



For further information, please
refer to our guidance at
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 | d | 2 | d | 1 | m | 0 | m | 6 | y | 2 | y | 0 | y | 2 | y | 3 |
| To date | d | 2 | d | 0 | m | 1 | m | 2 | y | 2 | y | 0 | y | 2 | y | 3 |

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

Alan Hing

X

Signature date

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| d | 1 | d | 8 | m | 0 | m | 1 | y | 2 | y | 0 | y | 2 | y | 4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Ayomide Bada**

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 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

**Joint Administrators' Progress Report to Creditors
for the 6 month period 21 June 2023 to 20 December 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

Appendix 1 – Details of work undertaken during the Reporting Period

Appendix 2 – Receipts & Payments Account

Appendix 3 – Post Appointment SIP9: Reporting Period

Appendix 4 – Practice Fee Recovery

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 December 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") and the progress report covering the period 21 December 2022 to 20 June 2023.

Creditors will recall that 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. The sale consideration of £60,000 has now been settled in full. Further details are provided later in this report.

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 likely that I will be able to make a distribution to the secured creditor and a small distribution to the 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: | ayomide.bada@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

On 6 December 2023, the creditors agreed to extend the Administration of the Company for a period of 12 months, such that the Administration will now automatically end on 20 December 2024.

JOINT ADMINISTRATORS' ACTIONS SINCE THE LAST PROGRESS REPORT

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 last progress report is contained in **Appendix 1**.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 21 June 2023 to 20 December 2023 and for the period from 21 December 2022 to 20 December 2023 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 is held in a non-interest bearing estate bank account.

Receipts

Office Furniture & Equipment

The sum of £4,000.00 was received in respect of the sale of the Company's office furniture and equipment. The total sum of £9,995.00 has been received in this regard. Further details are provided later in this report.

Plant & Machinery

The sum of £50,000.00 was received in respect of the sale of the Company's plant & machinery. Further details are provided later in this report.

Payments

Bank Charges

The sum of £0.90 has been paid in respect of bank charges.

Pre-Appointment Fees

The sum of £15,000.00 has been paid in respect of the Joint Administrators' pre-appointment fees.

ASSETS

Sale of business and assets

As previously reported, the business and assets of the Company were sold to an unconnected party, INDUL Ltd (“the Purchaser”) for a sale consideration of £60,000. This included the fixtures and fittings, stock, customer database, and any other goodwill and intellectual property rights. An initial payment of £6,000.00 was received on completion of the sale and was to be followed up by 9 monthly payments of £6,000.00. Although the schedule was not adhered to, the sale consideration has now been received in full, the sum of £4,000.00 was received during the Reporting Period and attributed to the office furniture and equipment, and a further sum of £50,000 which was attributed to the plant & machinery. There are no further realisations expected in this regard.

For further details in respect of sale of the business and assets and the value attributed to each category of asset, please refer to my previous progress report.

Please also refer to my previous report for assets dealt outside of the Reporting Period.

PRE-ADMINISTRATION COSTS

As detailed in the Joint Administrators’ Proposals (“the Proposals”), the Board and members of the Company instructed me to assist them in placing the Company into Administration on 8 November 2022. They agreed that I should be paid my pre-administration costs as fixed fee of £15,000.

Below, I have set out a broad overview of the services provided by my firm in the pre-administration period:

- Advice and assistance provided to the Board in respect of the Company’s financial situation, insolvency options and the process of an Administration;
- Instructing solicitors and negotiating the terms of a sale and purchase agreement with the Purchaser;
- Instructing and liaising with agents to gather information for the purposes of putting together a sale document to issue to potential interested parties;
- Discussions with agent regarding the various offers received;
- Advising the Board on the sale process;
- Advising the Board in relation to the Administration appointment and providing consents to act; and,
- Preliminary preparations for the Joint Administrators SIP 16 disclosure.

In addition to my own time costs, the following expenses were incurred:

Legal fees and disbursements

Katten Muchin Rosenman UK LLP (“Katten”) were instructed to provided ongoing assistance and advice to the proposed administrators in relation to all pre-appointment matters. Their work included the following:

- Drafting appointment documents for a director appointment;
- Arranging swearing of the appointment documents, filing and service of the same;
- Drafting sale agreement and associated documentation for the pre-pack sale; and



- Corresponding with the Purchaser to agree documentation.

Valuation agent's fees

Middleton Barton Asset Valuation Ltd ("MBV") were instructed to undertake the following pre-appointment work:

- Undertaking an onsite inspection of the Company's assets;
- Preparing formal valuation and inventories of owned and third-party assets;
- Preparing marketing information and memorandum in respect to the sale of the business and assets;
- Undertaking marketing in respect to the business and assets including online marketing, mailshot and direct;
- Dealing with enquiries, preparing NDA's and dealing with information requests; and
- Preparation of formal marketing report and letter or recommendation.

The following statement sets out my pre-administration costs incurred:

| Description | Total | Paid | To be paid |
|------------------------------------|------------|------------|------------|
| Joint Administrators' Remuneration | £15,000.00 | £15,000.00 | NIL |
| Legal Fees and Expenses | £3,000.00 | NIL | £3,000.00 |
| Valuation Agents | £3,000.00 | NIL | £3,000.00 |

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.

