

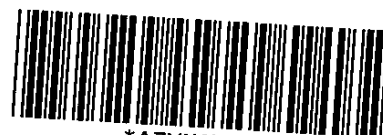
AM03

Notice of administrator's proposals



Companies House

TUESDAY



A14 *A7YNAY4J*
05/02/2019 #321
COMPANIES HOUSE

1 Company details

Company number 0 4 6 7 9 9 3 2
Company name in full Luxx Light Technology (UK) Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Simon Franklin
Surname Plant

3 Administrator's address

Building name/number 9 Ensign House
Street Admirals Way
Post town Marsh Wall
County/Region London
Postcode E 1 4 9 X Q
Country

4 Administrator's name

Full forename(s) Daniel
Surname Plant

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address

Building name/number 9 Ensign House
Street Admirals Way
Post town Marsh Wall
County/Region London
Postcode E 1 4 9 X Q
Country

② Other administrator
Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

6 Statement of proposals



I attach a copy of the statement of proposals

7 Sign and date

Administrator's
Signature

Signature
X

X

Signature date

^d0^d4

^m0^m2

^y2^y0^y1^y9

AM03

Notice of Administrator's Proposals



Presenter information

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

Contact name	Simon Franklin Plant
Company name	S F P
Address	9 Ensign House
	Admirals Way
Post town	Marsh Wall
County/Region	London
Postcode	E 1 4 9 X Q
Country	
DX	
Telephone	020 7538 2222



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☒ The company name and number match the information held on the public Register.
- ☒ You have attached the required documents.
- ☒ You have signed and dated the form.



Important information

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



Where to send

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

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



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Strictly Private and Confidential

Luxx Light Technology (UK) Limited (In Administration)

The Joint Administrators' Proposal

**Simon Franklin Plant
MIPA FABRP**

**Daniel Plant
MIPA FABRP**

**SFP
9 Ensign House
Admirals Way
Marsh Wall
London
E14 9XQ**

Tel: +44 (207) 5382222

Fax: +44 (207) 5383322

This document has been written and presented for the sole purpose of complying with the relevant provisions of the Insolvency Act 1986. It may not be disclosed, disseminated or copied without our prior written permission, other than to those entitled under statute or otherwise as ordered by the Court, and no liability will be accepted to any other person or party who acts or refrains from acting on its contents.

Contents

1. Executive Summary
2. Introduction
3. Statement of Pre-Administration Costs
4. The Joint Administrators' Fees
5. The Joint Administrators' Expenses
6. Proposed Work to be Undertaken
7. Other Information to Support the Fees and Expenses Estimates
8. The Joint Administrators' Discharge
9. Approval Process

Appendices

- I. The Statement of Proposals
- II. Breakdown of Pre-Administration Time Costs for SFP
- III. Charge-out Rates and Bases of Disbursements ("SFP's Summary")
- IV. Breakdown of Time Costs for SFP
- V. Breakdown of Time Costs for SFP Property
- VI. The Joint Administrators' Fees Estimate
- VII. The Joint Administrators' Expenses Estimate

1. Executive Summary

**APPENDIX I
SECTION
REFERENCES**

- | | |
|---|----------------------------|
| <p>1.1 The Company was placed into Administration on 13 December 2018. The purpose of rescuing the Company as a going concern was not achievable. The primary purpose of the Administration is therefore to achieve 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).</p> | Section 4 |
| <p>1.2 The Company was incorporated on 27 February 2003 for the purpose of providing lighting components for the retail cosmetics industry. Its registered office was located at Galla Houses, 695 High Road, North Finchley, N12 0BT. Its trading premises were located at Unit 4 Montgomery Way, Biggleswade, SG18 8UB and at 22 High Street, Barnet, EN5 SRU. A history of the Company's trading activity together with the events leading the Director to seek to place the Company into Administration are detailed in Section 3 of Appendix I.</p> | Section 3 |
| <p>1.3 In pursuing the second Administration objective, the Joint Administrators' strategy was to seek to achieve a sale of the business and assets on a going concern basis, as this would vastly improve the result for the secured and preferential creditors. Given the lack of available funding and uncertainty surrounding the potential income, which may have resulted in a trading loss, continued trading of the business was not an option. The Joint Administrators have now completed a sale of the business and assets on a going concern basis. As the sale was negotiated after the Joint Administrators' appointment, the disclosure requirements of SIP16 do not apply. However, in the interest of transparency, relevant information in the form of a SIP16 Statement has been disclosed.</p> | Section 5
and 6 |
| <p>1.4 The purpose of the Administration is still in the process of being achieved and there is still a significant amount of work to be undertaken. This includes collecting the deferred sale consideration, debtor recoveries, continued investigations into the Company's affairs, statutory reporting and concluding the Company's interest in the Trading Premises. The Joint Administrators consider that it may be advisable for the Company to continue in Administration for the time being, although the Statement of Proposals provides details of the proposed exit route from Administration in due course. On present information, there will not be a dividend to preferential and non-preferential unsecured creditors.</p> | Section 7 |
| <p>1.5 Questionnaires have been sent to creditors. Responses may assist the Joint Administrators with their general investigation duties. Accordingly, those who have not replied are urged to do so.</p> | Section 11 |

2. Introduction

- 2.1 This Proposal incorporates the Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act ("the Statement of Proposals") attached at **Appendix I**.
- 2.2 The Statement of Proposals provides explanations of the events leading to the Administration and the progress of the Administration to date, as well as statutory information relating to the proposed completion of the Administration.
- 2.3 This Proposal provides more detailed information on the work that the Joint Administrators anticipate they will undertake to complete the Administration together with their proposed basis of fees. To put this request into context, this Proposal provides further information on the Joint Administrators' costs to date, including the costs incurred prior to Administration. It also explains other matters for creditors' consideration, such as the proposed timing of the Joint Administrators' discharge on conclusion of the Administration.
- 2.4 Definitions of the terms used in this Proposal are provided in **Appendix I** together with all statutory information pertaining to the Company.

3. Statement of Pre-Administration Costs

- 3.1 The Statement of Proposals provides an account of the work done prior to the Administration. The Company agreed to this work being done by SFP by means of an engagement letter signed on 13 December 2018. This work was carried out before the Company entered Administration in order to determine that it was reasonably likely that the purpose of Administration would be achieved, to brief the Team and MBV in preparation for the appointment and with the assistance of Trethowans solicitors to enable the necessary formalities to be completed to place the Company into Administration. As the first objective of an Administration is to rescue the company as a going concern, the Joint Administrators and their staff spent some time prior to Administration reviewing the Company's ability to continue to trade under Administration. Prior to Administration, it was considered advantageous also to prepare to move swiftly to sell the business and assets of the Company in the event that it became apparent that a second CVA was not possible. Thus, agents were engaged with a view to valuing the business and assets and advising on the most beneficial means of pursuing a sale; it was felt that this action would further, if necessary, the second objective of achieving a better result for creditors as a whole than would be likely if the Company were wound up.

- 3.2 In conducting the above work, the following costs were incurred:

	£
SFP's time costs (see Appendix II)	3,228.50
MBV	3,898
Trethowans	950

- 3.3 Attached at **Appendix II** is a breakdown of the time costs of the Joint Administrators and their staff incurred prior to Administration and included within **Appendix III** are SFP's charge-out rates and bases of disbursements.
- 3.4 The payment of the unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Rules and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Act. Further explanation of the approval process is provided in **Section 10**.

4. The Joint Administrators' Fees

- 4.1 As explained in the Statement of Proposals, the Joint Administrators propose to fix their fees by reference to the time properly given by them and their staff in attending to matters arising in the Administration.
- 4.2 Attached at **Appendix IV** is a breakdown of the time costs incurred in the Administration to date. The Statement of Proposals provides an account of the work undertaken to date and **Appendix VI** provides a detailed list of work undertaken and proposed to be undertaken by the Joint Administrators and their staff.

As explained in the Statement of Proposals, the Team attended at the Trading Premises for 5 days to deal with all aspects of the Company's business including liaising with employees and suppliers to ensure that a going concern sale remained viable. Although significant time costs were incurred in this activity (largely categorised as *Statutory and General Administration in Appendix IV*), the Joint Administrators consider this strategy was justified in view of the substantially enhanced realisations and reduced contingent claims of some creditors, in particular the employees, achieved by the successful going concern sale.

- 4.3 The charge-out rates of the Joint Administrators and their staff are detailed in **Appendix III**. The grades of staff instructed to assist in this matter and their key responsibilities include:
- 4.3.1 Support Staff: maintenance of the creditor contact database, assisting with creditor queries and sending reports to creditors;
 - 4.3.2 Administrators: on-site attendance, reviewing the Company's position and affairs, assisting in the realisation of assets, employee matters, liaising with creditors and debtors, preparing statutory reports to creditors, returns to Companies House, and managing the Treasury function of the case; and
 - 4.3.3 Managers: on-site attendance, reviewing the Company's position and affairs, handling asset realisations, reviewing draft statutory reports to creditors, returns to Companies House, other statutory matters and overseeing the tax and VAT aspects of the case.
- 4.4 In view of the complex issues arising in this case and in an effort to limit the time costs incurred by the Joint Administrators themselves, it has proven necessary to involve the manager to a greater degree than otherwise would have been the case.
- 4.5 Creditors may access a Guide to Administrators' Fees at <http://panel.sfpgroup.com> or a hard copy will be provided on request.
- 4.6 Further information is set out below and in the appendices to explain the future time costs that the Joint Administrators anticipate incurring in this Administration.

