

# 2.24B

The Insolvency Act 1986

## Administrator's progress report

Name of Company The Green Drinks Company Limited
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Company number 05088162
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In the In The High Court of Justice Bristol District Registry <small>(full name of court)</small>
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Court case number No 512 of 2012
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(a) Insert full name(s) and address(es) of administrator(s)

I (a)  
Simon Ashley Rowe  
Milsted Langdon LLP  
One Redcliff Street  
Bristol  
BS1 6NP

Administrator of the above company attach a progress report for the period

(b) Insert date

From (b) 23 November 2012	To (b) 26 February 2013
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Signed \_\_\_\_\_  
Administrator

Dated 5/3/2013

THURSDAY



\*A23M5JCB\*  
A05 07/03/2013 #206  
COMPANIES HOUSE

**ADMINISTRATOR'S FINAL PROGRESS REPORT  
FOR THE PERIOD  
23 NOVEMBER 2012 TO 26 FEBRUARY 2013**

**THE GREEN DRINKS COMPANY LIMITED  
IN ADMINISTRATION**

**26 FEBRUARY 2013**

# **THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION**

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# THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION

## 1.0 Statutory Information

1.1 I was appointed Administrator of The Green Drinks Company Limited (the Company) on 24 May 2012. The application for the appointment of an Administrator was made by the Directors.

1.2 This Administration is being handled by Milsted Langdon LLP, situated at One Redcliff Street, Bristol, BS1 6NP.

1.3 The Administration is registered in the In The High Court of Justice, Bristol District Registry, under reference No 512 of 2012.

1.4 The trading address of the Company was Suite 2/3 Basepoint Business Centre, Oakfield Close, Tewkesbury, Gloucestershire, GL20 8SD.

1.5 The registered office of the Company is One Redcliff Street, Bristol, BS1 6NP and its registered number is 05088162.

## 2.0 Administrator's Proposals

2.1 As previously advised, the Administrator must perform his functions with the purpose of achieving one of the following objectives:

- rescuing the Company as a going concern,
- achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or
- realising property in order to make a distribution to one or more secured or preferential creditors.

## **THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION**

- 2 2 Initially it was the intention of the directors to present creditors with proposals for a Company Voluntary Arrangement (“CVA”) to rescue the Company as a going concern. As previously advised no proposals were put forward to creditors.
- 2 3 Consequently, the objective became achieving a better result for the Company’s creditors as a whole than would be likely if the company were wound up (without first being in Administration).
- 2 4 The strategy for achieving this objective was detailed in my proposals and was to market and sell the assets of the Company for the highest possible value. This would offer the best return to creditors.
- 2 5 As creditors will recall the sale of the Company’s assets was completed on 5 November 2012.

### **3.0 Progress of the Administration**

- 3 1 Attached at Appendix A is my Receipts and Payments Account for the period from 23 November 2012 to 26 February 2013.
- 3 2 My previous progress report provided extensive details of the sale of the Company’s assets and a detailed analysis of the progress and considerations that had been undertaken.
- 3 3 The only outstanding matters identified in my progress report was the payment due to preferential creditors, clearance from HM Revenue and Customs in respect of any tax issues and liabilities and collection of the Buyer’s Premium that was due to be paid to my agents following the sale of the Company’s assets.

### **3.4 Corporation Tax**

- 3 4 1 I wrote to HM Revenue and Customs on 21 December 2012 and submitted my final Corporation Tax payment. I advised them of my intention to close the Administration and requested that they contact me within 21 days should they have any objection.

## THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION

3 4 2 I had originally feared that there would have been a tax liability in respect of the realisation of the intellectual property

3 4 3 However, having investigated the matter further with my tax colleagues we were able to mitigate this by offsetting the gain against losses the Company had suffered elsewhere

3 4 4 VAT was required to be charged on the sale of the assets and I have completed the requisite returns and made the payment to HM Revenue and Customs

### **3.5 Buyer's Premium**

3 5 1 Creditors' may also recall that a buyer's premium of £42,000 remained outstanding, this premium was payable to my agents on the sale of the Company's assets

3 5 2 My agents have requested payment of this outstanding amount on a number of occasions and the purchaser has failed to make the requisite payment

3 5 3 Consequently, my agents issued a Statutory Demand demanding payment of the outstanding sums

3 5 4 Solicitors representing the purchaser have made an application to the Court to have this Statutory Demand set aside

3 5 5 Despite its application the purchaser has provided £33,428 to my solicitors to be held pending settlement

3 5 6 A Court hearing date of 5 March 2012 has been listed to hear this matter and I will inform creditors of the outcome of this in the Liquidation process

## **THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION**

### **3.6 Legal Action**

3 6 1 Following the issuing of the Statutory Demand by my agents for the outstanding buyer's premium, a Statutory Demand was issued by Pouchlink Limited who is the purchaser of the Company's assets. This Statutory Demand was issued against me personally acting as Administrator.

3 6 2 This demand related to an accusation that I had failed to deliver up the assets of the Company and sought payment of £120,001.20.

3 6 3 It was necessary for me to instruct solicitors to contest these accusations, as I had made available to the purchaser all available assets and there was no legitimacy in the claims made.

3 6 4 My Solicitor's responded on my behalf and made an application to have the Statutory Demand set aside.

3 6 5 The Statutory demand was subsequently withdrawn.

### **3.7 Premises**

3 7 1 At the time of my appointment the Company had 4 units at the Basepoint Business Centre in Tewkesbury.

3 7 2 These units were initially maintained and the liabilities met as an expense of the Administration process.

3 7 3 The units contained a large amount of stock and machinery and shortly after my appointment I condensed the items held into 3 units and gave notice to the landlord on the 4<sup>th</sup> unit.

3 7 4 Following the sale of the assets all units have now been cleared and I gave notice to the landlord.

3 7 5 The landlord has now taken possession of all the premises that the Company occupied and all liabilities in respect of rent and rates have been paid. This can be seen on the attached Receipts and Payments accounts at Appendix A.

## THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION

3 7 6 In accordance with Statement of Insolvency Practice No 13 (SIP 13), I would advise you that no assets were sold to any of the directors of the Company

### 4.0 Administrator's Remuneration

4 1 Creditors approved that the basis of the Administrator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the Administration

4 2 The Administrator's time costs between 23 November 2012 and 26 February 2013 are £19,148 30 This represents 156 51 hours at an average rate of £122 35 per hour Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this final period in respect of the costs fixed by reference to time properly spent by me in managing the Administration

4 3 Appendix B also shows a cumulative total for the period from 24 May 2012 to 26 February 2013

4 4 Attached as Appendix D is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade

4 5 Since the date of my last progress report, the following Category 2 disbursements have been incurred

- Faxes £1 00
- Photocopying £10 00
- Mailing fee £59 25

4 6 The fees drawn since 23 November 2012 are £8,604 78 plus disbursements of £60 50 As creditors are aware in my last progress report I undertook to draw no more than the £100,000 notwithstanding that costs were likely to exceed this As a consequence no further fees will be drawn from the estate and the balance will be written off



## THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION

4.7 The costs incurred in this period were as follows

Heading	Brief description	Cost
Regulatory and Statutory obligations	These are items which I am required to undertake as Administrator	£7,272 35
Sale of assets	Dealing with the collection of the buyer's premium and handover of assets and records following the sale	£2,243 64
Creditors	Queries and requests from creditors The agreement and payment of preferential claims from the employees of the Company	£9,632 31
Total		£19,148 30

4.8 My regulatory body also suggests that the time spent and costs incurred should be shown in a prescribed format and this is attached at Appendix B This shows the time spent under more generic headings Below I have provided a description of the type of work involved in this particular administration

Description	Explanation
Administration & Planning	This time relates to the administrative duties undertaken by me and my staff It includes all statutory duties in respect of our obligations to the Court, Companies House and periodic reviews It also includes time spent attending to tax and VAT issues
Investigations	This relates to time spent investigating the Company's affairs and considering and completing my report on the directors' conduct to the department of Business Innovation and Skills
Realisations	This represents time spent dealing with the sale of the Company's assets and dealing with matters arising from the sale
Creditors	This time relates to dealing with creditors' claims and other general enquiries and correspondence As well as assessing the validity of those claims which can be paid as part of the Administration, preferential and secured

