included 30 non-preferential unsecured creditors with an estimated total liability of £385,450.25. I have received claims from 12 creditors at a total of £365,679.06. I have not received claims from 18 creditors with original estimated claims in the proposals of £90,755.42.

## **DIVIDEND PROSPECTS**

### Secured Creditors

*Morgan Lloyd Trustees as Trustees for the Luxury Shakes Pension Scheme; Andrew Sherick as Trustees for the Luxury Shakes Pension Scheme ("Morgan Lloyd")*

Morgan Lloyd have relinquished their right to any distribution in the Administration, due to their connection to the Company via the director, Andrew Sherick.

### *HSBC UK Bank PLC ("HSBC")*

HSBC have a fixed and floating charge over all assets with a negative pledge. It is currently estimated that HSBC will receive a dividend of 0.46 pence in the pound, as reported in the Proposals.

Further calculations will be undertaken once the sale consideration has been received in full and we are in a position to make the distribution.

#### Preferential Creditors

After taking into account asset realisations, together with fees and expenses incurred to date and the future realisations, fees and expenses, I anticipate that I will only be able to pay a small dividend to ordinary preferential creditors.

It is currently estimated that the first ranking preferential creditor will receive a dividend of 6.89 pence in the pound, as reported in the Proposals.

Further calculations will be undertaken once the sale consideration has been received in full and we are in a position to make the distribution.

#### Non-preferential unsecured Creditors

After taking into account asset realisations, together with fees and expenses incurred to date, together with estimated future realisations, fees and expenses, I think that it is unlikely that I will be able to pay any dividend to non-preferential unsecured creditors.

As previously advised, the Company gave a floating charge to HSBC UK Bank PLC on 17 August 2020 and the prescribed part provisions will apply. On the basis of realisations to date, together with estimated future realisations, and after taking into account the costs of the Administration to date, the net property of the Company is £5,083.00, and I estimate that the prescribed part of the net property for unsecured creditors is £2,541.50. However, these estimates do not take into account future costs, which will reduce the amount of the Company's net property.

Since the Company's net property is less than £10,000, the insolvency legislation does not require me to distribute the prescribed part of the net property to creditors if I think that the costs of distributing the prescribed part would be disproportionate to the benefits to creditors. I am of the view that the costs of distribution would be disproportionate and so will not be making a distribution of the prescribed part of the net property to non-preferential unsecured creditors.

### **FURTHER INFORMATION**

An unsecured creditor may, with the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Joint Administrators' remuneration and expenses within 21 days of their receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Joint Administrators as being excessive, and/or the basis of the Joint Administrators' remuneration, and/or the amount of the expenses incurred as being excessive, within

8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

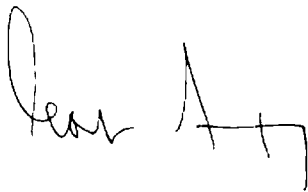
To comply with the Provision of Services Regulations, some general information about Turpin Barker Armstrong can be found at [www.turpinbainsolvency.co.uk/fees-and-links](http://www.turpinbainsolvency.co.uk/fees-and-links).

Finally, please note that the affairs, business and property of the Company are being managed by the Joint Administrators, Andrew R Bailey and I. The Joint Administrators act as agents of the Company and contract without personal liability.

## **SUMMARY**

The Administration will remain open until all deferred consideration in respect of the sale of the Company's business and assets has been received, and the distributions to the secured and preferential creditors have been made. I estimate that this will take approximately 6 months and once resolved the Administration will cease and my files will be closed.

If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available on-line, they should contact Courtney Blake on 020 8661 7878, or by email at [courtney.blake@turpinba.co.uk](mailto:courtney.blake@turpinba.co.uk).

A handwritten signature in black ink, appearing to read 'Martin C Armstrong', with a stylized flourish at the end.

**Martin C Armstrong**  
**JOINT ADMINISTRATOR**

## **Appendix 1: Details of Work undertaken to date**

### Administration

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder (and their managers). It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that an office holder must follow.

Case planning - devising an appropriate strategy for dealing with the case and giving instructions to staff to undertake the work on the case.

Setting up electronic case files.

Setting up the case on the practice's electronic case management system and entering data.

Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.

Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder must obtain for each insolvency appointment).

Convening a decision procedure to seek a decision from creditors to approve the basis of remuneration.

Dealing with all routine correspondence and emails relating to the case.

Opening, maintaining and managing the estate bank account.

Creating, maintaining and managing a cashbook.

Undertaking regular bank reconciliations of the estate bank account.

Reviewing the adequacy of the specific penalty bond on a quarterly basis.