5. The Joint Administrators' Expenses

- 5.1 The Joint Administrators' expenses may be divided into two categories:
- 5.1.1 Category 1 expenses are costs that can be specifically identified as relating to the administration of the case. These are charged to the estate at cost with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums and properly reimbursed expenses. Legislation provides that administrators may discharge Category 1 expenses from the funds held in the insolvent estate without further recourse to creditors.
 - 5.1.2 Category 2 expenses are costs that are also directly referable to the appointment in question but not to a payment to an independent third party. Payments may only be made in relation to Category 2 expenses after the relevant creditors have approved the bases of their calculation.
- 5.2 As explained in the Statement of Proposals, the Joint Administrators have instructed SFP Property to assist with the property matters arising in the Administration. SFP Property has been established by SFP to perform functions that either the office holders or outside agencies could undertake. It is considered that by virtue of the specialist nature of SFP Property and its close proximity to SFP, it will achieve better results than the office holders, their team or any outside agencies would be able to accomplish.
- 5.3 **Appendix III** provides a summary of the charge-out rates for SFP Property. Also set out in that appendix are the bases of other Category 2 expenses that the Joint Administrators propose to recover from the insolvent estate.

- 5.4 A breakdown of the time costs incurred by SFP Property since the start of the Administration is attached at **Appendix V**. For further information regarding the work carried out to date by SFP Property, please refer to the Statement of Proposals.

6. Proposed Work to be Undertaken

- 6.1 Substantial work needs to be undertaken in order to progress and conclude the Administration. Set out in **Appendix VI** is a detailed list of tasks that the Joint Administrators propose that they and their staff will undertake together with estimates of the time these tasks will take to carry out. The most material tasks are summarised below. The Estimated Outcome Statement attached to the Statement of Proposals provides an overview of the financial benefit that this work is expected to bring to creditors.

Statutory and General Administration

- 6.2 The Joint Administrators are required to meet a considerable number of statutory and regulatory requirements. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the Administration, which ensures that the Joint Administrators and their staff carry out their work to high professional standards.
- 6.3 Primarily, these tasks will include:
- 6.3.1 issuing this Proposal, seeking relevant creditors' approvals and issuing notice of the outcome;
 - 6.3.2 drafting and issuing 6-monthly progress reports to creditors and filing statutory documents with the Registrar of Companies;
 - 6.3.3 consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
 - 6.3.4 consulting with SFP Property to receive progress updates and to agree strategies;
 - 6.3.5 maintaining case files, which must include records to show and explain the Administration and any decisions made by the Joint Administrators that materially affect the Administration;
 - 6.3.6 monitoring and maintaining an adequate statutory bond;
 - 6.3.7 conducting periodic case reviews to ensure that the Administration is progressing efficiently, effectively and in line with the statutory requirements;
 - 6.3.8 maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments;
 - 6.3.9 completing periodic tax returns and settling any associated liabilities;
 - 6.3.10 considering whether an extension to the Administration is necessary and, if so, seeking approval for this from the relevant creditors or the court and issuing notice of the outcome; and
 - 6.3.11 considering which exit route from Administration is appropriate and issuing and filing the necessary documents, including a final report, to effect the exit.

Investigations

- 6.4 The Joint Administrators will examine the conduct of the Company and its directors (past and present) prior to the Administration with the objective of identifying what assets are available for realising for the benefit of creditors, including any potential actions against the directors or other parties, such as transactions at an undervalue or preferences. This work will also provide information to enable a statutory report on the conduct of the directors to be submitted to the Insolvency Service.
- 6.5 In the early stages, this work will involve examining the Company's books and records, considering information received from creditors and the Company's accountants and seeking information from the Company's directors by means of questionnaires and/or interviews.
- 6.6 In the event that questionable transactions are identified, it may be necessary to conduct further investigations and instruct solicitors to assist in deciding on the next steps in pursuing a recovery. If the Joint Administrators encounter resistance in obtaining a recovery, formal legal action may be appropriate.

- 6.7 At this early stage, it is difficult to estimate the likely time costs and expenses that may be incurred in this work and the likely financial benefit to creditors that may result from these efforts. The Fees and Expenses Estimates attached reflect the anticipated work in identifying potential causes of action. If any are identified and the Joint Administrators consider that additional work is required, additional legal costs may be incurred and the Joint Administrators may revert to the relevant creditors to seek approval for additional fees.

The Sale of the Business and Assets

- 6.8 As explained in the Statement of Proposals, the Company's business and assets have been sold. The Joint Administrators will continue to collect deferred consideration payments as and when they become due. For the purpose of the Fees Estimate, it is assumed that payments will be received as scheduled in the SPA, however it should be borne in mind that additional work may be required in order to pursue late payments. The Joint Administrators will report the impact of any such work on the Fees Estimate in due course where appropriate.

Debtors

- 6.9 As explained in the Statement of Proposals, the Joint Administrators are currently monitoring and assisting where required Ultimate's efforts to collect the Company's sales ledger. This work will continue until such time as Ultimate is in a position to reassign the remaining ledger to the Company. If this occurs, the Joint Administrators will take steps to collect the remaining book debts, which is likely to involve resolving disputes and queries raised and pursuing recoveries with the assistance of solicitors where appropriate.

The Company's Trading Premises

- 6.10 As explained in the Statement of Proposals, SFP Property has been instructed to value the Company's interest in the Trading Premises and propose an appropriate disposal strategy for it. The Joint Administrators will consider the appropriate strategy and likely will instruct SFP Property to proceed to realise any value in the interest where possible or conclude the Company's interest in a cost-effective manner.
- 6.11 SFP Property will also oversee the payments due in relation to the licence to occupy the Trading Premises from LUS to the landlord.

Additional Issues and Realisations

- 6.12 The Company had entered into a trade finance agreement with Ultimate Trade. It is understood that certain stock ordered by the Company is held in the port subject to payment and taxes. This stock may also be subject to claims of retention of title by the suppliers. It is evident that the Company has no interest in the stock other than to the extent that its value may serve to reduce Ultimate Trade's claim against the Company, which is secured by a floating charge. The Joint Administrators will monitor progress made in relation to the recovery and sale of this stock by LUS and Ultimate Trade.
- 6.13 It is understood that an amount of £80 is held by the Company's pre appointment bank account in respect of cash at bank. Transfer of the funds has been requested.

Creditors

- 6.14 At present, it appears unlikely that there will be sufficient funds to pay a distribution either to preferential or to non-preferential unsecured creditors. The Fees Estimate attached at **Appendix VI** has been created on the assumption that no dividends will be paid from the Administration and that it will terminate by means of filing a notice of move to dissolution.
- 6.15 Irrespective of whether sufficient realisations are achieved to pay a dividend to unsecured creditors, the Joint Administrators envisage carrying out the following key tasks:
- 6.15.1 liaising with the secured creditors in relation to the sale of assets subject to their security;
 - 6.15.2 with the assistance of solicitors, examining the validity of the secured creditors' claims;

- 6.15.3 assisting the employee to receive payments from the RPO;
- 6.15.4 responding to creditors' queries and logging their claims and supporting information; and
- 6.15.5 maintaining the database as regards creditors' contact details and claims.

6.16 If there are sufficient funds to pay a distribution to preferential creditors, the following additional tasks will be carried out:

- 6.16.1 issuing a Notice of Intended Distribution in accordance with statute;
- 6.16.2 agreeing the employee's and the RPO's claims;
- 6.16.3 calculating and paying a distribution to preferential creditors;
- 6.16.4 setting up a new tax reference to enable the PAYE/NI deductions to be paid by means of an online return to HMRC; and
- 6.16.5 dealing with unclaimed dividends.

6.17 If there are sufficient funds to pay a dividend to non-preferential unsecured creditors (by way of a prescribed part), the following additional tasks will be carried out:

- 6.17.1 issuing and advertising Notice of Intended Distribution in accordance with statute;
- 6.17.2 reviewing the tax claims submitted by HMRC and, where it is appropriate, examining the Company's records to adjudicate on HMRC's claims;
- 6.17.3 agreeing the employee's and the RPO's non-preferential claims;
- 6.17.4 setting up a new tax reference to enable any PAYE/NI deductions from the dividend to be paid by means of an online return to HMRC;
- 6.17.5 adjudicating on all other unsecured creditors' claims, including seeking further information and seeking legal advice where necessary;
- 6.17.6 dealing with any appeals to the Joint Administrators' decisions to reject claims;
- 6.17.7 calculating a prescribed part dividend;
- 6.17.8 declaring and paying dividends to unsecured creditors; and
- 6.17.9 dealing with unclaimed dividends.

6.18 Although adjudicating on creditors' claims can be a complicated and time-intensive process, office holders are required to distribute the Company's funds only to parties who have valid claims and in line with the statutory order of priority. Therefore, whilst the time costs incurred in much of this work may not appear to bring direct financial benefit to creditors, it will ensure that the statutory provisions are complied with and that distributions are made in accordance with creditors' statutory entitlements.

