

The Insolvency Act 1986

Statement of administrator's proposals

2.17B

Name of Company Ehrmanns Limited	Company number 01302718
In the High Court of Justice, Chancery Division, Companies Court, The Strand, London (full name of court)	Court case number 16524 of 2009

(a) Insert full name(s) and address(es) of administrator(s)

We (a) Paul David Williams and Andrew Gordon Stoneman
MCR
43-45 Portman Square
London
W1H 6LY

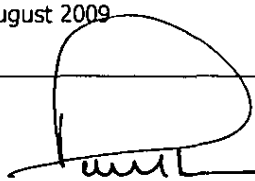
attach a copy of our proposals in respect of the administration of the above company.

* Delete as appropriate

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 3 August 2009

Signed 
Joint Administrator(s)

Dated 3/8/09

Contact Details:

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

MCR
43-45 Portman Square
London
W1H 6LY

Tel: 020 7487 7240

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

THURSDAY



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06/08/2009

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COMPANIES HOUSE

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**Ehmanns Limited
(In Administration)**

**Joint Administrators' Report and Proposals to Creditors
For the period from 17 July 2009 to 3 August 2009
pursuant to Paragraph 49 of Schedule B1
to the Insolvency Act 1986**

3 August 2009

Names of Joint Administrators: Paul David Williams
Andrew Gordon Stoneman

Date of appointment: 17 July 2009

Date of report: 3 August 2009

Appointed by: Directors of the Company

Court reference: High Court of Justice, Companies Court, Chancery Division,
The Strand, London no. 16524 of 2009

MCR
43-45 Portman Square
London
W1H 6LY

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1. INTRODUCTION

- 1.1 Andrew Gordon Stoneman and I, both of MCR, were appointed Joint Administrators of Ehrmanns Limited ("the Company") on 17 July 2009 by the directors of the Company pursuant to Paragraph 22 of Schedule B1 to the Insolvency Act 1986.
- 1.2 In accordance with Paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 the functions of the Joint Administrators are being exercised by either of us.
- 1.3 This report sets out the circumstances leading up to our appointment and the steps taken by us to date.

2. BACKGROUND

- 2.1 The Company was incorporated on 4 January 2000. Statutory information on the Company and a summary of its financial position is included at Appendix 1.
- 2.2 The principal activity of the Company was the importing and distribution of wine from countries including Spain, Chile, Portugal, Italy and Australia.
- 2.3 As a brand, Ehrmanns was founded in 1875. The modern form of the business grew during the late 1980s and 1990s. Principally a wine trader, it built strong relationships with the major supermarkets, including Sainsbury's and Tesco. In 1993 the business acquired G Belloni & Co Limited, an Italian wine specialist, although it lost the major Antinori agency in 1996 and sold the stock and name of that business in 2000. In 1998 it acquired Italian Wine Brands, another specialist Italian wine agency.
- 2.4 In 2000 the brand and business of Ehrmanns was sold to the Company by way of a management buy-out. The buy-out was funded by investment from new management, some reinvestment from existing shareholders and management, equity from venture capitalists and term loans from Bank of Scotland plc ("BoS"). The buy-out was not a success and, in March 2002, Peter Dauthieu joined as Managing Director. In April 2003 a restructuring of the business was completed resulting in new shareholders taking over the business.
- 2.5 The Company was funded by term loans and an invoice discounting facility with BoS.
- 2.6 Turnover for the year ended 31 March 2008 totalled £22,600,000, however the Company suffered an operating loss of £87,449.

3. EVENTS LEADING UP TO THE ADMINISTRATION

- 3.1 The Company traded at break-even for a number of years however it was unable to make any progress in repaying the principal debt due to BoS. In late 2006, a formal offer was made for the business by a larger drinks business, however an acceptable level of offer could not be agreed and the offer was formally rejected in early 2007.
- 3.2 In the period March to May 2008, two principal suppliers ceased to trade. One key supplier of Fairtrade wine required payment up front for supply of bulk wine. This put considerable strain on the cashflow of the business and, in October 2008, a cashflow finance facility was set up and a further £500,000 of funding was provided by BoS.
- 3.3 The directors then agreed with BoS that a formal sale process would commence. A number of interested parties were approached and a Sale Memorandum was circulated. A formal offer was received but subsequently withdrawn in February 2009.

- 3.4 The directors approached MCR for insolvency advice. The directors discussed the possibility of a new company, E I Wines Limited ("E I Wines"), purchasing the business, stock and other assets of the Company.
- 3.5 At this time, substantial negotiations then followed between the Company, E I Wines and BoS. These negotiations took a number of months to conclude. Once the negotiations were completed, MCR was approached to act as Administrators in order to facilitate a sale of the business and certain assets to E I Wines.
- 3.6 We considered the position prior to accepting the appointment and, having regard to the Insolvency Practitioners Association's ethical guidelines, considered that there were no circumstances preventing us from accepting the appointment. As part of this process we also consulted BoS regarding the proposed Administration.
- 3.7 We were appointed Joint Administrators on 17 July 2009 and a sale of the business and certain assets to E I Wines Limited completed on the same day. Please see paragraph 5.2 for further details on the sale.

4. PURPOSE OF THE ADMINISTRATION

- 4.1 The purpose of an Administration is to achieve one of the following hierarchical objectives:
- Rescuing the Company as a going concern, or
 - 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.
- 4.2 In accordance with Paragraph 49(2) of the Insolvency Act 1986, as amended, we believe that the first objective referred to above cannot be met as there are insufficient funds and assets available to enable the Company to be rescued as a going concern. We also consider that the second objective will not be achieved as there will not be a dividend to non-preferential creditors.
- 4.3 We believe the third objective will be achieved.

