

# 2.24B

The Insolvency Act 1986

## Administrator's progress report

Name of Company
The Green Drinks Company Limited

Company number
05088162

In the High Court of Justice Bristol District Registry
(full name of court)

Court case number
No 512 of 2012

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

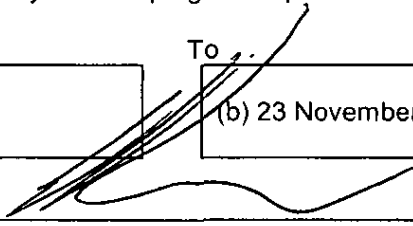
I/We (a)  
 Simon Ashley Rowe  
 Milsted Langdon LLP  
 One Redcliff Street  
 Bristol  
 BS1 6NP

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From	To
(b) 24 May 2012	(b) 23 November 2012

Signed

  
 \_\_\_\_\_  
 Administrator

Dated

14/12/12  
 \_\_\_\_\_

TUESDAY



**ADMINISTRATOR'S PROGRESS  
REPORT FOR THE PERIOD  
24 MAY 2012 TO 23 NOVEMBER  
2012**

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

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

## **CONTENTS**

- 1 Statutory Information
- 2 Progress of the Administration
- 3 Assets still to be realised
- 4 Investigations
- 5 Pre-administration Costs
- 6 Administrator's Remuneration
- 7 Administrator's Expenses
- 8 Estimated outcome for creditors
- 9 Ending the Administration
- 10 Creditors' Rights
- 11 Next Report

## **APPENDICES**

- A Receipts and Payments Account from 24 May 2012 to 23 November 2012
- B Time Analysis for the period 24 May 2012 to 23 November 2012
- C Estimated Outcome Statement as at 23 November 2012
- D Additional information in relation to Administrator's fees pursuant to Statement of Insolvency Practice 9
- E Form 2 24B – Notice of Administrator's progress report

# THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION

## THE ADMINISTRATOR'S PROGRESS REPORT

### 1.0 Statutory information

- 1 1 I was appointed as Administrator of The Green Drinks Company Limited ("The Company") on 24 May 2012. The appointment of an Administrator was made by the directors.
- 1 2 This Administration is being handled by Milsted Langdon LLP at One Redcliff Street, Bristol, BS1 6NP. The Administration is registered in the Bristol County Court, under reference number No 512 of 2012.
- 1 3 The trading address of the Company was Suite 2/3 Basepoint Business Centre, Oakfield Close, Tewkesbury, Gloucestershire, GL20 8SD.
- 1 4 The registered office of the Company is One Redcliff Street, Bristol, BS1 6NP and its registered number is 05088162.

### 2.0 Progress of the Administration

- 2 1 Attached at Appendix A is my Receipts and Payments Account for the period from 24 May 2012 to 23 November 2012.
- 2 2 The Business
  - 2 2 1 The Company had designed and built, along with its partners, a unique drinks vending machine. This machine would provide syrup based drinks, mixed at the point of need for the customer. As the drink was mixed from syrup and filtered tap water and then filled in to a foil pouch, it was able to offer a far "greener" concept than most of its can and bottle drink competitors.
  - 2 2 2 The Company had spent a great deal of time and money developing this concept and had done so with the help of various collaborators over the years. Latterly it had entered into a design and build agreement with DarenthMJS Limited ("Darenth"), who had provided the Company with its finished product for market.
  - 2 2 3 The Company had not yet reached a sustainable level and was running at a monthly cash deficit. However, there were expectations that the tide was about to turn. The Company had entered into an agreement with a US company which would enable it to sell its machine in the US market, which is far larger than that in the UK.
  - 2 2 4 To enable the Company to capitalise on this opportunity it had approached Rabo Ventures ("Rabo") to provide further working capital funding. Discussions had been progressing well but were taking longer than anticipated. Consequently, in March, a group of individuals connected with the Company ("the Syndicate") lent the Company a further £100,000 to "see it through" while the deal with Rabo was finalised.
  - 2 2 5 It was agreed at this stage that this additional lend would be supported by the Company providing a charge over its assets to the Syndicate. Whilst this was agreed in principle at this point no paperwork was prepared.

## THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION

- 2 2 6 Subsequent to this the Company was hit by two events which made its continuing operation difficult. Its Managing Director, Ian Bidmead, resigned having found alternative employment and Rabo concluded that it was not interested in providing further funding at this time.
- 2 2 7 These events led to the board seeking my advice on what steps it ought to take to protect the business. I first met with Adam Green, one of the directors, on 4 May 2012 and later with the entire board on 15 May 2012.
- 2 2 8 At the latter meeting the board concluded that the Company should be placed into administration with a view to putting forward voluntary arrangement proposals. I was formally appointed on 24 May 2012 following the filing of the requisite paperwork at court.
- 2 3 Company Voluntary Arrangement ("CVA")
- 2 3 1 On the day of my appointment I visited the Company's premises in Tewkesbury and interviewed the staff present. It was clear that the Company was unable to generate sufficient revenues to sustain its current cost base and the board had made it clear their intended CVA would be prepared on the basis of a very small UK operation.
- 2 3 2 As explained above Mr Bidmead had already handed in his resignation at this point and so was released from his need to work his notice. The remaining staff with the exception of the technical director, Chris Craven were made redundant. The hope then being that the income generated from the consumables would be sufficient to cover the costs of the business in the short-term whilst the CVA was formulated.
- 2 3 3 However, I was then advised that the machines themselves had a technical problem. They were supposed to have a self-cleaning mechanism which cleansed the pipework after the machine had been used. Unfortunately, this system was not working as intended and instead syrup was leaking into this closed loop system and bacteria was forming within it.
- 2 3 4 In fact I was presented with images of the pipework coated in black bacterial growth. Whilst, there was no evidence that there was a direct danger to the public using these machines, the problem clearly needed to be addressed.
- 2 3 5 I asked Mr Craven to carry out an assessment of the costs involved in correcting the fault and carrying out a full system clean of each of the machines currently in use. Unfortunately, this proved to be impractical both in terms of cost and time and so could not be followed through.
- 2 3 6 As a consequence, customers were contacted and advised not to use their machines in the interim but that it was anticipated that a CVA would be put forward shortly and the Company would then be able to undertake the work necessary.
- 2 3 7 This meant that there was no further requirement for Mr Craven and he was also made redundant.

## THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION

- 2 3 8 The Company's largest unconnected creditor was Darenth who had outstanding sums owed to it under the design and supply agreement. It was also the Company's only manufacturer of its product and I impressed upon the board the need to ensure that they had discussed the matter with Darenth and obtained its approval.
- 2 3 9 Matters were further complicated following me receiving notice of a debenture registered by the Syndicate against the Company, see 2 4 below.
- 2 3 10 Notwithstanding this I continued to push for proposals from the board and its solicitors for a CVA. To get a CVA approved it is necessary to show that 75% of unconnected creditors are in favour of it. The board suggested that it was able to "force through" a CVA by treating The Green Drinks Holding Company Limited ("Holdings") as unconnected.
- 2 3 11 My position was that as 100% shareholder there was little doubt that they were connected. However, the board argued that one of the debts in Holdings, from Societe Financiere Des Sucres S A ("Finasucre"), was in actual fact a direct loan to the Company and therefore should be treated as unconnected. I disputed this.
- 2 3 12 I finally received draft proposals on 3 July 2012. However to my mind they were not suitable for putting before creditors and a meeting was called to discuss them in more depth.
- 2 3 12 Following this meeting on 11 July 2012 I was able to draw together the board's embryonic proposals into a more appropriate form and compile forecasts, based on the Company's data, of what the outcome would be. These projected a return to creditors of 100p/£ over a two year period.
- 2 3 13 As explained previously, it was crucial, in my eyes, that any CVA proposals had the support of Darenth. With this in mind I organised a meeting with its Managing Director on 24 July 2012 to discuss the proposals and seek his views and e-mailed him a copy of the draft proposals in advance.
- 2 3 14 Unfortunately, at that meeting it was made clear to me that the only agreement which Darenth would agree to was under which it received payment in full prior to the commencement of any further work. Given the Company's financial position this was not something it was in a position to provide.
- 2 3 15 This being the case it was no longer possible to follow on with the idea of a CVA and in fact at the creditors' meeting held on 1 August 2012 this part of my administration proposals was rejected.
- 2 4 The Debenture
- 2 4 1 As mentioned above the Syndicate had lent £100,000 in March 2012, however, at the time of my meeting with the board and it instructing me on 15 May 2012. The only documentation relating to this was an exchange of e-mails and a board minute.
- 2 4 2 Following my instruction on 15 May 2012 a debenture was created by the Syndicate on 17 May 2012 and then filed at Companies House on 30 May 2012.

## THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION

- 2 4 3 The process of appointing an administrator differs in scenarios where there is, or is not, a debenture holder and as there had not been one at the time of my instruction on 15 May 2012 I had been appointed under one set of rules when, following the creation of this debenture on 17 May 2012, it should have been another
- 2 4 4 There was also the issue of whether a debenture created under such circumstances was valid and binding
- 2 4 5 I was left with no choice but to seek legal advice on both these issues. It also became clear that members of the board were not in full agreement with the creation of the charge and wished to challenge its validity
- 2 4 6 I was advised that under the circumstances I should seek clarification from the court on whether my appointment was valid and as there were questions being raised about the validity of the debenture I should take the opportunity to seek clarification on the standing of it at the same time
- 2 4 7 Both the Syndicate and other creditors robustly put forward their opposing views. However, eventually an agreement was reached on the validity of the debenture, which followed the advice of my solicitors. This was, that despite the timing of the creation of the charge it was a reasonably fair representation of the intention of the parties and therefore was valid
- 2 4 8 On 20 July 2012 the Court ruled that my appointment was valid notwithstanding the creation of the debenture in the hiatus period. In accordance with the agreed stance on the debenture, this point was not put before the Court
- 2 5 The American Stock
- 2 5 1 At the time of my appointment there was a supply of "sub-assemblies" (the internals of a vending machine) which had been ordered by the US company and manufactured by Darenth
- 2 5 2 I had hoped that I would be able to complete this deal which would result in releasing the funds due from the US company and reducing the debt owed to Darenth
- 2 5 3 Whilst there was a valid purchase order for this transaction, from the US company to the Company, there was a dispute over whether the machines produced matched the specification required
- 2 5 4 The dispute centred on whether there was an ozone sensor fitted. Prior to my appointment there had been a number of e-mails trying to assess the cost and strategy for developing the sensor. Whilst, Darenth had provided a guide for the cost of doing so, it had not been instructed to start work at the date of my appointment
- 2 5 5 Given the Company's precarious financial state Darenth was unprepared to undertake this work without payment upfront. I was unable to do so and the customer was unwilling to take delivery or make payment without this sensor

## THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION

- 2 5 6 Whilst it was argued that the purchase order did not state that this sensor was a requirement for the order it was clear that whilst this dispute was in existence obtaining payment would be difficult. Whilst the CVA was being proposed it was envisaged that the Company would solve this issue once it was up and running again. Once the CVA was shelved the eventual demise of the Company, following the sale of its assets, made it even less likely that the debt could be collected as the Company would no longer be able to honour its on-going obligations.
- 2 6 The sale
- 2 6 1 As a CVA was now unworkable it was then my duty to realise the assets of the Company for the highest value possible. During the period that I had been dealing with the Company I had been contacted by a number of parties who were interested in buying its assets.
- 2 6 2 I was also aware from conversations which I had held with various connected parties that they were also interested in purchasing the assets. The difficulty which most parties were struggling with was that as the greatest value was likely to be in the intellectual property (and given that the product had not had much exposure to the market) it was very difficult to place a value upon it.
- 2 6 3 There was the added complication of a number of parties being situated in different countries making a traditional auction impractical. Therefore instead of asking interested parties to submit sealed bids I asked them to partake in an online auction.
- 2 6 4 A sales pack was prepared and distributed to those parties who had expressed interest in purchasing the business and through our agents, Edward Symmons LLP, a further 31,000 parties were contacted.
- 2 6 5 The date of the auction closing was set for 5 September 2012. However, a number of parties requested additional time to consider matters before bidding. I therefore took the decision to extend the auction for a further week.
- 2 6 6 On 12 September 2012 the auction closed for a value of £350,000 plus VAT plus a buyer's premium of 10%. The purchaser was required to pay a non-refundable deposit of £50,000 immediately after the auction closed, which was received. My intention had then been to complete the transaction within 4 weeks of the auction closing.
- 2 6 7 A day prior to this deadline the purchaser contacted me and explained that he was not in a position to complete the following day. This left me with a stark choice, I could go back to the other interested parties and hold a further auction, however, that would inevitably incur further delays (and may not result in as good a price), or I could contact the second highest bidder and ask whether they were still interested, but again there would be a delay between that conversation and completion. In the end I granted an extension, on the condition that a further non-refundable deposit of £50,000 was paid.



## THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION

2 6 8 This was duly received and a revised completion date of 5 November 2012 was set I am pleased to say that completion did take place on that day and that the balance of the purchase price was paid over However, I am aware that my agents have not received the buyer's premium and are pursuing that debt

2 6 9 The completion price was allocated in the following manner,

Asset	Price Apportionment
Machines	£90,000
Seller's Records	£1
Stock	£10,000
SVA Agreement	£1
Business Intellectual Property Rights	£249,997
Goodwill and Business Name	£1
<b>Total</b>	<b>£350,000</b>

2 7 Book debts

2 7 1 At the date of my appointment the company's SAGE accounting system indicated that there were book debts of approximately £24,000 outstanding from the Company's customers

2 7 2 This mainly related to the provision of boxes of syrup, pouches and machine parts

2 7 3 I wrote to all parties shown as having an outstanding balance asking for immediate payment It became apparent that a number of these payments had been made in the period leading up to the Administration

2 7 4 Further investigations revealed that the SAGE accounting system was only updated on a monthly basis at the start of each month and that a number of payments had not been updated on the accounting system at the date of my appointment on the 24th

2 7 5 It also became apparent that a number of the orders shown on the system had not been fulfilled

2 7 5 I have currently realised £10,219 40 in respect of these book debts

2 7 6 The statement of affairs also showed that there were additional debtors due to the Company of £87,000 This related to a liability due in relation to the American Stock detailed above

2 7 7 No further realisations are anticipated

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

### **2 8 Cash at bank**

2 8 1 At the date of my appointment the Company's bank account held £78,891 51 This was realised shortly after my appointment

### **2 9 Other assets**

2 9 1 There was a small amount of cash on-site at the Company's premises and I have also obtained a number of small refunds

### **3.0 Assets still to be realised**

3 1 There are no other assets realisations expected

### **4 0 Investigations**

4 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

4 2 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate This assessment took into account information provided by creditors My investigations are ongoing and I have identified a couple of issues which will most likely be dealt with in the forthcoming liquidation, see below However, in order to not prejudice any action which may be brought I am unable to disclose to creditors the details at this juncture

## THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION

### 5.0 Pre-administration costs

5.1 On 1 August 2012 the following amounts in respect of pre-administration costs were approved

Name of recipient	Brief description of services provided	Total amount approved
Milsted Langdon LLP	Assisting the company and advising the directors on the Administration process and placing the Company into administration	£2,000
Milsted Langdon LLP	Court fee, photocopying, faxes, mileage	£41.00

### 6.0 Administrator's Remuneration

6.1 The 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

6.2 My time costs for the period from 24 May 2012 to 23 November 2012 are £100,625.34. This represents 750.69 hours at an average rate of £134.04 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Administration. To date, £91,395.22 plus disbursements of £1,114.27 has been drawn on account.

6.3 Whilst my time costs are now higher than those shown in my proposals, although only fractionally at 23 November 2012, I have concluded that I will voluntarily cap them at that level (£100,000) in order to improve the return to creditors.

6.4 As the level of costs is high, even with that cap, I have attempted to allocate the costs to the matters arising in this administration. The split of time is an approximation based on the narratives from posted timesheets, there is an inevitable cross over as one piece of work may very well cover more than one area. However, by linking the areas below to the matters raised in this report hopefully this will provide creditors with a greater understanding of how the costs have arisen.

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

<b>Heading</b>	<b>Brief description</b>	<b>Cost</b>
Regulatory and Statutory obligations	These are items which I am required to undertake as Administrator	£11,396 27
CVA	Dealing with preparing drafting and negotiating the proposed CVA	£11,927 50
Debenture	This includes, both looking at the validity of the debenture and asking the Court for clarification on my appointment	£6,977 15
Sale of assets	Dealing with the sale of the assets	£27,541 60
Creditors	Queries and requests not related to any of the other areas	£20,693 41
Trading	Dealing with customer enquiries and the initial assessment of the business as well as dealing with the premises	£17,666 26
Investigations	Investigating the conduct of the directors and the pre-insolvency management of the Company	£4,423 15
<b>Total</b>		<b>£100,625 34</b>

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

<b>Description</b>	<b>Explanation</b>
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. For more detail, see above.
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 [www.milsted-langdon.co.uk](http://www.milsted-langdon.co.uk).