7. Other Information to Support the Fees and Expenses Estimates

- 7.1 Attached at **Appendix VI** is an estimate of the time that the Joint Administrators envisage the above work will take to complete. **Appendix VII** provides their estimate of the expenses that have been or are likely to be incurred and includes the costs likely to be incurred by SFP Property.
- 7.2 Please note that the estimates have been provided on the assumptions given below. In the event that it proves necessary for the Joint Administrators to incur additional expenses in performing their duties, they will provide further details in their progress reports, but there is no statutory obligation to ask creditors to approve any adjusted Expenses Estimate. In the event that the Joint Administrators incur time costs in excess of the Fees Estimate, they will only revert to the relevant creditors for approval if they propose to draw any fees in addition to those estimated from the insolvent estate.
- 7.3 In summary, the Joint Administrators propose that their fees be fixed on the basis of time costs and they estimate that they and their staff will spend time totalling £50,000 in conducting the tasks described. This estimate includes the time spent to date of £14,863.50, as described in **Appendix IV**.
- 7.4 You will note from the Estimated Outcome Statement attached to the Statement of Proposals that the Joint Administrators anticipate there will be insufficient funds to pay all the fees and costs incurred in the Administration. As the Joint Administrators expect to discharge the expenses incurred by independent

parties in priority to their fees and those of SFP Property, it is anticipated that a significant proportion of those fees will not be recovered from the estate.

- 7.5** The Fees and Expenses Estimates have been compiled on the assumptions set out below. Please note that these are assumptions only for the purposes of preparing the Estimates in accordance with the statutory provisions. It has been assumed that:

7.5.1 investigations to the extent described in paragraphs 6.4 to 6.7 above will be carried out;

7.5.2 no exceptional work will need to be conducted in order to realise the remaining assets and collect in the deferred consideration; and

7.5.3 there will be no need to extend the Administration.

- 7.6** On the basis of these assumptions, the Joint Administrators do not anticipate that it will be necessary to seek additional approval from the relevant creditors for fees in excess of the Fees Estimate. However, in the event that the Administration does not proceed as envisaged, the Joint Administrators will seek approval for any fees in addition to those estimated that they wish to draw from the insolvent estate.

8. The Joint Administrators' Discharge

- 8.1** The Act requires that the timing of the Joint Administrators' discharge from liability will be decided by the secured creditors. The Joint Administrators propose that this discharge will take effect when their appointment ceases to have effect, unless the court specifies a time.

9. Approval Process

- 9.1** In the absence of a Creditors' Committee, the matters described in this Proposal are to be decided by the secured creditors. Therefore, this information is provided to other creditors for information purposes only.

Luxx Light Technology (UK) Limited (in Administration)

The Joint Administrators' Proposal

APPENDIX I

- **The Statement of Proposals**

**Appendix I
to the Joint Administrators' Proposal**

Strictly Private and Confidential

Luxx Light Technology (UK) Limited (In Administration)

**Statement of the Joint Administrators' Proposals
Pursuant to Paragraph 49(1) of
Schedule B1 to the Insolvency Act 1986**

**Simon Franklin Plant
MIPA FABRP**

**Daniel Plant
MIPA FABRP**

**SFP
9 Ensign House
Admirals Way
Marsh Wall
London
E14 9XQ**

Tel: +44 (207) 5382222

Fax: +44 (207) 5383322

This document has been written and presented for the sole purpose of complying with the relevant provisions of the Insolvency Act 1986. It may not be disclosed, disseminated or copied without our prior written permission, other than to those entitled under statute or otherwise as ordered by the Court, and no liability will be accepted to any other person or party who acts or refrains from acting on its contents.

Luxx Light Technology (UK) Limited (In Administration)
Statement of the Joint Administrators' Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986

Contents

1. Introduction
2. The Joint Administrators' Appointment
3. Company History and Events Leading to the Administration
4. The Purpose of the Administration
5. Events Following the Joint Administrators' Appointment Leading to Post-appointment Strategy
6. General Progress in Relation to the Administration
7. The Statement of Affairs and the Outcome for Creditors / The Joint Administrators' Receipts and Payments Account
8. The Joint Administrators' Fees
9. Approval of the Statement of Proposals
10. Summary of the Joint Administrators' Statement of Proposals
11. Ancillary

Attachments

- A** Definitions
- B** Statutory Information and Details of the Sale
- C** Estimated Statement of Affairs as at 13 December 2018 / Creditors' Details / Estimated Outcome Statement
- D** The Joint Administrators' Receipts and Payments Account to 25 January 2019

Luxx Light Technology (UK) Limited (In Administration)
Statement of the Joint Administrators' Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986

1. Introduction

- 1.1. This Statement of Proposals is prepared pursuant to Schedule B1, Paragraph 49 of the Act in relation to the Company, the purposes of which are to provide creditors with a full update as to the present position and to set out the Joint Administrators' proposals for achieving an Administration objective.
- 1.2. The Statement of Proposals also includes information required to be provided to creditors pursuant to the Rules. Definitions of the terms used in the Statement of Proposals are provided in **Attachment A** and all statutory information pertaining to the Company is set out in **Attachment B**.
- 1.3. This Statement of Proposals is being delivered to creditors by means of the Joint Administrators' website on 4 February 2019 and it shall be deemed delivered to any creditors who have already requested hard copies two business days later. These statutory delivery dates will not be affected by any requests from creditors for a hard copy of this document after 4 February 2019.

2. The Joint Administrators' Appointment

- 2.1 On 13 December 2018, the Company held a board meeting at the offices of SFP. At the meeting it was resolved that the Company could no longer meet its liabilities as and when they fell due and as a result the Director sought the appointment of Joint Administrators as soon as possible.
- 2.2 The Director filed the Notice of Intention at the Court and subsequently served it upon the Company's qualifying floating charge holders, Ultimate and Ultimate Trade. The Notice of Intention was endorsed with the number 8346 of 2018.
- 2.3 The charge holders consented to the proposed appointment and on 13 December 2018, the Notice of Appointment was presented to the Court by solicitors Trethowans on behalf of the Company's Director. Both Simon Franklin Plant and Daniel Plant were appointed Joint Administrators. Pursuant to Schedule B1, Paragraph 100(2) of the Act, any function may be exercised by either of the Joint Administrators.

3. Company History and Events Leading to the Administration

- 3.1. Albeit that statutory information is contained in **Attachment B**, this Statement of Proposals provides brief details in relation to the Company's history. This history has been compiled following conversations between the Team and the Director, subsequent to the placing of the Company into Administration. The Joint Administrators give no assurances that the events described in this section are accurate or complete.
- 3.2. Mr Leonidou initially worked in signage and print, before assisting a friend with a lighting project.
- 3.3. Following the completion of the project, Mr Leonidou recognised that there appeared to be more opportunities for repeat business in the lighting industry, through repairs, replacements and equipment upgrades.
- 3.4. Accordingly, Mr Leonidou is understood to have started making plans to launch a business the lighting industry and a company called FX3 was incorporated on 2 October 2002. Whilst it was initially intended that this company be used to trade in signage, it did not however commence trading immediately and remained dormant for several years.
- 3.5. In 2003, Mr Leonidou incorporated the Company specifically for the purpose of providing lighting components for the retail cosmetics industry. In 2010, FX3 changed its name to LED and it was used to trade alongside the Company.
- 3.6. The table below sets out the key people of the Companies and their position / responsibilities:

Luxx Light Technology (UK) Limited (In Administration)
Statement of the Joint Administrators' Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986

Name	Formal Position / Job Title	If Formal Position, the dates of service:	Role / background details
Mr Leonidou	Managing Director	From 2003 (the Company) From 2002 (LED)	Managing Director

- 3.7. A table setting out the trading premises of the Companies, together with all previous addresses, is provided below:

Address	Period of Occupation and Terms	Purpose of Premises	Comments and reasons for ending occupation, if applicable
The Barnet Premises	No official terms of occupancy (landlord is understood to be Mr Leonidou).	Retail Unit and Storage	N/A
The Trading Premises	Lease with landlord, Geoghegan in the name of the Company. Terms to be confirmed but understood to have commenced trading here, together with LED in 2014.	Warehousing and Trade Counter	N/A

- 3.8. The Company was initially funded by savings of Mr Leonidou and bank borrowings. It is understood to have traded successfully initially, achieving turnover of circa £250,000 during the early years, rising to circa £1.3m in 2010. Turnover peaked at £3m during subsequent years.
- 3.9. In 2010, Mr Leonidou decided to commence trading another company to operate alongside the Company, using FX3 as the vehicle. This company was to provide finished goods using components provided by the Company. Mr Leonidou felt that he could manage the risk more effectively by having two separate entities. Accordingly, following the name change from FX3 to LED, LED commenced trading with the purpose of providing finished goods.
- 3.10. LED's early trading was funded by profits of the Company and contributions from Mr Leonidou personally. LED also entered into a trade finance agreement with Ultimate Trade.
- 3.11. In September 2015, LED entered into an invoice finance agreement with Ultimate to assist with cash flow.
- 3.12. LED achieved a turnover of circa £200,000 in its first year of trading before growing to a peak turnover of circa £1.5m in 2015.
- 3.13. In February 2016, the Company entered into an invoice finance agreement with Ultimate. By way of security, the Company granted Ultimate a debenture which was registered at Companies House on 10 February 2016.
- 3.14. The Company also entered into a trade finance agreement with Ultimate Trade. By way of security, the Company granted Ultimate Trade a debenture which was registered at Companies House on 31 March 2016.
- 3.15. The Companies are associated to LUS, with Mr Leonidou as a common director. LUS was incorporated to specifically service the American lighting market. There are no inter-company balances according to Mr Leonidou.
- 3.16. The Companies both banked with Bank of Cyprus UK (later called Cynergy Bank Limited).