5. PROGRESS OF THE ADMINISTRATION TO DATE

- 5.1 The manner in which the affairs and business of the Company have been managed since our appointment and will continue to be managed and financed are set out below.

Sale of business and assets

- 5.2 The business and certain assets of the Company were sold to E I Wines on 17 July 2009.
- 5.3 Where Insolvency Practitioners are party to a pre-packaged sale, practice guidelines require them to disclose to creditors where practicable, certain information in respect of that pre-packaged sale, within the first notification to creditors. A notice was sent to all known creditors on 21 July 2009 enclosing details of the sale. A copy of this notice is attached as Appendix 2.

- 5.4 The total sale consideration for the business and certain assets was £106,000. The assets sold and the apportionment of the consideration is shown below:

	£
Stock	90,000
Prepayments	8,995
Chattel Assets	7,000
Business Information	1
Goodwill	1
Intellectual Property Rights	1
Customer Contracts and Work in Progress	1
Book Debts	1
Total	<u>106,000</u>

- 5.5 The Company's book debts were assigned to BoS and BoS has sold its equitable interest in the debts to E I Wines.
- 5.6 The freehold property is excluded from the sale, as detailed below.

Freehold Property

- 5.7 The Company owns a freehold property at 29 Corsica Street, London. E I Wines are continuing to occupy the property and have been granted a short term lease by the Joint Administrators until a sale can be agreed to a third party.
- 5.8 The property is on the market with agents, Copping Joyce LLP who are seeking offers in excess of £800,000. BoS has a fixed charge over the property and therefore the net proceeds from the sale of the property will be paid directly to BoS.
- 5.9 If you may be interested in purchasing the property please contact Dave Foskett on 020 7749 1041.

Investigations

- 5.10 Investigations into the Company's affairs are currently ongoing.
- 5.11 We have a statutory obligation to file a report with the Insolvency Service regarding the conduct of the directors that held office in the three years prior to the Administration. This report must be filed within six months from the appointment date and the content of this report is confidential.
- 5.12 We also have a duty to investigate antecedent transactions which include:
- Transactions at an undervalue, s238 of the Insolvency Act 1986;
 - Preferences, s239 of the Insolvency Act 1986; and
 - Transactions to defraud creditors, s423 of the Insolvency Act 1986.

Receipts and Payments Account

- 5.13 A receipts and payments account is shown in Appendix 3.
- 5.14 The receipts and payments account excludes the sale of the equitable interest in the book debts as these are subject to the invoice discounting agreement with BoS and are therefore not an asset of the Company.

Joint Administrators' Agents and Solicitors

- 5.15 We have engaged the following firms to assist with the sale of the Company's business and assets and other statutory matters:

Company	Role
Hilco Appraisal Europe	Chattels agents – Valuation of the Company's stock and chattel assets.
Shoosmiths	Solicitors – Assistance with appointment formalities and the drafting of the sale agreement for the sale of the business and certain assets.
Copping Joyce LLP	Property agents - Marketing freehold property for sale.

6. STATEMENT OF AFFAIRS

- 6.1 In accordance with Paragraph 47 of Schedule B1 to the Insolvency Act 1986 we have requested that the directors provide us with a statement of the affairs ("SOA") of the Company.
- 6.2 The directors have been given notice to complete an SOA and must return it to us by 5 August 2009.
- 6.3 A schedule of creditors' names and addresses is attached at Appendix 4. Some creditor amounts shown may differ from the actual amount owed. This does not affect the ability of creditors to submit revised claims against the Company.

7. JOINT ADMINISTRATORS' REMUNERATION

- 7.1 The creditors' committee, if appointed, should determine the basis of the Joint Administrators' remuneration. If no committee is appointed, a resolution of the creditors will be required.
- 7.2 Information regarding the fees of Administrators, called a "Creditors' guide to Administrators' fees" can be found on our website at www.mcr.uk.com. Should you require a hard copy, please contact this office.
- 7.3 In accordance with Rule 2.106 of the Insolvency Rules 1986, as amended, it is proposed that the basis, upon which the Joint Administrators' remuneration should be fixed, is by reference to the time properly given by the Joint Administrators' and their staff in attending to matters arising in the Administration.
- 7.4 Our time costs for the period 17 July 2009 up to and including 31 July total £8,002.50. A schedule of these time costs is set out at Appendix 5.
- 7.5 To date, no remuneration has been drawn by us.

- 7.6 In addition, MCR have incurred time costs totalling £33,870.50 relating to pre-appointment advice and matters relating to our appointment. The Company paid £17,391.30 plus VAT of these time costs prior to our appointment and E I Wines will be paying a further £7,608.70 plus VAT. We have sought a resolution at paragraph 12.1.8 to authorise a fee of £2,976 plus VAT to be paid in accordance with Rule 2.67(1)(c). The balance of pre-appointment time costs will be written off.

8. DIVIDEND PROSPECTS / PRESCRIBED PART

Secured Creditors

- 8.1 BoS holds a fixed and floating charge over the Company's assets in respect of the two term loans and an invoice discounting facility.
- 8.2 At the date of our appointment, the Company's indebtedness to BoS was approximately £2.6 million in respect of invoice discounting facility, subject to accruing interest and charges. Additionally, BoS is also owed circa £2.25 million by way of term loans.
- 8.3 BoS has reduced its indebtedness through the sale of the book debts to E I Wines. BoS is expected to reduce its indebtedness further by way of a fixed charge distribution from the net sale proceeds of the property.
- 8.4 It is anticipated that there will, however, be insufficient realisations to repay BoS in full.

Preferential Creditors

- 8.5 We are not aware of any preferential creditor claims at this time. It is understood that the employees of the Company were transferred to E I Wines prior to our appointment and therefore the Transfer of Undertakings (Protection of Employment) Regulations 2006 may apply.