Undertaking periodic reviews of the progress of the case.

Overseeing and controlling the work done on the case by case administrators.

Preparing, reviewing and issuing 6 monthly progress reports to creditors and members.

Filing returns at Companies House.

Preparing and filing VAT returns.

### Realisation of assets:

This represents the work involved in the protection and realisation of assets, which is undertaken directly for the benefit of creditors.

Arranging suitable insurance over assets.

Regularly monitoring the suitability and appropriateness of the insurance cover in place.

Liaising with the bank regarding the closure of the account.

Instructing agents to value assets.

Liaising with agents to realise assets.

Instructing solicitors to assist in the realisation of assets.

Attempting to collect deferred consideration in respect of the sale of the business.

Liaising with the secured creditors over the realisation of the assets subject to a mortgagee or other charge.

### Creditors

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to



ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of their statutory functions

Employees - The office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the Redundancy Payments Service. The office holder is required to undertake this work as part of their statutory functions.)

Obtaining information from the case records about employee claims.

Completing documentation for submission to the Redundancy Payments Service.

Corresponding with employees regarding their claims.

Liaising with the Redundancy Payments Service regarding employee claims.

Dealing with creditor correspondence, emails and telephone conversations regarding their claims.

Maintaining up to date creditor information on the case management system.

#### Investigations:

The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure, and also in respect of matters such as misfeasance and wrongful trading. The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors.

Recovering the books and records for the case.

Listing the books and records recovered.

Submitting an online return on the conduct of the Directors as required by the Company Directors Disqualification Act.

Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.

Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors

## **Appendix 2: Receipts and Payments account (overleaf)**

Luxuryshakes Ltd  
(In Administration)  
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 21/12/2022 To 20/06/2023 £	From 21/12/2022 To 20/06/2023 £
	<b>FIXED CHARGE ASSETS</b>		
772.00	Cash at bank	NIL	NIL
1.00	Goodwill	1.00	1.00
1.00	BIPR	1.00	1.00
1.00	Sellers Records	1.00	1.00
1.00	Business Contracts	1.00	1.00
		<u>4.00</u>	<u>4.00</u>
	<b>FIXED CHARGE CREDITORS</b>		
(177,777.80)	HSBC	NIL	NIL
(20,550.00)	Morgan Lloyd Trustees	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>ASSET REALISATIONS</b>		
9,995.00	Office Furniture & Equipment	5,995.00	5,995.00
50,000.00	Plant & Machinery	NIL	NIL
1.00	Stock	1.00	1.00
		<u>5,996.00</u>	<u>5,996.00</u>
	<b>COST OF ADMINISTRATION</b>		
	Accountancy costs	13.30	13.30
	Bank Charges	0.45	0.45
	Specific Bond	240.00	240.00
	Statutory Advertising	181.60	181.60
		<u>(435.35)</u>	<u>(435.35)</u>
	<b>PREFERENTIAL CREDITORS</b>		
(7,200.00)	Employees' Wage Arrears and Holiday	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>SECONDARY PREFERENTIAL CREDITORS</b>		
(43,208.75)	HMRC - PAYE	NIL	NIL
(5,000.00)	HMRC - VAT	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>UNSECURED CREDITORS</b>		
NIL	Directors	NIL	NIL
(6,000.00)	Employees - RP & PILON	NIL	NIL
(385,450.25)	Trade & Expense Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>DISTRIBUTIONS</b>		
(4,425.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(588,839.80)</u>		<u>5,564.65</u>	<u>5,564.65</u>
	<b>REPRESENTED BY</b>		
	Bank - Current a/c non- interest bearin		5,477.67
	Input VAT		86.98
			<u>5,564.65</u>

Note:

It should be noted that all figures stated in the Receipts and Payments Account are detailed net of VAT.

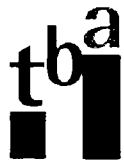
**Appendix 3: Post Appointment SIP9 – Reporting Period (overleaf)**

# Time Entry - SIP9 Time & Cost Summary

XL0222 - Luxuryshakes Ltd  
Project Code: POST  
From: 21/12/2022 To: 20/06/2023

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	5.70	16.60	38.40	10.70	71.40	21,624.50	302.86
Case Specific Matters	0.30	0.00	0.00	0.00	0.30	176.50	588.33
Creditors	0.30	2.50	17.10	0.00	19.90	6,386.50	320.93
Investigations	0.80	4.40	15.30	8.00	28.50	7,114.00	249.61
Realisation of Assets	0.10	0.00	3.40	0.00	3.50	1,157.50	330.71
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	7.20	23.50	74.20	18.70	123.60	36,459.00	294.98
Total Fees Claimed						0.00	
Total Disbursements Claimed						434.90	

#### **Appendix 4: Practice Fee Recovery (overleaf)**



**turpin barker armstrong**

Accountants, Auditors and Business Advisers  
Corporate Recovery and Insolvency  
Wealth Management

## **PRACTICE FEE RECOVERY POLICY FOR TURPIN BARKER ARMSTRONG**

### Introduction

This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in a general meeting, or the Court. The report accompanying the request to fix the basis of remuneration will indicate the basis, or bases, being requested in that particular case and will make it clear what work is to be undertaken in respect of each basis.