I am now seeking creditors approval of the following pre-administration expenses:

- Katten - £3,000.00 plus VAT
- MBV - £3,000.00 plus VAT

Further information is provided with the accompanying notice of decision procedure.

JOINT ADMINISTRATORS' REMUNERATION

My remuneration was approved by the relevant creditors on 8 February 2023 on a fixed fee of £35,000 for my work in respect of Administration, Asset Realisations, Creditors and Investigations.

I have not yet drawn 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 4**.



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 since the last progress report:

| Nature of category 1 expense | Amount incurred in reporting period | Amount incurred in total | Amount unpaid |
|--------------------------------------|-------------------------------------|--------------------------|----------------|
| Post appointment legal fees - Katten | £685.00 | £685.00 | £685.00 |
| Total | £685.00 | £685.00 | £685.00 |

I have paid category 1 expenses of £436.25 to date, as indicated in the attached receipts and payments account.

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

| Professional Advisor | Nature of Work | Basis of Fees |
|----------------------|----------------|---------------|
| Katten | Solicitors | Time costs |

As previously reported, 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.

Since the last progress report, Katten have been instructed to assist with the assignment of the Company's lease agreement in respect of the Company's former trading premises.

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 | - |
| Post appointment legal fees – Katten | £3,000.00 | £685.00 |
| Accountancy Costs | - | £26.60 |
| Total | £5,338.75 | £1,133.20 |

As you can see above, 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, and 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 | Notes |
|---|-----------------|---------------|---|
| HSBC UK Bank PLC | 17 August 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 October 2019 | Outstanding | This chargeholder has relinquished their right to any distribution in the Administration. |

Preferential Creditors

The Proposals anticipated £7,100.00 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. No claims have been received to date.

Crown Creditors

The Proposals did not include any amount owed to HMRC in respect of their non-preferential claim. Accordingly, no claim has been received to date.

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. As the sale consideration has now been received in full, we are now in a position to pay a distribution. It is estimated that HSBC will receive a dividend of 0.002pence in the pound.

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. Following receipt of the sale consideration in full, we will shortly be in a position to pay a distribution.

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, however, a full and final calculation has yet to be undertaken.

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 now likely that I will be able to pay a small 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. I had previously estimated that after taking into account the costs of the Administration, the net property of the Company would be £5,083.00, and that the prescribed part of the net property for unsecured creditors would be £2,541.50. However, these estimates did 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.

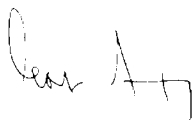
To comply with the Provision of Services Regulations, some general information about Turpin Barker Armstrong can be found at www.turpinbainsolvency.co.uk/fees-and-links.

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 the distributions to the secured and preferential creditors have been made. I estimate that this will take approximately 4-6 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 Ayomide Bada on 020 8661 7878, or by email at ayomide.bada@turpinba.co.uk.



MARTIN C ARMSTRONG
Joint Administrator

Details of work undertaken during the Reporting Period

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.

- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the estate bank account.
- 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.
- 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.

- Regularly monitoring the suitability and appropriateness of the insurance cover in place.
- Collecting deferred consideration in respect of the sale of the business.
- Instructing solicitors to assist with the assignment of Company's lease in respect of their former trading premises
- 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.

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.

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

| Statement of Affairs £ | | From 21/06/2023 To 20/12/2023 £ | From 21/12/2022 To 20/12/2023 £ |
|------------------------------|---|---------------------------------------|---------------------------------------|
| | FIXED CHARGE ASSETS | | |
| 772.00 | Cash at bank | NIL | NIL |
| 1.00 | Goodwill | NIL | 1.00 |
| 1.00 | BIPR | NIL | 1.00 |
| 1.00 | Sellers Records | NIL | 1.00 |
| 1.00 | Business Contracts | NIL | 1.00 |
| | | <hr/> NIL | <hr/> 4.00 |
| | FIXED CHARGE CREDITORS | | |
| (177,777.80) | HSBC | NIL | NIL |
| (20,550.00) | Morgan Lloyd Trustees | NIL | NIL |
| | | <hr/> NIL | <hr/> NIL |
| | ASSET REALISATIONS | | |
| 9,995.00 | Office Furniture & Equipment | 4,000.00 | 9,995.00 |
| 50,000.00 | Plant & Machinery | 50,000.00 | 50,000.00 |
| 1.00 | Stock | NIL | 1.00 |
| | | <hr/> 54,000.00 | <hr/> 59,996.00 |
| | COST OF ADMINISTRATION | | |
| | Accountancy costs | NIL | 13.30 |
| | Bank Charges | 0.90 | 1.35 |
| | Pre-Appointment Fees | 15,000.00 | 15,000.00 |
| | Specific Bond | NIL | 240.00 |
| | Statutory Advertising | NIL | 181.60 |
| | | <hr/> (15,000.90) | <hr/> (15,436.25) |
| | PREFERENTIAL CREDITORS | | |
| (7,200.00) | Employees' Wage Arrears and Holiday | NIL | NIL |
| | | <hr/> NIL | <hr/> NIL |
| | SECONDARY PREFERENTIAL CREDITORS | | |
| (43,208.75) | HMRC - PAYE | NIL | NIL |
| (5,000.00) | HMRC - VAT | NIL | NIL |
| | | <hr/> NIL | <hr/> NIL |
| | UNSECURED CREDITORS | | |
| NIL | Directors | NIL | NIL |
| (6,000.00) | Employees - RP & PILON | NIL | NIL |
| (385,450.25) | Trade & Expense Creditors | NIL | NIL |
| | | <hr/> NIL | <hr/> NIL |
| | DISTRIBUTIONS | | |
| (4,425.00) | Ordinary Shareholders | NIL | NIL |
| | | <hr/> NIL | <hr/> NIL |
| (588,839.80) | | <hr/> 38,999.10 | <hr/> 44,563.75 |
| | REPRESENTED BY | | |
| | Bank - Current a/c non- interest bearin | | 41,476.77 |
| | Input VAT | | 3,086.98 |
| | | | <hr/> 44,563.75 |