Prescribed Part

- 8.6 Pursuant to Section 176A of the Insolvency Act 1986, where a floating charge is created after 15 September 2003, a Prescribed Part of the Company's net property shall be made available to non-preferential creditors.
- 8.7 The Prescribed Part does not apply in this case as the debenture in favour of BoS was created prior to 15 September 2003.

Non-Preferential Creditors

- 8.8 According to the Company's books and records, non-preferential creditors total £5,147,135. The non-preferential creditors can be summarised as follows:

	£
Trade & Expense Creditors	5,000,135
HM Revenue & Customs – VAT	<u>147,000</u>
Total	<u>5,147,135</u>

- 8.9 Based upon the current information available there will not be sufficient realisations to enable a distribution to non-preferential creditors.

9. EC REGULATION

- 9.1 It is our opinion that the EC Regulation on Insolvency Proceedings 2000 ("EC Regulation") apply and these proceedings are main proceedings as defined in Article 3 of the EC Regulation. The centre of main interest of the Company is in England.

10. CREDITORS' MEETING

- 10.1 In accordance with Paragraph 52(1) of Schedule B1 to the Insolvency Act 1986, a creditors' meeting will not be convened as we believe that the Company will have insufficient property to enable a distribution to be made to non-preferential creditors.
- 10.2 However, we shall summon an initial creditors' meeting, if requested to by the creditors of the Company, whose debts amount to at least 10% of the total debts of the Company, using the prescribed form 2.21B, attached at Appendix 6, within 12 days from the date of this report.
- 10.3 Creditors are reminded that the costs of any meeting called shall be paid for by them and that a deposit will be required for such purpose. Such costs may be ordered to be paid as an expense of the Administration if the meeting so resolves.

11. END OF THE ADMINISTRATION

- 11.1 The options available to us for the exit from the Administration are as follows:

- Compulsory Liquidation
- Creditors' Voluntary Liquidation
- Company Voluntary Arrangement
- Return of control to the director
- Dissolution of Company

- 11.2 There are insufficient realisations to permit a distribution to the non-preferential creditors. It is therefore proposed that, once all outstanding matters have been satisfactorily completed, we will give notice to the Registrar of Companies under Paragraph 84 of the Act to the effect that the Company has no property to realise which might permit a distribution to the non-preferential creditors at which time the Administration will cease. The Company will be dissolved three months following the registration of the notice at the Registrar of Companies.

- 11.3 You will note from the proposals section below that we have left the choice of exit route from Administration open so that an alternative strategy can be adopted, should this prove more appropriate at the time.

12. JOINT ADMINISTRATORS' PROPOSALS

- 12.1 We propose the following:

- 12.1.1 That the Joint Administrators continue the Administration to deal with such outstanding matters in relation to the company as they consider necessary until such time as the Administration ceases to have effect.
- 12.1.2 That the Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration.

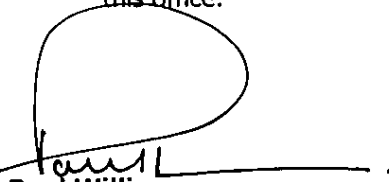
- 12.1.3 That the Joint Administrators seek an extension to the Administration period if deemed necessary.
- 12.1.4 That the Joint Administrators, when it is anticipated that no better realisations will be made in the Administration than would be available in a winding up, take the necessary steps to put the Company into either creditors' voluntary liquidation, company voluntary arrangement or into compulsory liquidation as deemed appropriate by them. It is proposed that the Joint Administrators, Paul David Williams and Andrew Gordon Stoneman, act as Joint Liquidators should the Company be placed into creditors' voluntary liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Insolvency Act 1986 and Rule 2.117(3) creditors may nominate a different person as the proposed liquidator, provided the nomination is received at this office prior to the approval of these proposals. In the absence of such nomination, Paul Williams and Andrew Stoneman will be appointed Joint Liquidators.
- 12.1.5 That the Joint Administrators, in the event that they form the view that the exit options identified in proposal 12.1.4 above are inappropriate, then, in due course, take the necessary steps to give notice to the Registrar of Companies to the effect that the Company has no property which might permit a distribution to its creditors, at which stage the administration will cease and the company will subsequently be dissolved.
- 12.1.6 That the Joint Administrators be discharged from all liability pursuant to paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing.
- 12.1.7 That the Joint Administrators' remuneration, where no Creditors' Committee is established, be fixed by reference to the time properly incurred by them and their staff in attending matters during the Administration and that they be allowed to draw such remuneration as and when funds permit without further recourse to the creditors of the Company.
- 12.1.8 That MCR be authorised to draw fees of £2,976 plus VAT in respect of time costs incurred in assisting in placing the Company into administration in accordance with Rule 2.67(1)(c).
- 12.1.9 That the Joint Administrators be authorised to draw their firm's internal costs and expenses in dealing with the administration ("Category 2 Disbursements"), if any.
- 12.1.10 That the Joint Administrators be authorised to instruct and pay MCR Receivables Management Limited to assist with the collection of book debts, where considered appropriate.
- 12.1.11 That in accordance with Paragraph 83(7) of Schedule B1 to the Insolvency Act 1986 and Rule 2.117(3) creditors may nominate a different person as the proposed liquidator, provided the nomination is received at this office prior to the approval of the revised proposals. In the absence of such nomination, the Joint Administrators will be appointed Joint Liquidators.
- 12.2 Pursuant to Rule 2.33(5) of the Insolvency Rules 1986, the proposals in paragraph 12.1 shall be deemed to be approved by the creditors on the expiry of the period in which a meeting can be requisitioned by creditors in the manner described in paragraph 10.2 above, provided that no meeting has been so requisitioned.
- 12.3 We will be seeking the following resolutions from the secured creditors.