Luxx Light Technology (UK) Limited (In Administration)
Statement of the Joint Administrators' Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986

- 3.17. In early 2017, the Company's most significant client reduced its spending by circa 95%, cutting the overall turnover of the Company by circa 80%. This caused significant cash-flow difficulties and arrears accrued.
- 3.18. LED was trading profitably at this time and to an extent was able to support the Company to continue, in the hope that it could be revived by sourcing new clients.
- 3.19. LED subsequently suffered a downturn in trade too, understood to have largely been a result of the Brexit vote causing clients to reduce spending budgets. This led Mr Leonidou to take a number of steps to try and stabilise the Companies.
- 3.20. Unsecured loans were taken out by the Companies and personally guaranteed by Mr Leonidou. It is understood that a loan of £100,000 was obtained from Funding Circle and a loan of £120,000 from Advantage of which the remaining balance is £81,207.
- 3.21. The workforce in the Company was also reduced and following a number of redundancies, 9 staff were retained.
- 3.22. The Companies also actively pursued new clients, with limited success.
- 3.23. In 2018, it is understood that a third party had pledged investment to support the business and that funds would be received within the year. Despite this, the Companies were in severe financial difficulty at that time. Accordingly, Mr Leonidou sought professional advice.
- 3.24. Mr Leonidou subsequently took the decision to place the Companies each into a CVA and following creditor approval, both of the Companies entered into a CVA on 11 April 2018.
- 3.25. It is understood that Mr Leonidou's decision to propose CVAs was partly predicated on the fact that additional investment had been pledged. Mr Leonidou explained that the investment proposal was subsequently withdrawn and this, together with poor trading, meant that the CVA was not viable and contributions were missed.
- 3.26. In December 2018, Mr Leonidou was introduced to SFP via Touch, to consider options. Mr Leonidou subsequently took the decision to progress to place the Companies into Administration.
- 3.27. Prior to the placing of the Companies into Administration, valuation agent MBV was instructed to attend the Companies for the purpose of an initial review. This took place on 10 December 2018.
- 3.28. For the avoidance of doubt, neither SFP nor any of its insolvency practitioners assisted with advising on, preparing, or implementing the CVAs.
- 3.29. At **Attachment C** is an estimated Statement of Affairs, which indicates that the Company was insolvent on a balance sheet basis with a deficiency to creditors of £690,634.

4. The Purpose of the Administration

- 4.1. The purpose of an Administration is set out in Schedule B1, Paragraph 3(1) of the Act. In short, this provides that an Administrator of a company must perform his functions with the objective of:
 - 4.1.1. rescuing the company as a going concern, or
 - 4.1.2. achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration), or

Luxx Light Technology (UK) Limited (In Administration)
Statement of the Joint Administrators' Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986

- 4.1.3. realising property in order to make a distribution to one or more secured or preferential creditors.
 - 4.2. These objectives form a hierarchy. The rescue of a company is the priority. If this is not possible, the Administrator seeks to achieve a better result for the creditors as a whole. In the event that this cannot be achieved, then the Administrator is permitted to realise assets for the benefit of the preferential or secured creditors.
 - 4.3. In the light of the insolvency of the Company, the initial purpose relating to its rescue could only be achieved through a CVA. This was not considered to be achievable given the nature of the Company's business and its financial circumstances as well as the fact that the Company had been unable to maintain compliance with the terms of its previous CVA, although it appears that the second purpose is a viable option.
 - 4.4. The Joint Administrators have pursued the second objective of achieving a better result for creditors as a whole than would be likely if the Company had been wound up. Their strategy has been to pursue a sale of the business as a going concern, which has the advantage, not only of maximising asset realisations but also of limiting the crystallisation of some liabilities against the Company and protecting the Company's sales ledger from counterclaims and other disputes. Thus, the result for the secured creditors and contingent preferential creditors has been vastly improved and some unsecured creditors are also likely to benefit more than if the business had not been sold as a going concern.
 - 4.5. In order to pursue a going concern sale, the Joint Administrators have maintained the Company as a trading entity whilst their professional agents have undertaken an active marketing campaign in order to locate potential purchasers
 - 4.6. A detailed account of how the Joint Administrators have sought to achieve the objective of the Administration is set out below.
- 5. Events Following the Joint Administrators' Appointment Leading to Post-appointment Strategy**
- 5.1. Prior to the Joint Administrators' appointment on 13 December 2018, they arranged for a meeting to take place with the Team in order to discuss the post-appointment strategy and to provide a background of the Company's position.
 - 5.2. Following confirmation of the appointment taking place, SFP sent the staff assigned to this matter to the Trading Premises on 14 December 2018.
 - 5.3. After receiving confirmation that the Administration had commenced, various statutory duties were discharged including the following:
 - 5.3.1. open insurance cover was obtained immediately on appointment;
 - 5.3.2. a request for all accounts to be frozen was made, as well as a request for copy statements and additional information to be provided;
 - 5.3.3. notification of the Administration and a request to change the Company's registered office were sent to the Registrar of Companies; and
 - 5.3.4. instructions were issued to advertise the Administration.
 - 5.4. The Director was provided with the standard director's pack explaining the impact of the Administration and his fiduciary duties going forward. The valuation agent, MBV, was instructed to conclude a valuation of the Company's business and assets and to assist the Joint Administrators in compiling a strategy to maximise realisations. It was agreed that MBV would conduct a marketing company to elicit interest in the business.

Luxx Light Technology (UK) Limited (In Administration)
Statement of the Joint Administrators' Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986

- 5.5. During the discussions that took place prior to the commencement of the Administration, it was established that achieving the first Administration objective by continued trading in Administration would not be viable. This was primarily due to a lack of funding and uncertainty surrounding the potential income, which may have resulted in a trading loss. Accordingly, the Team focussed on seeking to achieve the second Administration objective and looked to discharge the Joint Administrators' initial statutory duties, glean general company information and establish a strategy to maximise the disposal of assets in short order, with the assistance of MBV.
- 5.6. The Team also commenced its review of the current debtor position.
- 5.7. The Team obtained details of the Company's workforce and established an appropriate consultation process. A meeting was called with all employees on 18 December 2018 in order to provide confirmation of the Joint Administrators' appointment, outline the Joint Administrators' initial strategy, and commence consultation. One redundancy also took place on 18 December 2018.
- 5.8. The Joint Administrators are in the process of undertaking an orderly wind down of the Company's affairs.

6. General Progress In Relation to the Administration

The Sale of the Business and Assets

- 6.1. Valuation agent MBV had been engaged by the proposed Joint Administrators to conduct an initial review of the Companies' business and assets.
- 6.2. MBV first attended the Trading Premises on 10 December 2018.
- 6.3. Following the placing of the Companies into Administration, MBV concluded its valuation and circulated a draft advert on 13 December 2018. The advert provided a deadline for indicative offers no later than 17:00 on 17 December 2018.
- 6.4. Mr Leonidou informed the Team that he wished to make an offer for the business and assets of the Companies, on behalf of a proposed purchasing vehicle, LUS. He subsequently made an opening offer of £20,000. This was considered to be deficient by MBV and accordingly an improved offer was sought.
- 6.5. At the passing of the marketing deadline on 17 December 2018, no other offers had been received. Accordingly, negotiations continued with Mr Leonidou.
- 6.6. After continued negotiations and various improved offers, a best and final offer of £60,000 was received from LUS for the business and assets of the Companies, payable on a deferred basis. By way of security for the deferred payments, Mr Leonidou agreed to provide a personal guarantee (capped at £20,000).
- 6.7. MBV endorsed the offer and recommended that it be accepted. Accordingly, it was accepted subject to contract and Trethowans was instructed to draft sale documentation. It was agreed that one sale agreement would be appropriate to govern the sale of both LED's and the Company's business and assets.
- 6.8. A draft SPA was subsequently circulated on 17 December 2018. Deeds of release were provided to Ultimate and Ultimate Trade, together with a travelling draft of the SPA and a general update.
- 6.9. A number of amendments to the SPA were requested by each party and a proposed final version was circulated. The SPA was subsequently completed at 9:41 on 20 December 2018.
- 6.10. The Releases are still to be received from Ultimate and Ultimate Trade.

Additional Information regarding the Sale

- 6.11. Attached at **Attachment B** are further details of the sale of the Company's business and assets.

The Employees

- 6.12. One employee was made redundant on 18 December 2018 due to economic, technical or organisational reasons.
- 6.13. *The remaining employees were transferred to LUS pursuant to TUPE following completion of the sale of the business and assets on 20 December 2018.*

Debtors

- 6.14. The Company's sales ledger has been assigned to Ultimate. As at the date of the placing of the Company into Administration, Ultimate's outstanding balance excluding charges was £100,833 with the sales ledger standing at £196,157.
- 6.15. Ultimate has advised that it will be collecting the ledger in-house. Accordingly, in order to assist with this, the Team attended the Trading Premises in order to glean copy invoices, supporting documentation and obtain system back-ups. Furthermore, meetings have been undertaken with the Director and finance staff in order to ascertain potential collection problems.
- 6.16. Further information concerning collections will be provided in the First Report.