A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from <http://www.milsted-langdon.co.uk/docs/Creditors-Guide-To-Administrators-Fees-2012.pdf>

## THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION

### 5.0 Administrator's Expenses

5.1 Between 23 November 2012 and 26 February 2013 the following expenses have been incurred and paid these relate to the matters referred to above

Description	Incurred	Paid	Outstanding
Legal Fees	£6,338	£6,338	Nil
<b>Total</b>	<b>£6,338</b>	<b>£6,338</b>	<b>Nil</b>

### 6.0 Investigations

6.1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS) As this is a confidential report, I am not able to disclose the contents

### 7.0 Unrealised Assets

7.1 I would confirm that all assets have now been realised with the exception of the balance of the buyer's premium that remains outstanding and the cumulative Receipts and Payments Account at Appendix A reflects the position on both realisations achieved and payments discharged during the course of the Administration as well as those during this final period

### 8.0 Outcome for Creditors

8.1 An Outcome Statement as at 26 February 2013 is attached at Appendix C

#### *Secured Creditors*

8.2 As previously advised the amounts owing to the secured creditor have now been settled and the debenture has been released

## THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION

### *Preferential Creditors*

8 3 A summary of preferential claims is detailed below

Preferential claim	Agreed Claim £	Statement of Affairs Claim £	Dividend paid p in the £
Employee claims (Total number of claims = 5)	7,093 79	7,359 66	100
Department for Business Innovation & Skills (BIS)	4,815 76	4,845 34	100

8 4 Preferential creditors were paid in full on 24 January 2013

### *Unsecured Creditors*

8 5 I have received claims totalling £2,833,072 72 from 30 creditors. I have not received claims from 11 creditors whose debts total £15,834 68 as per the Company's statement of affairs

## **9.0 Creditors' rights**

9 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrator provide further information about his remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report

9 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Administrator's remuneration and/or the remuneration charged or the expenses incurred by the Administrator as set out in this progress report are excessive

## **THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION**

### **10.0 Ending the Administration**

10.1 Following the submission of the requisite paperwork on 26 February 2013 the Company has now moved from Administration to Liquidation in order to undertake a distribution to creditors

10.2 The Administrator was discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon his appointment as Administrator ceasing to have effect on 26 February 2013

For and on behalf of  
The Green Drinks Company Limited

Simon Rowe  
**Former Administrator**

**THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION**

**Appendix A**

**Receipts and Payments Account for the Period from 23 November 2012 to 26 February 2013 and Cumulative Receipts and Payments for Period from 24 May 2012 to 26 February 2013.**