- 12.3.1 That the Joint Administrators be discharged from all liability pursuant to paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing.
- 12.3.2 That the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the administration.
- 12.3.3 That MCR be authorised to draw fees of £2,976 plus VAT in respect of time costs incurred in assisting in placing the Company into administration in accordance with Rule 2.67(1)(c).
- 12.3.4 That the Joint Administrators be authorised to draw their firm's internal costs and expenses in dealing with the administration ("Category 2 Disbursements"), if any.
- 12.3.5 That the Joint Administrators be authorised to instruct and pay MCR Receivables Management Limited to assist with the collection of book debts, where considered appropriate.

13. OTHER MATTERS

- 13.1 If any creditor has any information concerning the Company's affairs that they would like to bring to our attention, then we should be pleased to hear from them.

If you require further information or assistance, please do not hesitate to contact Jon Barnard of this office.



Paul Williams
Joint Administrator

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The affairs, business and property of the Company are being managed by the Joint Administrators who act as agents for the Company and without personal liability.

APPENDIX 1

STATUTORY INFORMATION**Date of incorporation** 4 January 2000**Registered number** 01302718**Company directors**
Hugo Campbell
Jonathan Mark Chapman
Peter Dauthieu
Nicholas Day
Michael Jarzebowski
Keith Lay**Company secretary** Jonathan Mark Chapman**Shareholders**

	Number of ordinary 50p shares.	Number of ordinary "A" shares of 50p each.
Ehrmanns Holdings Limited	570,222	108,000

Trading address
29 Corsica Street
London
N5 1JT

Registered Office	Current:	Formerly:
	43-45 Portman Square London W1H 6LY	29 Corsica Street London N5 1JT

Financial information	Period Ended 31 March 08 (Audited) £	Period Ended 31 March 07 (Audited) £
Turnover	<u>22,600,000</u>	<u>24,800,000</u>
Gross Profit	<u>2,334,116</u>	<u>2,584,938</u>
Retained profit/(loss) for the year	<u>(93,031)</u>	<u>212,069</u>



APPENDIX 2





**CORPORATE
RESTRUCTURING**

Our ref: PDW/PXC/JAB/EHR001/568766

Your ref:

43 - 45 Portman Square
London W1H 6LY

t +44 (0)20 7487 7240

f +44 (0)20 7487 7299

NOTICE TO ALL CREDITORS OF THE APPOINTMENT OF ADMINISTRATORS

www.mcr.uk.com

When telephoning please ask for:
Jon Barnard

e-mail:

jbarnard@mcr.uk.com

Direct dial:

0207 487 7233

21 July 2009

Dear Sirs

Ehrmanns Limited (In Administration) ("the Company")

I was appointed Joint Administrator of the Company on 17 July 2009, together with my partner, Andrew Stoneman. The appointment was made by the directors of the Company. A formal notice of our appointment is attached.

The primary function of an administrator is to achieve one of the objectives set out in the Insolvency Act 1986 (as amended). We are presently examining the financial position of the Company. Please can you provide details of your claim on the attached form.

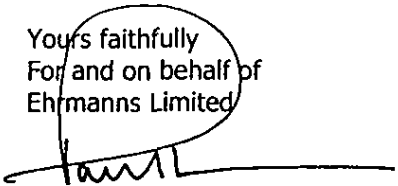
The officers of the Company are required to submit a statement of affairs, but as yet we are not in a position to give any detailed information regarding the financial position. We shall send you a report as soon as it is reasonably practicable which will explain the objectives of the administration and give details of the financial position of the Company. At that time we may also convene a meeting of creditors and will advise you of the prospects of a dividend.

If you have commenced recovery proceedings against the Company I suggest you contact Jon Barnard before continuing, as a matter of priority, because no legal processes may continue against the Company without my consent or permission of the Court.

Upon my appointment I completed a sale of the Company's business and certain assets to E I Wines Limited. Where Insolvency Practitioners are party to a pre-packaged sale, best practice guidelines require them to disclose to creditors, where practicable, certain information in respect of that pre-packaged sale within the first notification to creditors. Accordingly, please refer to Appendix 1 for such information with respect to the sale of the Company's business and certain assets.

Finally, if you contend that you have any form of security or reservation of title in respect of goods that you previously supplied, please telephone Jon Barnard of my office immediately and provide full written details and copies of documentation relating to your claim.

Yours faithfully
For and on behalf of
Ehrmanns Limited


Paul Williams
Joint Administrator

The affairs, business and property of the company are being managed by the Joint Administrators who act as agents for the company and without personal liability.



Appendix 1

In accordance with Statement of Insolvency Practice 16, I outline below details of the sale of the Company's business and certain other assets to E I Wines Limited ("E I Wines"):