Note:

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

| Statement of Affairs £ | From 21/06/2023 To 20/12/2023 £ | From 21/12/2022 To 20/12/2023 £ |
|------------------------------|---------------------------------------|---------------------------------------|
|------------------------------|---------------------------------------|---------------------------------------|

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

Time Entry - SIP9 Time & Cost Summary

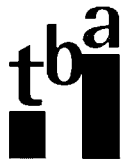
XL0222 - Luxuryshakes Ltd
All Post Appointment Project Codes
From: 21/06/2023 To: 20/12/2023

| Classification of Work Function | Partner | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | Time Cost (£) | Average Hourly Rate (£) |
|---------------------------------|---------|---------|----------------------------|----------------------------|-------------|---------------|-------------------------|
| Administration & Planning | 3.70 | 11.20 | 5.20 | 12.60 | 32.70 | 9,760.50 | 298.49 |
| Case Specific Matters | 0.40 | 0.30 | 0.00 | 0.00 | 0.70 | 411.75 | 588.21 |
| Creditors | 0.20 | 0.80 | 0.00 | 0.70 | 1.70 | 450.25 | 264.85 |
| Investigations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Realisation of Assets | 0.40 | 2.40 | 0.70 | 0.00 | 3.50 | 1,527.50 | 436.43 |
| Trading | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Hours | 4.70 | 14.70 | 5.90 | 13.30 | 38.60 | 12,150.00 | 314.77 |
| Total Fees Claimed | | | | | | 0.00 | |
| Total Disbursements Claimed | | | | | | 0.00 | |

Time Entry - SIP9 Time & Cost Summary

XL0222 - Luxuryshakes Ltd
All Post Appointment Project Codes
From: 21/12/2022 To: 20/12/2023

| Classification of Work Function | Partner | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | Time Cost (£) | Average Hourly Rate (£) |
|---------------------------------|---------|---------|----------------------------|----------------------------|-------------|---------------|-------------------------|
| Administration & Planning | 9.40 | 27.80 | 43.60 | 23.30 | 104.10 | 31,385.00 | 301.49 |
| Case Specific Matters | 0.70 | 0.30 | 0.00 | 0.00 | 1.00 | 588.25 | 588.25 |
| Creditors | 0.50 | 3.30 | 17.10 | 0.70 | 21.60 | 6,836.75 | 316.52 |
| Investigations | 0.80 | 4.40 | 15.30 | 8.00 | 28.50 | 7,114.00 | 249.61 |
| Realisation of Assets | 0.50 | 2.40 | 4.10 | 0.00 | 7.00 | 2,685.00 | 383.57 |
| Trading | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Hours | 11.90 | 38.20 | 80.10 | 32.00 | 162.20 | 48,609.00 | 299.69 |
| Total Fees Claimed | | | | | | 0.00 | |
| Total Disbursements Claimed | | | | | | 434.90 | |



turpin barker armstrong

Accountants, Auditors and Business Advisors
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 st April 2023 £ | Charge- out rate per hour, effective from 1 st April 2021 £ | Charge- out rate per hour, effective from 1 st April 2019 £ | Charge-out rate per hour, effective from 1 st April 2017 £ | Charge-out rate per hour, effective from 1 st April 2013 £ |
|---|--|--|--|---|---|
| Partner | | | | | |
| Senior Partner | 730.00 | 645.00 | 595.00 | 545.00 | 495.00 |
| Partner | 525.00 | 475.00 | 440.00 | 400.00 | 365.00 |
| Manager | | | | | |
| 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 |
| Other Senior Professionals | | | | | |
| Senior Insolvency Associate | 325.00 | 310.00 | 290.00 | 265.00 | 240.00 |
| Assistants & Support Staff | | | | | |
| 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 1st 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 1st 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 1st 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 1st 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 6th April 2010, there is no equivalent mechanism for fees to be challenged.