**The Green Drinks Company Limited**  
**(In Administration)**  
**Administrator's Abstract of Receipts & Payments**

Statement of Affairs	From 23/11/2012 To 26/02/2013	From 24/05/2012 To 26/02/2013
<b>SECURED ASSETS</b>		
249,997 00	Intellectual property	249,997 00
	NIL	249,997 00
<b>SECURED CREDITORS</b>		
(100,000 00)	Syndicate of investors	100,000 00
	NIL	(100,000 00)
<b>ASSET REALISATIONS</b>		
100,000 00	Stock	100,000 00
24,000 00	Book debts	10,219 40
	Seller's records	1 00
	SVA Agreement	1 00
	Goodwill and Business Name	1 00
	Insurance refund	59 71
80,000 00	Cash at bank	78,891 51
	Cash at office	279 61
	Council Tax Refund	338 73
	Bank interest gross	121 49
	10,036 11	189,913 45
<b>COST OF REALISATIONS</b>		
	Specific bond	400 00
	Pre-Appointment fees	2,000 00
	Pre-Appointment expenses	41 00
(80,000 00)	Office holder's fees	100,000 00
	Office holder's expenses	1,162 97
	Counsel Fees	4,975 00
	Agents/Valuers fees	10,000 00
	Solicitors disbursements	291 03
(25,000 00)	Legal fees	49,691 00
	Corporation tax	24 20
	Statutory advertising	153 00
	Rates and rent	17,657 23
	Insurance of assets	436 17
	Wages & salaries	2,753 25
	PAYE & NI	1,617 70
	(27,977 51)	(191,202 55)
<b>PREFERENTIAL CREDITORS</b>		
	National Insurance Fund	4,815 76
	HM Revenue & Customs (PAYE/NI)	2,689 31
	Employees	7,093 79
(12,205 00)	Redundancy Payments Office	NIL
	(14,598 86)	(14,598 86)
<b>UNSECURED CREDITORS</b>		
(606,889 13)	Trade & expense creditors	NIL
(93,000 00)	Employees	NIL
(24,679 32)	HM Revenue & Customs (VAT)	NIL
	HM Revenue & Customs (PAYE/NI)	1,617 70
(2,000,000 00)	Finasucre Loan	NIL
	1,617 70	NIL

**The Green Drinks Company Limited**  
**(In Administration)**  
**Administrator's Abstract of Receipts & Payments**

Statement of Affairs	From 23/11/2012 To 26/02/2013	From 24/05/2012 To 26/02/2013
	<b>DISTRIBUTIONS</b>	
(2,805 00)	NIL	NIL
	NIL	NIL
<u>(2,490,581.45)</u>	<u>(30,922.56)</u>	<u>134,109 04</u>
	<b>REPRESENTED BY</b>	
		1,267 60
		132,841 44
		<u>134,109.04</u>

\_\_\_\_\_  
Simon Ashley Rowe  
Administrator

Notes

This estate is VAT registered and therefore VAT should be recoverable

The following dividends have been paid to creditors,

Preferential Distribution paid on 08/01/2013 of 100p in £

**THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION**

**Appendix B**

**Time Analysis for the period 23 November 2012 to 26 February 2013 and Cumulative  
Time Analysis for the Period from 24 May 2012 to 26 February 2013.**



**The Green Drinks Company Limited**  
**Time and disbursement analysis**

**For the period 23 November 2012 to 26 February 2013**

Charge group	Partner	Manager	Other Se( Assistant Total Professio Support Staff	Total cost (£)	Avg. Hourly Rate (£)
Administration & planning	2 13	11 20	38 55	7,272 35	112 00
Investigations	0 00	0 00	1 15	132 25	115 00
Realisations	1 35	0 95	13 65	2,111 39	117 76
Creditors	11 53	2 00	58 55	9,632 31	132 86
<b>Total time</b>	<b>15 01</b>	<b>14 15</b>	<b>111 90</b>	<b>19,148 30</b>	<b>122 35</b>
<b>Disbursements</b>					
Faxes				1 00	
Photocopying				10 00	
Mailing Fee (Insolvency)				59 25	
Archive Management (Insolvency)				12 14	
Total disbursements				82 39	
Amount from previous period(s)				101,783 81	
			<b>Grand Total</b>	<b>121,014.50</b>	

N B For a more detailed explanation of the categories above please see the attached analysis

**THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION**

**Outcome Statement as at 26 February 2013**

**Appendix C**

**The Green Drinks Company Limited**  
**Estimated Outcome Statement within the Administration**

**Appendix C**

	Statement of Affairs £	Balance £	Future Movement £	Estimated Outcome £	Total £
<b>Secured Assets</b>					
Intellectual property	172,438	249,997	0	249,997	249,997
<b>Secured Creditors</b>					
Syndicate of Investors	(100,000)	(100,000)	0	(100,000)	(100,000)
Surplus c/d				<u>149,997</u>	<u>149,997</u>
<b>Asset Realisations</b>					
Stock (inc machines)		100,000	0	100,000	
Other assets		3	0	3	
Insurance refund		60	0	60	
Book debts	24,000	10,219	0	10,219	
Cash at bank	80,000	78,892	0	78,892	
Cash at office		280	0	280	
Council Tax Refund		339	0	339	
Bank interest gross		121	0	121	
Secured Asset Surplus b/d				149,997	<u>339,912</u>
<b>Cost of Realisations</b>					
Specific bond		400	0	400	
Pre-appointment costs		2,000	0	2,000	
Pre-appointment expenses		41		41	
Office holder's fees		100,000	0	100,000	
Office holder's disbursements		1,163	0	1,163	
Counsel's fees		4,975	0	4,975	
Solicitor's disbursements		291	0	291	
Solicitor's fees		49,691	0	49,691	
Statutory advertising		153	0	153	
Rates and rent		17,657	0	17,657	
Insurance of assets		436	0	436	
Wages & salaries		2,753	0	2,753	
PAYE/NI		1,618	0	1,618	
Corporation tax		24	0	24	
Agent's fees		10,000	0	10,000	(191,203)
					<u>148,709</u>
<b>Preferential Creditors</b>					
Redundancy Payments Office	(12,205)	14,599	0	14,599	(14,599)
Balance transferred to Liquidation					<u>134,110</u>

## Estimate of Outcome within the liquidation

	Statement of Affairs £	Future Movement £	Estimated Outcome £	Total £
<b>Asset Realisations</b>				
Balance from administration		134,110	134,110	
Buyer's premium		35,000	<u>35,000</u>	169,110
<b>Cost of Realisations</b>				
Specific bond		250	250	
Agent's fee (balance)		11,750	11,750	
Office holder's fees		15,000	15,000	
Office holder's disbursements		500	<u>500</u>	(27,500)
				<u>141,610</u>
<b>Unsecured Creditors</b>				
Trade & expense creditors	(606,889)	36,527	36,527	
Employees	(93,000)	5,862	5,862	
HM Revenue & Customs (VAT)	(24,679)	1,194	1,194	
Holding company	(2,000,000)	98,028	<u>98,028</u>	(141,610)
				<u><u>0</u></u>

**ADDITIONAL INFORMATION IN RELATION TO THE  
OFFICE HOLDER'S FEES PURSUANT TO STATEMENT OF  
INSOLVENCY PRACTICE 9**

**APPENDIX D**

**1. Staff Allocation and the use of Sub-contractors**

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Our charge out rate schedule below provides details of all grades of staff and their experience level
- 1.3 We have not utilised the services of any sub-contractors in this case

**2. Professional Advisors**

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis our fee arrangement with them, which is subject to review on a regular basis

<b>Name of Professional Advisor</b>	<b>Basis of Fee Arrangement</b>
Veale Wasbrough Vizards (legal advice)	Hourly rate and disbursements
Insolvency Risk Services (insurance)	Fixed charge
Edward Symmons (valuation and disposal advice)	Time costs and 2.5% commission on the uplift from the reserve for finding the successful bidder

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

### 3. Disbursements

- 3.1 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.
- 3.2 Category 2 disbursements do require approval from creditors. These are the costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, faxes and photocopying.
- 3.3 We would advise that Category 2 disbursements are currently charged by this firm at the following rates:

<b>Disbursement</b>	<b>Charge</b>
Faxes	50p per sheet
Internal room hire for creditors' meetings	£70
Mailing fees (including postage) - Large	75p per mailed pack
Mailing fees (including postage) - Small	50p per mailed pack
Mileage	40p per mile
Photocopies	10p per sheet

### 4. Charge-out Rates

- 4.1 A schedule of our charge-out rates for this assignment is detailed below. These rates are reviewed on an annual basis but there have been no material increases in these rates since the commencement of this case.

	<b>£/hr</b>
Partners	220-240
Managers and Administrators	84-168
Other administrative staff	28-63

- 4.2 Please note that this firm records its time in minimum units of 1 minute.

### 5. Creditors' Guide to Fees

- 5.1 A Creditors' Guide to the manner in which remuneration charged in this case and the rules relating to this area are detailed in the guides available on our website at <http://www.milsted-langdon.co.uk/specialisms/insolvency/creditors-guides-to-remuneration/>