1. The source of the administration was from an initial introduction from Maurice Austin of Goodman Jones LLP, the auditors of the Company. Goodman Jones LLP were conflicted due to their status as auditors of the Company; therefore the directors were referred to MCR for insolvency advice.
2. MCR first met with the directors to review the financial position of the Company on 23 April 2009. They discussed with the directors the various options available including the appointment of administrators. The Company's main assets consisted of book debts, which were assigned to Bank of Scotland plc ("BoS") under an invoice discounting facility (and therefore not actually owned by the company), a freehold property which was subject to a fixed charge with BoS, and stock. MCR held further discussions with the directors regarding potential interest in purchasing the stock and other assets of the Company. The directors advised me that they had formed a new company, E I Wines. The directors also advised that E I Wines wished to acquire the Company's business and other assets.
3. No marketing activities were conducted by the Joint Administrators for the following reasons:
 - Prior to the appointment of the Joint Administrators, the Company had formulated a business development plan in order to attract interest in the Company and the business. The Company approached several interested parties with a view to either selling the entire issued share capital of the Company, merging operations with another company or securing investment in the Company. One third party expressed a strong interest in acquiring the entire issued share capital of the Company, however no formal offer was received.
 - The directors and their advisors confirmed that no other party would be interested in making an offer for the business without a prolonged period of due diligence. Further, any offer was unlikely to be in excess of the offer received from E I Wines Limited.
 - The indebtedness due to "BoS" is in excess of £5million, which is substantially higher than the realisable value of the Company's assets. BoS hold a fixed and floating charge over the assets of the Company and there are, therefore, no assets available to the unsecured creditors of the Company. BoS have consented to the sale of the business and certain assets to E I Wines Limited.
 - The stock held by the Company was likely to be subject to significant reservation of title claims and warehousing liens, thus making trading the Company whilst in Administration unviable.
4. A valuation of the chattel assets was obtained from independent agents and valuers, Hilco Appraisal Europe. The assets were valued at £7,000 on an in-situ basis and £2,500 on an ex-situ basis. The Company's stock was valued at £311,500 on 12 May 2009, however the costs of realisation of the stock was estimated to be in the region of £180,000. Furthermore, there were expected to be a number of Reservation of Title claims over certain of the stock. Since the date of the valuation, the stock held by the Company has reduced further.
5. The Joint Administrators assessed the other options available to the Company. As no funding was available to trade during an Administration, the only other practical possibility was the closure of the business and a forced sale of the stock.



6. The Joint Administrators believe it was not appropriate to trade the business and offer it for sale as a going concern during the administration for the following reasons:
 - The Joint Administrators were unable to maintain operations due to there being no available working capital funding to meet ongoing business overheads and costs.
 - The Joint Administrators did not believe that it would be possible to identify any other interested parties for the reasons stated in 3 above.
7. BoS was consulted by the Joint Administrators regarding the proposed sale, and granted their consent. BoS is the largest creditor and is likely to suffer a significant shortfall.
8. The Company's business and certain assets were sold to E I Wines (Company number 06891852) on 17 July 2009.
9. Mark Chapman, Peter Dominic Dauthieu, and Hugo Campbell, the directors of the Company, are the directors of E I Wines. Global Vintners Holdings Limited is the sole shareholder of E I Wines.
10. The total sale consideration for the business and assets was £106,000 which was paid in full on completion. The sale completed following recommendation received from an independent firm of agents and valuers, Hilco Appraisal Europe.

The assets sold and the apportionment of the consideration is shown below:

	£
Stock	90,000
Prepayments	8,995
Chattel Assets	7,000
Business Information	1
Goodwill	1
Intellectual Property Rights	1
Customer Contracts and Work in Progress	1
Book Debts	1
Total	<u>106,000</u>

The book debts are assigned to BoS and BoS have sold their equitable interest in the debts to E I Wines. BoS are likely to suffer a considerable shortfall as a result of the sale. The freehold property was also excluded from the sale. The property is subject to a fixed charge with BoS and the Joint Administrators will take steps to sell the property on BoS's behalf. All of the company's employees have been transferred to E I Wines under the Transfer of Undertakings (Protection of Employment) Regulations 2006.

11. The Company was financed by BoS by way of term loans and an invoice discounting facility. BoS are not funding E I Wines.
12. The sale was part of a wider transaction, being the sale of the Company's book debts to E I Wines by BoS.
13. There are no options, buy-back arrangements or similar conditions attached to the contract of sale.

APPENDIX 3

Ehrmanns Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 3 August 2009

	£	£
SECURED ASSETS		
Intellectual Property Rights	1.00	
Goodwill	1.00	
Book Debts	1.00	
		3.00
 ASSET REALISATIONS		
Stock	90,000.00	
Prepayments	8,995.00	
Chattel Assets	7,000.00	
Business Information	1.00	
Customer Contracts and Work in Progress	1.00	
		105,997.00
 COST OF REALISATIONS		
Legal Fees	15,000.00	
		(15,000.00)
		91,000.00
 REPRESENTED BY		
VAT Receivable		2,250.00
Floating/main current account		88,750.00
		91,000.00