The Company's Barnet Premises and the Trading Premises

- 6.17. SFP Property was instructed to value the Company's interest in the Barnet Premises and propose an appropriate disposal strategy for it. SFP Property has established that given the Barnet Premises has no formal occupancy terms with the Company and the landlord is the Director, the Barnet Premises holds no value for the benefit of the Administration and therefore there are no further matters for SFP Property to attend to.
- 6.18. The Trading Premises are occupied by the Company subject to a lease.
- 6.19. SFP Property has been instructed to provide the Joint Administrators with a valuation of the Company's leasehold interest, together with an appropriate disposal strategy. Furthermore, to liaise with the property owner in order to provide updates, attend to any property related queries and to oversee the execution of surrender or assignment.
- 6.20. A licence to occupy has been granted to LUS for the period from 21 December 2018 to 24 March 2019. SFP Property will also oversee the payments due in relation to the licence to occupy the Trading Premises from LUS to the landlord.
- 6.21. An update on the matter will be provided in the First Report.

Investigation into the Company's Affairs Prior to the Administration

- 6.22. The Joint Administrators are undertaking a review of the Company's trading activities in order to establish whether or not there are actions that may be taken for the benefit of the Administration and consequently to enable a conduct report to be submitted in respect of Company directors in office at the commencement of the Administration and any who resigned in the three years prior to the Administration.

Luxx Light Technology (UK) Limited (In Administration)
Statement of the Joint Administrators' Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986

- 6.23. Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring them to the attention of the Joint Administrators as soon as they are able.

Additional Issues and Realisations

- 6.24. The Company had entered into a trade finance agreement with Ultimate Trade. It is understood that certain stock ordered by the Company is held in the port subject to payment and taxes. This stock may also be subject to claims of retention of title by the suppliers. It is evident that the Company has no interest in the stock other than to the extent that its value may serve to reduce Ultimate Trade's claim against the Company, which is secured by a floating charge. LUS is liaising with Ultimate Trade directly regarding the recovery and sale of this stock.
- 6.25. The Company's books and records have yet to be recovered from the Trading Premises. The Joint Administrators' agents have been instructed to collect the books and records and prepare an inventory accordingly.

Instruction of Other Professionals

- 6.26. Independent professional agents, MBV were instructed to provide valuation advice and to assist with the disposal strategy. MBV were chosen for this assignment due to their knowledge of the industry, geographical location and experience and understanding of insolvency scenarios and the Joint Administrators understand that they have adequate professional indemnity insurance.
- 6.27. Trethowans is a legal practice which has a division specialising in insolvency matters. Trethowans was chosen for this assignment due to this specialism.

7. The Statement of Affairs and the Outcome for Creditors / Joint Administrators' Receipts and Payments

- 7.1. At **Attachment C** is an estimated Statement of Affairs completed by the Joint Administrators. A Statement of Affairs has been requested from the Director. To date, this form has not been returned. If the form is not received shortly, the Joint Administrators will take a view as to whether or not they understand the financial position sufficiently to release the Director from his obligation to submit a statutory Statement of Affairs.
- 7.2. Attached is also a list of creditors whose details have been obtained from the Company's records and whose claims have been lodged. Please note that the £0.00 balances denote claims that are yet to be lodged onto the Joint Administrators' system and appearance on this list does not mean that any claim has been rejected or agreed. Preferential claims against the Company are likely in relation to arrears of wages and holiday pay owing to former employees.
- 7.3. Section 176A of the Act requires Administrators to make a prescribed part of the company's net property, which is the balance remaining after discharging the preferential claims but before paying the floating chargeholder, available for the satisfaction of unsecured debts.
- 7.4. From the Estimated Statement of Affairs, you will note that the net property is estimated to be £71,460, which would result in an estimated prescribed part of £17,292. Please note, however, that these estimates are exclusive of the costs of the Administration. It is unlikely that there will be sufficient realisations to discharge the costs of the Administration in full and therefore the Joint Administrators envisage that there will be no resulting net property from which to deduct a prescribed part.
- 7.5. The Joint Administrators do not propose to make an application to court under Section 176A(5) of the Act to disapply the prescribed part provisions, because in any event it is anticipated that there will be no prescribed part.

Luxx Light Technology (UK) Limited (In Administration)
Statement of the Joint Administrators' Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986

7.6. As demonstrated in the Estimated Outcome Statement attached at **Attachment C**, on the basis of the costs incurred to date and the estimated further costs to be incurred in bringing the Administration to a conclusion, it is anticipated that there will be insufficient funds to pay a distribution to unsecured creditors, including preferential creditors. In addition, the Estimated Outcome Statement indicates there will be insufficient funds to pay all the fees and costs incurred in the Administration with the consequence that the Joint Administrators and their agents and advisers expect to suffer a shortfall on their combined costs in the region of £1,692, which will need to be written off.

7.7. Attached at **Attachment D** is the Joint Administrators' receipts and payments account for the period from 13 December 2018 to 25 January 2019.

8. The Joint Administrators' Fees

8.1. The Joint Administrators propose to be remunerated by reference to the time properly spent by them and their staff in attending to matters arising in the Administration. The Joint Administrators will seek approval for the basis of their fees from the secured creditors, unless a Creditors' Committee is established.

8.2. Information to support the proposed basis of the Joint Administrators' fees, together with the Statement of pre-Administration costs, is provided in the Joint Administrators' Proposal, to which this Statement of Proposals forms an appendix.

9. Approval of the Statement of Proposals

9.1 As explained in **Section 7.6** above, the Joint Administrators think that the Company has insufficient property to enable a distribution to be made to unsecured creditors (other than by virtue of Section 176A(2)(a) of the Act). Therefore, pursuant to Paragraph 52(1)(b) of Schedule B1 of the Act, the Joint Administrators are not required to seek creditors' approval of the Statement of Proposals.

9.2 Notwithstanding this, the Joint Administrators shall be required to seek a creditors' decision on whether to approve the Statement of Proposals, if it is requested by creditors whose debts amount to at least 10% of the Company's total debts. Such request must be delivered to the Joint Administrators within 8 business days from the date on which the Statement of Proposals was delivered. Security must be given for the expenses of seeking such a decision.

9.3 If no decision is requested, the Statement of Proposals will be deemed to be approved pursuant to Rule 3.38(4) of the Rules.

10. Summary of the Joint Administrators' Proposals

10.1. The Statement of Proposals is summarised below.

10.2. In order to achieve the purpose of the Administration, the Joint Administrators formally propose to creditors that:

10.2.1. the Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:

10.2.1.1. they collect the deferred sale consideration in relation to the sale of the Company's business and assets;

10.2.1.2. they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and

Luxx Light Technology (UK) Limited (In Administration)
Statement of the Joint Administrators' Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986

10.2.1.3. they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.

10.2.2. the Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.

10.2.3. the Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time.

10.2.3.1. in the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or

10.2.3.2. however, in the unlikely event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Simon Plant and Daniel Plant will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at **Section 9**; or

10.2.3.3. alternatively, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Simon Plant and Daniel Plant may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator.

11. Ancillary

EC Regulation on Insolvency Proceedings

11.1. For creditors' general information, the EC Regulation on insolvency proceedings applies in this case, and these proceedings are the main proceedings.

Creditors' Questionnaires

11.2. As previously stated in the first circular to the Company's creditors, responses that are received may prove integral to assisting with investigations into the Company's affairs. Accordingly, if you have not previously provided a completed questionnaire, please do so, at your earliest convenience.

Luxx Light Technology (UK) Limited (In Administration)
Statement of the Joint Administrators' Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986

Director's Conduct

- 11.3. Pursuant to the CDDA, it is the Joint Administrators' duty to submit a requisite form to the Insolvency Service concerning the Director's conduct.
- 11.4. The form must address all persons holding the position as director during the three years up to the date of the onset of insolvency. Please note that this is a standard requirement. Completed creditors' questionnaires may prove extremely helpful concerning this.

If any creditor has any queries in relation to the above, please do not hesitate to contact either of the Joint Administrators or the Administrator dealing with this matter, Ibeth Coox, on 020 7538 2222 or by email to enquiries@sfpgroup.com.

Dated this 4 February 2019


Simon Plant
Joint Administrator

DEFINITIONS

Independent Parties instructed to assist with the Administration

MBV	Middleton Barton Valuations Limited
Trethowans	Trethowans LLP

Terms associated with SFP

SFP Property	SFP Property Limited
The Team	Any of the Joint Administrators, their staff members and members of staff of SFP
Property	
The ERA Department	The Employment Rights Act department

Other Parties

The Company / LUX	Luxx Light Technology (UK) Limited
The Director / Mr Leonidou	George Leonidou
The Joint Administrators	Simon Franklin Plant and Daniel Plant
Ultimate	Ultimate Finance Limited
Ultimate Trade	Ultimate Trade Finance Limited
The Companies	LED and LUX
The Trading Premises	Unit 4 Montgomery Way, Biggleswade, SG18 8UB
The Court	Birmingham District Registry
LED	Ledtec UK Limited
The Barnet Premises	22 High Street, Barnet, EN5 SRU
RPO	Redundancy Payments Office
HMRC	HM Revenue & Customs
LUS	LED Luxx UK Limited
FX3	FX3 Signs and Lighting Limited
Funding Circle	Funding Circle Limited
Advantage	Asset Advantage Limited

References to Statutory and other Regulatory Provisions and Documents

The Statement of Proposals	The Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
The Joint Administrators' Proposal	The document containing the Statement of Proposals
The Act	The Insolvency Act 1986
The Rules	The Insolvency Rules 1986 or the Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event described)
ERA	Employment Rights Act 1996
TUPE	The Transfer of Undertakings (Protection of Employment) Regulations
ETO	Economic, technical or organisational
CDDA	Company Directors Disqualification Act 1986
SIP	Statement of Insolvency Practice
Notice of Intention	Notice of Intention to Appoint an Administrator
Notice of Appointment	Notice of Appointment of an Administrator by Directors of the Company
CVA	Company Voluntary Arrangement
CVL	Creditors' Voluntary Liquidation
The Statement of Affairs	Estimated Statement of Affairs as at the date that the Company was placed into Administration
The First Report	The Joint Administrators' progress report for the first six month period from the date that the Company was placed into Administration
The Second Report	The Joint Administrators' progress report for the period from six months after appointment to the date specified in the report
The Last Report	The most recent progress report issued by the Joint Administrators
Review Period	Period covered by the Joint Administrators' progress report
NDA	Non-disclosure agreement
SPA	Sale and purchase agreement
The Release	Deed of release of the secured creditor's security
IPR	Intellectual property rights
A Connected Party/Connected	As defined by Section 249 of the Act (a copy of the statutory definition is overleaf)

Statutory Definition of a Connected Party

Section 249 of the Act states:

A person is connected with a company if:

- (a) he is a director or shadow director of the company or an associate of such a director or shadow director, or
- (b) he is an associate of the company;

and "associate" has the meaning given by Section 435 of the Act.