Further information about creditors' rights can be obtained by visiting the creditors' information micro- site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <https://www.turpinbainsolvency.co.uk/fees-and-links>. Alternatively, a hard copy may be requested from Turpin Barker Armstrong, Allen House, 1 Westmead Road, Sutton, Surrey SM1 4LA. Please note that we have provided further details in this policy document.

SIP 9 also contains various requirements that the office holder has to comply with in connection with their remuneration, both when seeking approval and when reporting to creditors and other interested parties after approval. One of the matters that an office holder has to comply with is that they must also seek approval for any payments that could reasonably be perceived as representing a threat to the office holder's objectivity or independence by virtue of a professional or personal relationship, including to an associate. Where it is anticipated that such payments will be made in a case they will be separately identified when seeking approval for the basis of the office holder's remuneration.

Other than in respect of Voluntary Arrangements an office holder is required to record the time spent on casework in all cases, even if they are being remunerated for that work on a basis other than time costs. Time is recorded directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning (including statutory reporting).
- Realisation of Assets.
- Investigations.
- Creditors (claims and distributions).
- Trading.
- Case specific matters.

### Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6-minute units with supporting narrative to explain the work undertaken.

## Charge-out rates

Grade of staff	Charge- out rate per hour, effective from 1 <sup>st</sup> April 2023 £	Charge- out rate per hour, effective from 1 <sup>st</sup> April 2021 £	Charge- out rate per hour, effective from 1 <sup>st</sup> April 2019 £	Charge-out rate per hour, effective from 1 <sup>st</sup> April 2017 £	Charge-out rate per hour, effective from 1 <sup>st</sup> April 2013 £
<b>Partner</b>					
Senior Partner	730.00	645.00	595.00	545.00	495.00
Partner	525.00	475.00	440.00	400.00	365.00
<b>Manager</b>					
Director	420.00	370.00			
Manager	385.00	350.00	350.00	325.00	295.00
Assistant Manager	357.50	325.00	310.00	285.00	260.00
<b>Other Senior Professionals</b>					
Senior Insolvency Associate	325.00	310.00	290.00	265.00	240.00
<b>Assistants &amp; Support Staff</b>					
Insolvency Associate	285.00	260.00	240.00	220.00	200.00
Assistant Insolvency Associate	110.00	100.00	100.00	90.00	80.00
Junior Insolvency Associate	40.00	40.00	40.00	40.00	40.00

These charge-out rates charged are reviewed on 1<sup>st</sup> April each year and are adjusted to take account inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time.

In cases where we were appointed prior to 1<sup>st</sup> October 2015, most of our fees are recovered on a time cost basis and appropriate authority was obtained from the creditors or the committee as laid out in the legislation. The legislation changed on 1<sup>st</sup> October 2015 and the basis of our post-appointment fees will be determined once we are aware of the full circumstances of the case and will be subject to approval.

When we seek time costs approval, we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. The blended rate is calculated as the prospective average cost per hour, based upon the estimated time to be expended by each grade of staff at their specific charge out rate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

A report accompanying the request to fix the basis of remuneration will include the fees estimate, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is provided in a separate section below.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.



If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will summarise that information in an average or “blended” rate for all of the work being carried out within the estimate, and by reference to each separate category of work, and will also say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

#### Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. A report accompanying the request to fix the basis of remuneration will set out the potential assets in the case, the remuneration percentage proposed in respect of any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the asset(s) but might also include other categories of work as listed above. The report will also include details of the expenses that will be, or are likely to be, incurred. Further information about expenses is provided in a separate section below.