APPENDIX 4

MCR
Ehrmanns Limited
B - Company Creditors

Key	Name	Address	£
C300	3 Oceans Wines Company Ltd	14 The old Power Station, 121 Mortlake High Street, London, SW14, 8SN	28,218.89
CA00	AC Nielsen House	London Road, Headington, Oxford, OX1 3HY	230.00
CA01	Ainsworth Parkinson	14 Sceptre Court, Sceptre Point, Preston, Lancashire, PR5, 6AW	287.50
CA02	Alldet Credit Management	27 Lincoln Park, Amersham, Buckinghamshire, HP7 9EZ	747.50
CA03	Aquaid	Unit 9A Rosebery Industrial Park, London, N17 9SR	151.55
CA04	Arione Spa	Via Luigi Bosca 135, 14053 Canelli, Italy	236,546.91
CA06	Adrian Dalby	New Chapter Consulting, Wellington Park House, Thirsk Row, Leeds, LS1 4DP, United Kingdom	1,288.19
CA07	Atlas Products International Ltd	The Atlas Suite, Greenbank House, Swan Lane, Hindley Green, Wigan, WN2 4AR	1.00
CA08	Audeo Systems Ltd	4 Lindewood, Chineham Business Park, Basingstoke, RG24 8QY, Hampshire	1.00
CB00	Bacalhao - Vinhos de Portugal S.A	Estrada Nacional No.10, Villa Nogueira de Azieto, 2925 - 901 Azieto, Portugal	184,209.79
CB01	Belloni Ltd	9 Tlleyard Road, London, N7 9AH	1,396.68
CB02	Brandbank	Seymour House, 30-34 Muspole Street, Norwich, Norfolk, NR3 1DJ	0.00
CB03	Bodegas Castano	Ctra Fuentealamo 3, 30510 Murcia, Spain	142,241.96
CB04	Bacalhao - Vinhos de Portugal S.A	Rue Infante D.Henrique 59, 2955 Pinhal Novo, Portugal	78,300.00
CC00	Cantine Sociale da Breganze Scarl	Via Roma No 100, BREGANZE, Italy	0.00
CC01	Chubb	Po Box 5950, Wellingborough, Northamptonshire, NN8 6ZF	647.05
CC02	City Sprint	Ground Floor, Red Central, 60 High Street, Redhill, RH1 1NY	263.73
CC03	Coaster Coffee Ltd	37 Essex Road, Bognor Regis, PO21, 2BU	120.00
CC04	Coop Agricola V.D. Curico	Balmaceda 565, Casilla 8-D, Curico, Chile	0.00
CC05	Cantina Valpolicella Negrar Sca	Via Ca Salgari 2, Negrar, Verona, Italy	10,024.29
CC06	Casa del Pinar	Ctra. Venta del Moro - Los Isidros, Venta del Moro, Valencia, Spain	3,750.00
CC07	Chilli Pepper Communication Ltd	72 a Dedmere Road, Marlow, Bucks, 1PG SL7	1.00
CC08			0.00
CC09	Consortio Vinicola de Chile SA	Edificio Plaza Centro, Calle 1 Norte con 1 Oriente, Talca, Chile	2,232.00
CC0A	Colourpoint Litho Ltd	Unit 2, Wessex Road, Bourne End, SL8 5DT, Buckinghamshire	1.00
CD00	Domaine Boyar Intrnl AD (EUR)	, Industrial Estate, Sliven, Bulgaria	100,440.63
CD01	Domaine Boyar International AD (GBP)	Sofia 1407, Zlaten Rog Str 20-22, Bulgaria	204,413.28
CD02	Deadline Despatch Ltd	York Hiouse York Way, Cressex Business Park, High Wycombe, Buckinghamshire, HP12, 3PY	217.44
CD03	Delicato Family Vineyards	12001 S Highway 99, Manteca, California, USA	0.00
CD04	DHL Express (UK) Limited	PO Box 192 Hillblom house, 1 Dukes Green Avenue Faggs Road, Feltham, Middlesex, TW14 0LR	917.04

MCR
Ehrmanns Limited
B - Company Creditors

Key	Name	Address	£
CD05	Durrants	Discovery House, 28-42 Banner Street, London, EC1Y 8QE	301.25
CD06	David Holmes	5 Calvert Street, Primrose Hill, London NW1, 8NE	1,437.50
CD07	David Chalmers Ltd	Unit 1, Betton Business Park, Scarborough, North Yorkshire, YO13 9HD	1.00
CE00	Eccocall Limited	Ver House, 23-25 High Street, Redbourn, Herts, AL3 7LE	14.98
CE01	EDF Energy	Freepost 3814, London, WC1V 6AJ	0.00
CE02	E.Tsantalis S.A	630 80 Agios Pavlos, Chalkidiki, Greece	30,005.37
CF00	Finesse	Cobbs Wood Ind, Brunswick Road, Ashford I, Kent, TN23 1EH	13,386.00
CF01	Friulvini Soc.Coop.A.R.L	Via Treviso;40, 33080 Zoppola;, Pordenone, Italy	68,640.00
CF02	F W Langguth Erben Gmbh	Dr Ernst-Spies-Allee 2, D-56841 Trarben-Trarbach, Germany	626,415.00
CF03	Federico Paternina S.A.	Avenida Santa Domingo 11, Apartado 10 26200, La Rioja, Spain	76,601.56
CG00	Global Vintners Ltd	PO BOX 398	12,500.00
CG01	Goodman Jones	Chartered Accountants, 29/30 Fitzroy Square, London, W1T 6LQ	736.00
CG02	Grennsource Solutions Ltd	14 Kingsland Trading Estate, St Phillips Rd, Bristol, BS2, OJZ	112.64
CG03	Green Row Communications Ltd	208 Canalot Studios, 222 Kensal Road, W10, 5BN	5,672.95
CG04	Gui design	14 Rollings House, Wrights Meadow Road, High Wycombe, BUCKS, HP11 1NQ	1,530.00
CH00	H M Revenue & Customs	Insolvency Operations, Queens Dock, Liverpool, Merseyside, L74 4AF	0.00
CH02	HM Revenue & Customs	Enforcement & Insolvency Service, Durrington Bridge House, Worthing, West Sussex, BN12 4SE	0.00
CH03	Hollywood House	Innis Court, Northern Ireland, BT 18 9HF	0.00
CI05	The Insolvency Service IP Policy Section	Area 5,6, 21 Bloomsbury Street, London, WC1B 3QW	0.00
CI06	Inbond Group	Eaglescliffe Logistics Centre, Durham Lane Eaglescliffe, Stockton-On-Tees, TS16 0RW	24,414.11
CI07	Ikon Office Solutions *DD*	Turkey Mill, Ashford Road, Maidstone, Kent, ME14 5PN	595.52
CI08	Indage Ltd	Brunel Road, Earlstrees Ind Est South, Corby, Northants, NN17, 4JW	82,776.21
CI09	Insight Direct Limited	Alperton House, Bridgewater Road, Wembley, HA0 1EH, Middlesex	1.00
CI00	JF Hillebrand (UK) Ltd	Dissegna House, Weston Avenue, West Thurrock Grays, Essex, RM20 3ZP	32,157.64
CI01	Jindalee Wines Pty	Po Box 5146, North Geelong Vic. 3215, Australia	14,000.00
CI02	Judy Kendrick	Four Lanes End, Mill Lane, Bulkeley, Malpas Cheshire, SY14 8BL, United Kingdom	1.00
CK00	Keo Dimosia Ltd	1 Franklin Roosevelt Avenue, PO Box 50209, 3602 Limassol, Cyprus	60,971.43
CK01	Knowledge gaps	The Tresher Barn, Torton Lane, Torton, Kidderminster, Worcestershire	2,300.00
CK02	Kuehne & Nagel	Unit 10 Capstan Court, Crossways Business Park, Dartford, Kent, DA2 6QG	4,243.85
CL00	London Borough Of Islington *DD*	Business Rates, Po Box 6833, 9 Prescott Street, London, E1 8SN	20,736.00
CL01	LGDS	4 ST James St, London, W6, 9RW	100.00