Section 435 of the Act states:

(2) A person is an associate of an individual if that person is:

- (a) the individual's husband or wife or civil partner,
- (b) a relative of
 - (i) the individual, or
 - (ii) the individual's husband or wife or civil partner, or
- (c) the husband or wife or civil partner of a relative of
 - (i) the individual, or
 - (ii) the individual's husband or wife or civil partner.

(3) A person is an associate of any person with whom he is in partnership, and of the husband or wife or civil partner or a relative of any individual with whom he is in partnership; and a Scottish firm is an associate of any person who is a member of the firm.

(4) A person is an associate of any person whom he employs or by whom he is employed.

(5) A person in his capacity as trustee of a trust other than

- (a) a trust arising under any of the second Group of Parts or the Bankruptcy (Scotland) Act 1985, or
- (b) a pension scheme or an employees' share scheme,

is an associate of another person if the beneficiaries of the trust include, or the terms of the trust confer a power that may be exercised for the benefit of, that other person or an associate of that other person.

(6) A company is an associate of another company

- (a) if the same person has control of both, or a person has control of one and persons who are his associates, or he and persons who are his associates, have control of the other, or
- (b) if a group of two or more persons has control of each company, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person of whom he is an associate.

(7) A company is an associate of another person if that person has control of it or if that person and persons who are his associates together have control of it.

(8) For the purposes of this section a person is a relative of an individual if he is that individual's brother, sister, uncle, aunt, nephew, niece, lineal ancestor, or lineal descendant, treating

- (a) any relationship of the half blood as a relationship of the whole blood and the stepchild or adopted child of any person as his child, and
- (b) an illegitimate child as the illegitimate child of his mother and reputed father;

and references in this section to a husband or wife include a former husband or wife and a reputed husband or wife and references to a civil partner include a former civil partner and a reputed civil partner.

(9) For the purposes of this section any director or other officer of a company is to be treated as employed by that company.

(10) For the purposes of this section a person is to be taken as having control of a company if

- (a) the directors of the company or of another company which has control of it (or any of them) are accustomed to act in accordance with his directions or instructions, or
- (b) he is entitled to exercise, or control the exercise of, one third or more of the voting power at any general meeting of the company or of another company which has the control of it;

and where two or more persons together satisfy either of the above conditions, they are to be taken as having control of the company.

(11) In this section "company" includes any body corporate (whether incorporated in Great Britain or elsewhere); and references to directors and other officers of a company and to voting power at any general meeting of a company have effect with any necessary modifications.

Luxx Light Technology (UK) Limited (in Administration)

The Statement of Proposals

ATTACHMENT B

- **Statutory Information and Details of the Sale**

Statutory Information

Company Name: Luxx Light Technology (UK) Limited

Company Number: 04679932

Date of Incorporation: 27/02/2003

Trading Names: Luxx

Previous Names: N/A

Nature of Business: Lighting components

Issued Share Capital: £100

	Name	Appointed	Resigned	Shareholding
Director(s):	George Leonidou	27/02/2003	N/A	55%
	William Hampson	27/02/2003	18/07/2018	20%
	Andreas Weyer	27/02/2013	01/06/2017	25%
	Michael Woolley	01/06/2012	30/11/2014	-
	QA Nominees	27/02/2003	27/02/2003	-
Company Secretary:	William Hampson	27/02/2003	28/02/2015	-
	QA Registrars	27/02/2003	27/02/2003	-
Current Registered Office:	9 Ensign House Admirals Way Marsh Wall Docklands London E14 9XQ			
Previous Registered Office:	Galla Houses, 695 High Road, North Finchley, N12 0BT			
Trading Address:	The Trading Premises and the Barnet Premises			

Schedule of Outstanding Mortgages or Charges:

Name	Type of Charge	Registered
Ultimate Invoice Finance Limited	Debenture	10/02/2016
Ultimate Trade Finance Limited	Debenture	31/03/2016

Note: this information reflects that presented at Companies House, unless the Joint Administrators have knowledge to the contrary.

Details of the Sale

Introduction

The Joint Administrators did not conduct negotiations with any interested parties until after their appointment. Consequently, the business and assets of the Company were not sold as a pre-pack and therefore SIP16 does not apply. However, in the interests of transparency, further details regarding the sale are provided below.

Prior to commencement of the Administration, SFP acted as advisors to the Board of Directors in relation to the options for the Company. For the avoidance of doubt, neither SFP nor its insolvency practitioners advised the Director(s) personally or any parties connected with the eventual purchaser, who were appropriate were encouraged to take independent advice. At all times prior to Administration, the Board of Directors remained responsible for, and in control of, the Company's affairs. During this time, the insolvency practitioners of SFP took their own steps to prepare for their potential appointment as Joint Administrators. At this point, there were clear advantages in looking to sell the Company's business and assets shortly on appointment, as this strategy would significantly reduce the ongoing costs of securing and maintaining the business and assets and it would avoid the substantial risks that the continued viability of the business and the value of the assets would deteriorate due to the commencement of a formal insolvency regime. Therefore, the insolvency practitioners, with the assistance of professional and independent agents, considered the most effective method of attracting interest in the business in order to progress a sale representing the best outcome for creditors as a whole once the Administration had commenced. This pre-Administration work did not involve any negotiations with any parties interested in acquiring the business or assets of the Company, including the party that eventually was successful in purchasing the business and assets.

Immediately on their appointment, the Joint Administrators, as officers of the court, took over from the Board responsibility for the management of the affairs, business and property of the Company. In the interests of the creditors as a whole, mindful of the need to achieve a statutory purpose of an Administration and in order to maximise realisations and minimise the accrual of ongoing liabilities, they commenced negotiations with a view to selling the business and assets as a going concern. In the Joint Administrators' opinion, the outcome achieved was the best available outcome for creditors as a whole in all the circumstances and the transaction enables the second statutory purpose of an Administration to be achieved. The Joint Administrators' Proposals provide further information regarding the statutory purpose pursued.

The source of the initial introduction to the insolvency practitioner and the date of the Joint Administrators' initial introduction

Simon Plant of SFP was initially introduced to the Company by Touch Financial Limited, on 3 December 2018.

Pre-appointment matters

One of the proposed Administrators and a member of the Team met with Mr Leonidou prior to the placing of the Companies into Administration to discuss options.

Solicitors, Trethowans was instructed to assist with the formalities of the appointment and MBV was engaged to conduct an initial review of the business too.

The alternative courses of action that were considered, both prior to and within formal insolvency by the insolvency practitioners and the Company, and on appointment by the Joint Administrators with an explanation of the possible outcomes

Continuing to trade without entering into a formal insolvency procedure

The Company had exhausted its available cash resources and its cash constraints were impacting on its ability to continue trading. The prospects of acquiring new funding were poor and in any event it appeared unlikely that this would provide the Company with sufficient breathing space to enable it to take necessary restructuring measures and trade out of its difficulties.

Company Voluntary Arrangement

Consideration was given to whether another CVA could be proposed and implemented successfully. This was discounted as an option because the Company had insufficient finance to continue to trade successfully as well as support contributions to a CVA that would be acceptable to its major creditors. It was also clear that the Company was under significant pressure

from its creditors and required the benefit of a workable moratorium, which would not have been available immediately if another CVA alone had been explored.

Liquidation

The collective view of MBV and the Joint Administrators was that a going concern sale would be the best result for creditors as a whole. A going concern sale, which was unlikely to be achievable in a liquidation, had the advantages of reducing the employees' and potentially the landlord's claims and avoiding a break in supplies to customers, which would enable value to be achieved for goodwill and ensure a more effective debt collections process. Accordingly, consideration was given also to liquidation but it was discounted for this reason.

Pre-pack Administration sale

As explained above, the Company could not continue to trade in the medium term and therefore in order to maximise realisations it was important to use the short time available wisely in exploring and pursuing a going concern sale. Nevertheless, although time was of the essence and thus agents were engaged as quickly as possible, it was not considered critical that negotiations be conducted prior to the Joint Administrators' appointment. Therefore a pre-pack sale was not pursued, as it was considered advantageous for as much of the sale process as possible to be conducted once the Administration had commenced.