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

6.6 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

6.7 Since the 25 May 2012 the following Category 2 disbursements have been drawn

• Faxes	5 50
• Photocopying	98 10
• Travel Costs	160 50
• Mileage	470 45
• Subsistence	36 40
• Mailing fee	239 75
• Sundry Insolvency Costs	60 00
• Company Searches	1 00
• Parking	10 00

**7.0 Administrator's Expenses**

7.1 Between 24 May 2010 and 23 November 2012 the following expenses have been incurred and paid

Description	Incurred	Paid	Outstanding
Specific Bond	£400 00	£400 00	Nil
Archive Management	£22 54	£22 54	Nil
Legal Fees	£43,353 00	£39,818 50	3,534 50
Legal Disbursements	£290 03	£290 03	Nil
Counsel Fees	£4,975	£4,975	Nil
Courts - Statutory Advertising	£153 00	£153 00	Nil
Agents' fees	22 500	10,000	12,500
<b>Total</b>	<b>£71,693 57</b>	<b>£55,659.07</b>	<b>£16,034 50</b>

**8.0 Estimated outcome for creditors**

8.1 An Estimated Outcome Statement as at 24 November 2012 is attached at Appendix C. The first statement shows the expected outcome for the administration, the second the subsequent liquidation. This will hopefully help creditors assess the likely return to them.

## THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION

### 8.2 Secured Creditors

8.2.1 The Syndicate held a fixed and floating charge over the Company's assets. At the date of the Administration the indebtedness to the secured creditor was £100,000. As explained above, whilst this debenture was created in-between the notice of intention to appoint being filed and my appointment, my solicitors have advised me that this charge was valid.

8.2.2 As such the Syndicate's claim of £100,000 has now been agreed and was settled shortly after the completion of the sale. Consequently, this debenture has now been released.

### 8.3 Preferential Creditors

8.3.1 A summary of preferential claims is detailed below. I expect to be able to settle these in the New Year.

Preferential claim	Claim £	Statement of Affairs £	Dividend paid p in the £
Employee claims (Total number of claims = 5)	7,359.66		Nil
Department for Business Innovation & Skills (BIS)	4,845.34	12,205	Nil

### 8.4 Unsecured Creditors

8.4.1 I have received claims totalling £2,815,815.19 from 29 creditors. I have yet to receive claims from 11 creditors, whose debts total £15,834.68 as per the Company's statement of affairs.

8.4.2 As the Syndicate was paid out in full under its fixed charge there is no requirement to calculate a prescribed part distribution and the net property will be made available to the liquidation for distribution to creditors.

8.4.3 A number of creditors have raised concerns about the level of some creditor's claims and with this in mind I have set out the position of the four largest claims for creditors to consider.

8.4.4 As administrator I do not have the automatic right to admit or reject unsecured claims, that is a matter for a liquidator, I therefore am unable to provide my judgement on these claims until the Company enters liquidation.

## THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION

### 8 5 Holdings

8 5 1 The Company's parent company has submitted a claim for £2,026,892.44. This represents funds paid into the Company over a number of years. Most notably including a loan of £1,562,111.46 provided by Finasucre to Holdings, the majority of which was paid down to the Company. This was paid in two tranches in May 2010 and August 2010.

8 5 2 In addition to this there were a number of long term liabilities owed to directors and shareholders which appear to have been "hived up" to the parent when the current structure was put in place.

### 8 6 Darenth

8 6 1 Darenth's claim totals £406,416.84. As explained above Darenth entered into a design and supply agreement with the Company. This enabled the Company to make stage payments towards the development process over a period of 24 months. Of these payments £140,000 plus VAT remains outstanding.

8 6 2 Darenth has also claimed for a further £70,000 plus VAT which it was promised outside of this agreement by the Company's then Managing Director in return for extending further credit. Other than the exchange of e-mails there is no formal documentation for this liability.

8 6 3 Darenth then has a claim for £74,571.12 in respect of the American stock, referred to above. These items were produced and are currently residing in Darenth's warehouse. However, if the purchaser concludes not to use them for its ongoing business, then Darenth will suffer a loss in this respect.