MCR
Ehrmanns Limited
B - Company Creditors

Key	Name	Address	£
CL02	Lyreco UK Ltd	Deer Park Court, Donnington Wood, Telford, Shropshire, TF3 3BX	734.56
CL03	La Zaragozaana	Ramon Berenguervi, 50007 Zaragoza, Spain	16,987.50
CL04	La Delizia	La Delizia, 33072 Casarsa Della Delizia, 24 Via Udine, Italy	1.00
CL05	Lanchester Wine Cellars Ltd	Greencroft Estate, Tower Road, Annfield Plain, Stainley, Durham, DH9 7XP, United Kingdom	1.00
CL06	Lanchester Wine Cellars Limited	Greencroft Estate, Tower Road, Annfield Plain, Stanley, DH9 7XP	1.00
CM00	Mayday	106 Antrobus Road, London, W4, 5NQ	0.00
CM01	Micros	Glaisdale Drive East, Nottingham, NG8, 4GU	862.50
CM02	Musgrave Retail Ltd	Musgrave House, Widewater Place, Moorhall Road, Harefield, UB9, 6NS	532.68
CN00	Nosio S.P.A.	Via Del Terrolego, 38016 Mezzocorona, Italy	62,865.65
CO00	O2 UK Ltd	, Milton Keynes, MK77 1UB	0.00
CO01	Origin Wine UK	37 Queen Anne Street, London	1,219.75
CO02	Own Label Awards	Flat 1, 52 Dafforne Road, Tooting Bec, SW17, 8TZ	193.87
CO03	Opal	Turketh Mill, Balcarres Road, Aston-on-Ribble, Preston, PR2 2DY, United Kingdom	1.00
CP00	Perez Barquero Sa	Po Box 108, Avda Andalucia 27, 14550 Montilla (Cordoba), Spain	8,878.57
CP01	Palandri Wines (Europe) Limited (GBP)	14 The Old Power Station, 121 Mortlake High Street, London, SW14 8SN	737.38
CP02	Path Ltd	2 Northfields Prospect, Purney Bridge Road, London, SW18, 1PE	1,552.50
CP03	Penaflor S.A.	Nueva Mayorja S/N, 5513 Maipu, Mendoza, Argentina	854,195.42
CP04	Platinum Media Matters Ltd	Carradine House, 237 Regents Park Rd, Church End, London, N3, 1DN	1,725.00
CP05	Procare Cleaning Management	Northwood House, 320A Ruislip Road East, Middlesex, UB6, 9BH	375.00
CP06	Printware	AMEIVA COURT, QUARTREMAINE ROAD, Portsmouth, PO3 5QP, Hants	1.00
CR00	Redsky IT Ltd	Glaisdale Drive East, Nottingham, NG8 4GU	11.75
CR01	Redwood Telecommunications Ltd	Trade Tower, Battersea, London, SW11 3UF	82.35
CR02	RadcliffesLeBrasseur	5 Great College Street, Westminster, London, SW1P 3SJ, United Kingdom	1.00
CS00	Sanchez Romate (EUR)	Lealias 26-30, 11404 Jerez de la Frontera, PO Box 5, Spain	149,380.67
CS01	Sanchez Romate (GBP)	Lealias 26-30, 11404 Jerez de la Frontera, PO Box 5, Spain	26,885.00
CS02	Sarum Colourview Ltd	Unit 8 Woodford Centre, Lysander Way, Salisbury, Wiltshire, SP4, 6BU	820.25
CS03	Schenk Italia S.p.A	Vini D'Italia, Via Stazione 43, I-39040 ORA/AUIER BZ, Italy	21,780.00
CS04	Segura Viudas	Apartado 30, 8770 Sant Sadurni d'Anoia, Barcelona, Spain	0.00
CS05	Segura Viudas	Sant Antoni 11, 8770 Sant Sadurni d'Anoia, Barcelona, Spain	0.00
CS06	Sensible Wine Services Ltd	Unit 7 Underlyn Farm, Underlyn Lane, Marden, Kent, TN12 9BQ	184.00
CS07	S.H.Jones & Co Ltd	2 Riverside, Tramway, Banbury, Oxfordshire, OX16, 5TU	763.75