Whether efforts were made to consult major or representative creditors and the upshot of any consultations

The secured creditors, Ultimate and Ultimate Trade, were consulted about the Company's circumstances and the proposed strategy after the Joint Administrators' appointment. As the sale negotiations progressed, dialogue continued with them to ensure that the Releases would be granted in the event that the sale was agreed.

The sale had to be completed as quickly as possible given that there were no funds to continue trading. Accordingly, the sale took place without consultation with the Company's other creditors.

Why it was not appropriate to trade the business and offer it for sale as a going concern during the Administration

The Company was maintained as a trading entity for a short period during Administration, from 13 December 2018 to 20 December 2018, when the going concern sale was concluded.

It was not considered that trading of the business during the Administration could continue over a significantly longer period, as the Company had insufficient finance in order to do so. In the circumstances, it was considered that the most effective strategy would be for MBV to market the Company's business and assets immediately on Administration in order to identify any interested parties with which the Joint Administrators could start negotiations after their appointment with a view to completing a sale shortly thereafter.

Details of requests made to potential funders to fund working capital requirements

No requests were made to potential funders. In view of the Company's overall financial position, it was considered unfeasible to seek additional working capital outside of Administration.

Details of registered charges with dates of creation

The charges registered against the Company are as follows:

<u>Name of charge-holder</u>	<u>Type of security</u>	<u>Date created</u>
Ultimate Trade Finance Limited	Debenture	20 March 2016
Ultimate Invoice Finance Limited	Debenture	9 February 2016

Any acquisition of the business or assets from an insolvency practitioner within the previous 24 months (or longer if considered relevant to creditors' understanding)

As far as the Joint Administrators are aware, neither the business nor its assets were acquired from an insolvency practitioner within the previous 24 months.

Marketing of the business and assets

The marketing activities conducted by the Company and / or the Joint Administrators and the effect of those activities, with reference to the marketing essentials

Attached is an explanation, which includes the reasons underpinning the marketing and media strategy used, provided by MBV. The Joint Administrators believe that the business was marketed as widely as possible proportionate to the nature and size of the business and the limited timeframe available. They also believe that the marketing activity was carried out for as long as possible in the circumstances given the constraints on the Company's continued trading as described above and having regard to the costs accruing by the Joint Administrators and their staff in supervising ongoing trading. The business was marketed on the internet. The Joint Administrators are also satisfied as to the adequacy and independence of the advice received as regards marketing options / marketing undertaken in the circumstances.

Valuation of the business and assets

The names and the professional qualifications of the valuers / advisers and confirmation that they have confirmed their independence and that they carry adequate professional indemnity insurance

Damian Short RICS Accredited Diploma in Valuation, of MBV were instructed to act as independent valuers / advisers. MBV have confirmed their independence and that they carry adequate professional indemnity insurance.

The valuations obtained for the business or its underlying assets

Immediately after the commencement of the Administration, MBV carried out valuations of the Company's business and assets on both an in-situ and ex-situ basis, summarised as follows:

	In-situ basis	Ex-situ basis
Goodwill, IPR and WIP	£1,000	£NIL
Office Furniture and Equipment	£2,200	£1,500
Plant and Machinery	£12,000	£3,000
Motor Vehicles	£800	£500
Stock	£15,000	£5,000

MBV reviewed the Company's financial and trading history, together with information on its contracts, work in progress and Goodwill & IPR, present circumstances and current market conditions, in order to consider the value of these assets and of the Company's goodwill. Both MBV and the Joint Administrators are satisfied that the realisations from these assets represent the best available outcome in all the circumstances.

No reliance has been placed on any valuations previously obtained by the Company or its lenders. In all respects regarding the sale, the Joint Administrators have sought independent advice from MBV.

A summary of the basis of valuation adopted by the Joint Administrators or their valuers / advisers

The valuation on an in-situ basis reflects the valuers' estimated amount for which the assets could be sold as a whole in their working place(s). The ex-situ basis reflects a sale whereby the assets are removed from the premises at the expense of the purchaser subject to a restricted marketing period that does not allow sufficient time for proper marketing, as would be available under normal market conditions.

The rationale for the basis of the valuations obtained and an explanation of the value achieved of the assets compared to those valuations

The Joint Administrators considered the bases of the valuations appropriate as they enabled them to consider any offer with the objective of selling the business and assets as a going concern, but also to gain an appreciation of the likely realisations in the event that sale negotiations were threatened to collapse and a forced sale of the assets became a real possibility.

As can be seen from this summary, the resulting sale compares favourably to the in-situ valuation.

If no valuation has been obtained, the reason for not having done so and how the Joint Administrators were satisfied as to the value of the assets

All assets apart from the sales ledger were valued. The sales ledger was not valued, as it was not intended to be included in the sale.

The transaction

The date of the transaction

The sale was completed on 20 December 2018.

Purchaser and related parties

The identity of the purchaser

The purchaser is LUS.

Any connection between the purchaser and the directors, shareholders or secured creditors of the Company or their associates

Mr Leonidou is a common director of the Company and LUS.

The names of any directors, or former directors (or their associates), of the Company who are involved in the management, financing, or ownership of the purchasing entity, or of any other entity to which any of the assets are transferred

Please see above.

Further information on transactions impacting on more than one related company (e.g. a group transaction)

The transaction consisted of the sale of the business and assets of the Company and the business and assets of LED and therefore impacted the Companies. For further information about the sale of the business and assets of LED, please refer to the Joint Administrators' Proposals of that company, which will be filed at Companies House.

Whether any directors had given guarantees for amounts due from the Company to a prior financier and whether that financier is financing the new business

Mr Leonidou has given a personal guarantee to the secured creditors in respect of the Company's factoring agreement and trade finance. As far as the Joint Administrators are aware, Ultimate and Ultimate Trade will be providing an invoice finance facility to LUS.

It is understood that Mr Leonidou also personally guaranteed various unsecured loans too. It is unclear if these loan providers are offering any further loans to LUS.

Assets

Details of the assets involved and the nature of the transaction

The Company's tangible assets sold were stock, plant and machinery, motor vehicle and office furniture. The Company's intangible assets were goodwill, IPR and contracts. The nature of the transaction was a going concern sale.

Sale consideration

The consideration for the transaction, terms of payment and any condition of the contract that could materially affect the consideration

Sale consideration totalled £60,000. MBV has advised that the sale consideration should be apportioned equally against the business and assets of the Companies. £1,000 of the £30,000 was received on completion and the remainder is to be paid on a deferred basis as follows:

£2,500 on 19 January 2019;
£2,500 on 19 February 2019;
£2,500 on 19 March 2019;
£2,500 on 19 April 2019;
£6,000 on 19 May 2019;
£6,000 on 19 June 2019; and
£7,000 on 19 July 2019.

The consideration disclosed under broad asset valuation categories and split between fixed and floating charge realisations (where applicable) and the method by which this allocation of consideration was applied

The total sale consideration of £30,000 has been provisionally apportioned to the asset categories as follows:

<u>Asset</u>	<u>Apportioned value</u>
Stock	£14,000
Plant & machinery	£12,000
Motor vehicles	£800
Office furniture & equipment	£2,200
Intellectual property & goodwill	£1,000

The apportionment of these asset categories is subject to confirmation by MBV.

Although the validity of the debentures has yet to be verified, it is understood that they purport to grant a fixed charge over the book debts, certain stock items, and goodwill and a floating charge over all other assets.

The Joint Administrators will look to allocate the sale consideration between fixed and floating charges when the solicitors have reviewed the security and when the sale consideration has been received in full.

Any options, buy-back agreements, deferred consideration or other conditions attached to the transaction

There are no options, buy-backs or other similar conditions attached to the sale.

The sale consideration is on a deferred basis, payable as set out above.

Details of any security taken by the Joint Administrators in respect of any deferred consideration

The business and assets were secured by obtaining a personal guarantee from Mr Leonidou, capped at £20,000. Despite seeking a higher guarantee, Mr Leonidou refused to provide one.

If the sale is part of a wider transaction, a description of the other aspects of the transaction

The sale was part of a wider transaction. The sale consisted of the business and assets of the Company and the business and assets of LED.

Connected Party Transactions

Pre-pack pool

As the sale was not a pre-pack to a Connected Party, an approach to the pre-pack pool was not possible.

Viability statement

As the sale was not a pre-pack involving a Connected Party, the Joint Administrators have not requested a viability statement.

THE AGENTS' EXPLANATION OF THE SALE PROCESS (MARKETING UNDERTAKEN)

Luxx Light Technology (UK) Limited (In Administration) ("the Company")	
At the point when you received the instruction to value and market the Company's business/assets, were you independent?	We confirm Middleton Barton Asset Valuation ("MBV") have had no previous involvement with the businesses of Luxx Light Technology (UK) Limited and/or Ledtech UK Limited, and MBV have acted on this matter as a completely independent party.
Describe any marketing previously undertaken by the Company or by any party instructed by the Company.	To our knowledge no marketing was undertaken by the Company or any Party instructed by the Company prior to our involvement.
If this marketing by the Company was considered sufficiently adequate and independent to avoid (or reduce the extent of) further marketing, explain the reasons why.	N/A
Describe any characteristics of the Company's business/assets that significantly impacted on the marketing strategy devised, particularly where widespread and overt marketing was considered inappropriate or disadvantageous.	The Company had no characteristics that would prevent widespread and overt marketing.
Describe the marketing strategy undertaken and the reasons why this strategy was followed.	<p>A comprehensive overt marketing strategy was undertaken to maximise exposure of the Company to the open market.</p> <p>The marketing comprised of:</p> <ul style="list-style-type: none"> • Mailshots to interested parties held in our database of prospective buyers of businesses of this type and distressed business investors. The mailshots were sent to 5128 parties; • The proposed sale of the businesses was listed on our website www.mbvaluation.com; • Direct approaches to competitors and other market participants were made.
In what other main ways could a sale of the business/assets have been pursued and why were these options not chosen?	We considered marketing the businesses in the trade press and broadsheet press, however, this marketing is extremely costly and, in our experience, requires a number of weeks preparation for placement. Considering the nature of the sale and the time scales available it was not possible to place adverts of this type.