A percentage of distributions made to unsecured creditors may also be requested in order to cover the work associated with the agreement of claims and making the distribution.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a percentage basis, then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were not taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

#### Fixed Fee

The legislation allows fees to be charged at a set amount. A report accompanying the request to fix the basis of remuneration will set out the set fee that we proposed to charge, and the work covered by that remuneration, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is provided in a separate section below.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 we will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the

circumstances that were not taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

#### Direct Costs

Where we seek approval on a percentage and/or fixed fee basis, in order to meet the requirements of SIP 9 we also have to disclose the direct costs that are included within the remuneration that will be charged on those bases in respect of the work undertaken. The following are direct costs that will be included in respect of work undertaken in respect of each of the standard categories of work where the office holder is to be remunerated for such work on either a percentage or fixed fee basis:

- Administration and Planning (including statutory reporting) – staff costs.
- Realisation of Assets – staff costs.
- Investigations – staff costs.
- Creditors (claims and distributions) – staff costs.
- Trading – staff costs.
- Case specific matters – staff costs.

#### Mixed bases

If remuneration is to be sought on a mixed basis, we will make it clear in the report accompanying the request to fix the basis of remuneration which basis will be charged for each category of work that is to be undertaken on the case.

#### Members' Voluntary Liquidations and Voluntary Arrangements

The legislation changes that took effect from 1<sup>st</sup> October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

#### All fee bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are usually VAT exempt, the office holder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

#### Expenses

As already indicated, a report will accompany the request to fix the basis of remuneration and that will include details of expenses to be incurred, or likely to be incurred. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Expenses are any payments from the insolvent estate that are neither an office holder's remuneration nor a distribution to a creditor, or a member. Expenses also include disbursements. Disbursements are payments that are first paid by the office holder and then reimbursed from the insolvent 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 are payments to persons providing the service to which the expense relates who are not an associate of the office holder. They can be paid by the office holder without obtaining prior approval. Examples of costs that may amount to Category 1 expenses are professional advisors (who are not associates), statutory advertising, external meeting room hire

(where the room is only hired for that meeting), external storage, specific penalty bond insurance, insolvency case management software fees charged on a per case basis, and Company search fees.

Category 2 expenses are either payments to associates, or payments in respect of expenses that have an element of shared costs, such as photocopying and mileage. Category 2 expenses require approval in the same manner as an office holder's remuneration before they can be paid.

Turpin Barker Armstrong does not propose to recover any Category 2 expenses that include an element of shared costs.

Professional advisors may be instructed to assist the office holder on the case where they consider that such assistance is necessary to enable them to appropriately administer the case. The fees charged by any professional advisors used will be recharged at cost to the case. Where the professional advisor is not an associate of the office holder it will be for the office holder to agree the basis of their fees. Where the professional advisor is an associate of the office holder it will be for those responsible for fixing the basis of the office holder's remuneration to approve payments to them. The fees of any professional advisors are subject to the rights of creditors to seek further information about them or challenge them as summarised below. Professional advisors that may be instructed on a case include:

- Solicitors/Legal Advisors;
- Auctioneers/Valuers;
- Accountants;
- Quantity Surveyors;
- Estate Agents;
- Pension specialists;
- Employment Claims specialists; and
- GDPR/Cyber Security specialists.

#### Reporting and rights to challenge

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and to each creditor. The report will provide a breakdown of the remuneration charged by the office holder in the period covered by the report, i.e., the amount that the office holder is entitled to draw, together with the amount of remuneration actually drawn. If approval has been obtained for remuneration on a time costs basis, the time costs incurred will also be disclosed, whether drawn or not, together with the "blended" rates of such costs. The report will also compare the actual time costs incurred with those included in the fees estimate prepared when fixing the basis of the remuneration and indicate whether the fees estimate is likely to be exceeded. If the fees estimate has been exceeded, or is likely to be exceeded, the report will explain why that is the case.

The report will also provide information about expenses incurred in the period covered by the report, together with those actually paid, together with a comparison with the estimated expenses. If the expenses incurred, or anticipated to be incurred, have exceeded the estimate provided the report will explain why that is the case.

Under the insolvency legislation the report must also include a statement of the legislative rights of creditors to request further information about the remuneration charged and expenses incurred in the period covered by the report, or to challenge them on the grounds that they are excessive. Extracts of the relevant insolvency rules dealing with these rights are set out below. Once the time period to seek further information about the office holder's remuneration and/or expenses for the period covered by the report has elapsed, then a Court Order is required to compel the office holder to provide further information about the remuneration and expenses. A Court order is required to challenge the office holder's remuneration and/or expenses for the period covered by the report.

Once that period has elapsed, then a separate Court Order is required to allow an application out of time.

Under rule 18.9 of the Insolvency (England and Wales) Rules 2006, an unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the office holder's remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under rule 18.34, an unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the office holder's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.

Under some old legislation, which still applies for insolvency appointments commenced before 6<sup>th</sup> April 2010, there is no equivalent mechanism for fees to be challenged.