8 6 4 Finally Darenth has submitted a cost for ancillary losses in respect of parts held and work undertaken for which it now has no use following the demise of the Company. I have received no substantiation for this part of the debt.

### 8 7 Adam Green

8 7 1 Mr Green is one of the directors of the Company and its founder. I understand his claim for £156,828 represents funds invested in the Company during its trading life.

8 7 2 Mr Green's claim relates to two director's loan accounts that he held. The first was with the company for £47,371 and the second was with the Holdings for £109,457.

### 8 8 Ian Bidmead

8 8 1 As explained above Mr Bidmead was the Managing Director of the Company and resigned shortly before my appointment. He therefore was not made redundant but was released from having to work his notice. His claim therefore does not include any claim for redundancy but does include arrears of wages, holiday pay and the notice pay not paid.

## THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION

8 8 2 This claim will have to be mitigated (as with all such claims), in terms of pay in lieu of notice by any sums Mr Bidmead received from his new employer during that notice period

### 9.0 Ending the Administration

9 1 As explained in my proposals I intend to exit administration by placing the Company into creditors' voluntary liquidation. This will then allow me to undertake a distribution to creditors

9 2 I anticipate being able to do this once I have made the distribution proposed to preferential creditors and receiving the relevant tax clearance, which is currently awaited

9 3 I will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon my appointment as Administrator ceasing to have effect

### 10.0 Creditors' rights

10 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

10 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 is inappropriate and/or the remuneration charged or the expenses incurred by the Administrator, as set out in this progress report, are excessive

### 11.0 Next report

11 1 I am required to provide a progress report within one month of the end of the next six months of the Administration, however, I anticipate my next report to be one finalising the Administration and converting the Company into liquidation, as explained above, this should be with creditors early in the New Year

For and on behalf of  
The Green Drinks Company Limited

Simon Ashley Rowe  
Administrator



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

**Receipts and Payments Account for the Period from 24 May 2012 to 23  
November 2012**

**Appendix A**

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

Statement of Affairs	From 24/05/2012 To 23/11/2012	From 24/05/2012 To 23/11/2012
	<b>SECURED ASSETS</b>	
249,997 00	Intellectual property	249,997 00
	249,997 00	249,997 00
	<b>SECURED CREDITORS</b>	
(100,000 00)	Syndicate of investors	100,000 00
	(100,000 00)	(100,000 00)
	<b>ASSET REALISATIONS</b>	
100,000 00	Stock	90,000 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	85 38
	179,877 34	179,877 34
	<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	91,395 22
	Office holder's expenses	1,114 27
	Counsel Fees	4,975 00
	Solicitors disbursements	290 03
(25,000 00)	Legal fees	43,353 00
	Statutory advertising	153 00
	Rates and rent	16,336 51
	Insurance of assets	413 76
	Wages & salaries	2,753 25
	General buffer	NIL
	(163,225 04)	(163,225 04)
	<b>PREFERENTIAL CREDITORS</b>	
(12,205 00)	Redundancy Payments Office	NIL
	NIL	NIL
	<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)	(1,617 70)
	<b>DISTRIBUTIONS</b>	
(2,805 00)	Ordinary shareholders	NIL
	NIL	NIL

(2,490,581 45)

165,031 60

165,031 60

REPRESENTED BY

Vat receivable  
Bank 1 Current  
VAT payable

19,224 93  
215,806 67  
(70,000 00)

-----  
165,031 60  
-----

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

Notes

This estate is VAT registered and therefore VAT should be recoverable

No dividends have been paid to creditors

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

**Time Analysis for the Period from 24 May 2012 to 23 November 2012**

**Appendix B**

**The Green Drinks Company Limited**  
**Time and disbursement analysis**  
**For the period 24 May 2012 to 23 November 2012**

Charge group	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total	Total cost (£)	Avg Hourly Rate (£)
Administration & planning	25 60	74 16	130 89	78 35	309 00	35 498 29	114 88
Investigations	15 36	3 75	41 30	17 00	77 41	9 178 20	118 57
Realisations	93 50	15 15	58 00	12 90	179 55	30,181 80	168 10
Trading	16 25	0 00	0 00	0 00	16 25	3,575 00	220 00
Creditors	24 63	13 00	125 25	5 60	168 48	22,192 05	131 72
<b>Total time</b>	<b>175 34</b>	<b>106 06</b>	<b>355 44</b>	<b>113 85</b>	<b>750 69</b>	<b>100,625 34</b>	<b>134 04</b>