MCR
Ehrmanns Limited
B - Company Creditors

Key	Name	Address	£
CS08	SPIRIT ADVERTISING LTD	522 FULHAM ROAD, LONDON SW6 5NR, SW6, 5NR	1,822.00
CS09	Stellar Winery (PTY) Ltd	N7 National Road, Trawal, South Africa	124,202.81
CT00	THE BRAND BUSINESS	Wessex House, Upper Market Street, Eastleigh, Hampshire, SO50 9	1,450.00
CT01	The Company of Wine People Europe Limited	29 Corsica Street, London, N5 1JT	11,143.19
CT02	The Fairtrade Foundation	Room 204, 16 Baldwin's Gardens, London, EC1N 7RJ	26,317.85
CT03	Tahbilk Pty Ltd	PO Box 130, Nagambie, Victoria, Australia	22,430.41
CT04	TalkTalk	Talk Talk Correspondence Department, PO Box 360, Southampton, SO30 2LY	13.41
CT05	Thames Water	PO Box 286, Swindon, SN38 2RA	39.98
CT06	Tohu Wines Ltd	PO Box 1028, Blenheim, 7240	8,262.41
CT07	Tohu	PO Box 1028, Blenheim, 7240, New Zealand	0.00
CT08	Total Memory & Media Ltd	Ringway House, Bell Road, Basingstoke, Hampshire, RG24 8FB	228.79
CT09	Trans Ocean Distribution	Tollbar Way, Hedge End, Southampton, Hants, SO30 2HU	10,675.68
CT0A	Terras de Alter - Companhia de Vinhos Lda	Rua Feliciano Castilho no 3, Apartado 62, 7440-022 Alter de Chao, 7460-105, Portugal	1.00
CU00	UPS Ltd	AR Dept, St David's Way, Bermuda Park, Nuneaton, Warwickshire	234.06
CV00	Veglio Angelo	Fraz Annunziata Gancia 110, 12064 La Morra, Italy	1,812.19
CV01	Vinicola De Castilla	13200 Manzanares, La Mancha, Spain	754,888.38
CV02	Vino Sorelli	Via Fiorentina, 42, Figline Valdarno, Italy	5,512.50
CV03	Valpak Ltd	Stratford Business Park, Banbury Road, Stratford-Upon-Avon, CV37 7GW	34.16
CV04	Vinas Del Vero	8 Shepherds Mead, Tebury, Gloucestershire, GL8 8RB	41,808.70
CV05	Vina Tarapaca	Av Los Conquistadores, 1700 Prso 16, Santiago, Chile	172,316.23
CV06	Vinberia S.A. (GBP)	Porvera 6-8, 11403 Jerez De La Frontera, Cadiz, Spain	850.50
CV07	Vinberia S.A. (EUR)	Porvera 6-8, 11403 Jerez De La Frontera, Cadiz, Spain	580,361.96
CW00	West One	Ground Floor, RedCentral, Redhill, Surrey, RH1 1NY	81.69
CW01	Williams & Humbert (EUR)	Ctra.Nacional Iv./Km. 641:75, Po Box 545, 11408 Jerez De La Frontera, Spain	7,046.38
CW02	Wines Of South Africa	5 Alt Grove, Wimbledon, London, SW19 4DZ	1,525.00
CW03	William Reed Ltd	Broadfield Park, Crawley, RH11 9RT, West Sussex, United Kingdom	1.00
CW04	Wine Sorted	3 Wellsprings, Brightwell-cum-Sotwell, OX10 0RN, Oxon, United Kingdom	1.00

119 Entries Totalling

5,000,134.87

Signature _____

APPENDIX 5



EHRMANN LIMITED - EHR001

Analysis of Joint Administrators time costs for the period 17 July to 31 July 2009

Classification of Work Function	Hours					Total Hours	Time Cost	Average Hourly Rate
	Partner	Manager	Senior	Assistants	Support			
Strategy planning & control		1.60	1.40	19.60		22.60	£ 2,676.00	£ 118.41
General correspondence		1.10	4.20	3.10		8.40	1,683.00	200.36
Fixed charge assets	1.30		0.50			1.80	705.00	391.67
Unsecured creditors	0.20	0.90	1.10	0.30		2.50	705.00	282.00
Proposals	1.00					1.00	450.00	450.00
Employee matters		0.40	0.30	2.40		3.10	432.00	139.35
General admin			0.90	2.20		3.10	414.00	133.55
Floating charge assets	0.20		0.80			1.00	282.00	282.00
Sale of business			1.00			1.00	240.00	240.00
Secured Creditors	0.30		0.40			0.70	231.00	330.00
Cashiering & accounting		0.10	0.20	0.60		0.90	139.50	155.00
Statement of affairs	0.10					0.10	45.00	450.00
Total Hours	3.10	4.10	10.80	28.20		46.20	8,002.50	173.21
Total Fees Claimed (£)	1,395.00	1,472.50	2,592.00	2,543.00			8,002.50	

APPENDIX 6

Rule 2.37

Creditor's request for a meeting

Name of Company Ehrmanns Limited

Company number 01302718

In the High Court of Justice, Chancery Division, Companies Court, The Strand, London
--

Court case number 16524 of 2009

(a) Insert full name and address of the creditor making the request

I (a)

(b) Insert full name and address of registered office of the company

request a meeting of the creditors of Ehrmanns Limited

(b) Registered Office:
43-45 Portman Square
London
W1H 6LY

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and address(es) of creditors concurring with the request (if any) and their claims in the administration if the Requesting creditor's claim is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of concurrence.

(e) Insert details of the purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated

APPENDIX 7



Proof of Debt – General Form

Ehrmanns Limited (In Administration)	
Date of administration 17/07/2009	
1.	Name of creditor (If a company please also give company registration number).
2.	Address of creditor for correspondence.
3.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into administration.
4.	Details of any documents by reference to which the debt can be substantiated. (Note: There is no need to attach them now but the administrator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting).
5.	If amount in 3 above includes outstanding uncapitalised interest please state amount. £
6.	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form).
7.	Particulars of any security held, the value of the security, and the date it was given.
8.	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.
9.	Signature of creditor or person authorised to act on his behalf _____
	Name in BLOCK LETTERS _____
	Position with or in relation to creditor _____
	Address of person signing (if different from 2 above) _____
For Administrators' Use only	
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Administrator	Administrator