**Disbursements**

Faxes	5 50
Photocopying	98 10
Sundry Disbursements	10 00
Travel Costs	160 50
Subsistence	36 40
Mileage	514 68
Mailing Fee (Insolvency)	239 75
Archive Management (Insolvency)	22 54
Sundry Insolvency Costs	60 00
Company Searches	1 00
Parking	10 00
<b>Total disbursements</b>	<b>1,158 47</b>

**Grand Total** **101,783 81**

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

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

**Estimated Outcome Statement as at 23 November 2012**

**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)	
					<u>(100,000)</u>
Surplus c/d					<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	
Buyer's premium		35,000		35,000	
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		42	0	42	
Secured Asset Surplus b/d				149,997	
					<u>374,832</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		91,395	8,605	100,000	
Office holder's disbursements		1,114	0	1,114	
Counsel's fees		4,975	0	4,975	
Solicitor's disbursements		290	0	290	
Solicitor's fees		39,819	3,400	43,219	
Statutory advertising		153	0	153	
Rates and rent		16,337	0	16,337	
Insurance of assets		414	0	414	
Wages & salaries		2,753	0	2,753	
PAYE/NI		1,618	0	1,618	
Council tax			500	500	
Corporation tax			1,000	1,000	
Agent's fees		10,000	12,500	22,500	
					<u>(197,314)</u>
					177,518
<b>Preferential Creditors</b>					
Redundancy Payments Office	(12,205)	0	13,174	13,174	
					<u>(13,174)</u>
Balance transferred to Liquidation					<u>164,344</u>

## Estimate of Outcome within the liquidation

	Statement of Affairs £	Future Movement £	Estimated Outcome £	Total £
<b>Asset Realisations</b>				
Balance from administration		164,344	<u>164,344</u>	164,344
<b>Cost of Realisations</b>				
Specific bond		250	250	
Office holder's fees		15,000	15,000	
Office holder's disbursements		500	<u>500</u>	<u>(15,750)</u>
				148,594
<b>Unsecured Creditors</b>				
Trade & expense creditors	(606,889)	38,328	38,328	
Employees	(93,000)	6,151	6,151	
HM Revenue & Customs (VAT)	(24,679)	1,252	1,252	
Holding company	(2,000,000)	102,863	<u>102,863</u>	<u>(148,594)</u>
				<u><u>0</u></u>



# THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION

## Additional Information in Relation to Administrator's Fees Pursuant to Statement of Insolvency Practice 9

Appendix D

### Policy

Detailed below is Milsted Langdon LLP's policy in relation to

- staff allocation and the use of sub-contractors,
- professional advisors, and
- disbursements

### *Staff Allocation and the use of Sub-contractors*

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

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. The charge out rate schedule below provides details of all grades of staff and their experience level.

We are not proposing to utilise the services of any sub-contractors in this case.

### *Professional Advisors*

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

Name of Professional Advisor	Basis of Fee Arrangement
Veale Wasbrough Vizards (legal advice)	Hourly rate and disbursements
Insolvency Risk Services (insurance)	Set premium
Edward Symmons LLP (valuation and disposal advice)	Hourly rate and disbursements and 2.5% commission on the uplift from the reserve for finding the successful bidder

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.

## THE GREEN DRINKS COMPANY LIMITED - IN ADMINISTRATION

### *Disbursements*

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 postage, 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.

Category 2 disbursements do require approval from creditors. These are 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, document storage or business mileage.

On this case the following costs have been incurred

<b>Disbursement</b>	<b>Charge</b>
Faxes	20p per sheet
Internal room hire for creditors' meetings	£70
Mailing Fees (including postage, per item)	
Large	80p
Small	60p
Large - over 20 pages	£1.00
For IVA Proposals	£3.25
Mileage	45p per mile
Photocopies	10p per sheet

### **Charge-out Rates**

A schedule of Milsted Langdon LLP charge-out rates for this assignment effective from 1 May 2012 is detailed below

	<b>(Per Hour)</b> <b>£</b>
Partner	220-240
Manager	168
Administrator	84-115
Support Staff	28-63

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

**Form 2 24B – Notice of Administrator’s progress report**

**Appendix E**