What exposure was given to the proposed sale on the internet?	A sale notification was placed on MBV's website at mbvaluation.com notifying users of the business offered for sale. The business sale notification went live on 13 th December 2018.
Were the business/assets marketed via any specialist media? Were particular profiles of potential interested parties targeted?	No specialist media was included in our marketing due to restricted timescales.
For how long were the business/assets marketed? Why was this length of time settled on?	The businesses were marketed via direct contact and on MBV's corporate website for a period of 4 days, up to a deadline for offers at 5pm on Monday 17 th December 2018.
How many parties: (i) expressed an initial interest in the business/assets; (ii) completed non-disclosure agreements; and (iii) engaged in negotiations?	We received 2 initial requests for NDA's. No NDA's were received back signed and therefore no further information was released. To date we have received one offer for the business and assets, negotiations commenced with the single interested party.
Describe briefly how interest was progressed and how this led to the final offer(s) being made.	The only party to enter into negotiations was current management, negotiations were undertaken and concluded to maximise the price achieved.
If more than one offer was received, how was the final purchaser decided upon?	N/A
In conclusion, describe how, in your view, the marketing strategy has achieved the best available outcome in all the circumstances.	The businesses were openly marketed within the restricted timescale provided, no party was guided in making their offer and to our knowledge all interested parties acted independently. The extensive negotiations ensured the best price for the businesses was achieved.
Completed by:	Damian Short PgDip Val
Professional qualification(s):	RICS Accredited Diploma in Valuation
Date completed:	19 December 2018

Note: the Joint Administrators intend including your answers above in the Joint Administrators' Proposals. Therefore it will also be filed at Company House and thus it will be in the public domain within the next two months. Please explain whether you would recommend that any information provided above should avoid disclosure in this manner.

Luxx Light Technology (UK) Limited (in Administration)

The Statement of Proposals

ATTACHMENT C

- **Estimated Statement of Affairs as at 13 December 2018 / Creditors' Details / Estimated Outcome Statement**

LUXX LIGHT TECHNOLOGY (UK) LIMITED (IN ADMINISTRATION)

ESTIMATED STATEMENT OF AFFAIRS AS AT 13 DECEMBER 2018

	Notes	Book Value £	Estimated to realise £
Assets (specifically pledged)			
Sales Ledger	1	196,157	196,157
Less: bad and doubtful debts	1	(24,520)	(24,520)
Less: Ultimate	1	(100,833)	(100,833)
Less: Ultimate (estimated charges)	1	(29,424)	(29,424)
Sale of business and assets (fixed charge)	2	<u>1,000</u>	<u>1,000</u>
Estimated surplus as regards Ultimate		42,380	42,380
Assets (not specifically pledged)			
Sale of business and assets (floating charge)	2	29,000	29,000
Cash at Bank	3	<u>80</u>	<u>80</u>
Estimated funds available to creditors		<u>71,460</u>	71,460
Liabilities			
Preferential creditors: employees (1 individual)	4		<u>uncertain</u>
Estimated net property available to other creditors	5		71,460
Less: prescribed part			
50% of first £10,000		5,000	
20% of remainder		<u>12,292</u>	
	5		<u>(17,292)</u>
Estimated funds available for floating charge creditor			54,168
Ultimate Trade	6		<u>(46,306)</u>
Estimated surplus as regards floating charge creditor			7,862
Add back: prescribed part			17,292
Unsecured Creditors			
HM Revenue & Customs - VAT / PAYE / NIC	7	TBC	
Trade creditors	7	534,581	
Company Loans (Funding Circle and Advantage)	7	<u>181,207</u>	
			<u>(715,788)</u>
Estimated total deficiency as regards creditors			<u><u>(690,634)</u></u>

NB: subject to the costs and expenses of the Administration

Luxx Light Technology (UK) Limited (in Administration)
Notes to the Estimated Statement of Affairs as at 13 December 2018

1. The Company's sales ledger has been assigned to Ultimate. As at the date of Administration, Ultimate's outstanding balance excluding charges was £100,833 with the sales ledger standing at £196,157. Ultimate's level of charges has yet to be ascertained, however these have been estimated for the purposes of this statement. In the interests of prudence a bad debt provision of 12.5% has been applied to the ledger.
2. The Company's business and assets were sold to LUS for the sum of £30,000. The apportionment of the sale consideration between fixed and floating charge assets is subject to confirmation by MBV and the allocation of sale consideration according to the priority of the debentures is subject to review.
3. An amount totalling £80 is expected from the Company's pre appointment bank account in relation to cash at bank.
4. *A preferential claim is expected in respect of an employee who was made redundant. This claim is currently being processed by the RPO.*
5. As illustrated by this statement, the net property is estimated to be £71,460, which would result in an estimated prescribed part of £17,292. Please note, however, that these estimates are exclusive of the costs of the Administration. Once the costs of the Administration are taken into account, it is anticipated that there will be no net property.
6. The Company entered into a trade finance facility with Ultimate Trade. Ultimate Trade is due £46,306 under the trade finance facility. It is understood that certain stock ordered by the Company is held in the port subject to payment and taxes. Although it is believed that the Company has no title to the stock, any realisations from the stock may reduce Ultimate Trade's floating charge claim against the Company.
7. These figures have been taken from the Company's records and are subject to change once creditors come forward and submit their proof of debt forms.

Luxx Light Technology (UK) Limited (in Administration)
Company Creditors

Key	Name	Address	£
CA00	ARTWORKONLINE	1ST FLOOR, SOUTHDOWNS HOUSE, ,STATION ROAD, PETERSFIELD, GU32 3ET	4,604
CA01	ADAM MICHAEL	53 Deansway, East Finchley, London, N2 0HX	7,394
CA03	ALDERMORE BANK PLC	The Monument Building, Monument St, London, EC3R 8AF	5,238
CA04	Advantage Asset Management		81,207
CB00	BRITISH TELECOM PLC	81 Newgate St, London, EC1A 7AJ	1,011
CB01	BRITISH GAS BUSINESS	P O BOX 254, CAMBERLEY, SURREY, GU15 3WA, GU15 3WA	640
CB02	BARNET LONDON BOROUGH (RATES)	North London Business Park (NLBP), Oakleigh Road South, London, N11 1NP	19,513
CB03	BED (CORBY) LTD	UNIT9 TYNE ROAD, MIDDLEFIELD INDUSTRIAL ESTATE, SANDY, BEDS, SG19 1SA	796
CB04	BLAKE MORGAN	ONE CENTRAL SQUARE, CARDIFF, CF10 1FS	820
CC00	CODY XIAO		231
CC01	CENTRAL BEDFORDSHIRE	REVENUE SECTION, PO BOX 4414, WATLING HOUSE,HIGH STREET NORTH, DUNSTABLE, LU6 9HE	45,045
CC02	COMPLETE TOOLS AND FIXING TR LTD ***	EVANS YARD, BRANS YARD, PICCADILLY,BULWELL, NOTINGHAM, N36 9FN	321
CD00	DAMCO -DAMCO UK LTD	SUITE22,ORWELL HOUSE,, FERRY LANE, FELIXTOWE, IP11 3AQ	1,709
CD01	D.E.P. FABRICATIONS LIMITED	UNIT 33,CAM CENTRE,, WILBURY WAY, HITICHIN, HERTS, SG4 0TW	388
CD02	DHL INTERNATIONAL (UK) LTD-135977543	P O BOX 524, HUNSLOW, MIDDLESEX, TW3 6JS	23
CD03	DSV AIR & SEA LIMITED	Scandinavia House, Parkeston, Harwich, Essex, CO12 4QG	21,242
CD04	DIAMOND FORWARDING LIMITED	Unit 26-28 Wellington Business Pk, Dukes Ride, Crowthorne, RG45 6LS	18,536
CE00	E-ON	GRIFFIN COURT,, PHOENIX BUSINESS PARK, NOTTINGHAM, NG8 6AT	34
CE01	ECOPAC (UK) POWER LTD	UNIT 4, RIDGEWAY,, CRENDON INDUSTRIAL AREA, LONG CRENDON, BUCKINGHAMPSHIRE, HP18 9BF	9,301
CF00	FDR TRMINALS	Janus House, Endeavour Drive, Basildon, Essex, SS14 3WF	1,063
CF01	FontisLight Co., Limited	5/F/C Block C, Sanhe industrial Park,, Yingrenshi Village,, Shiyao Town, Bao'an District, Shenzhen, 518108	2,881
CF02	Funding Circle	71 Queen Victoria St,London,EC4V 4AY	100,000
CG00	GENERAL LIGHTING ELECTRONIC CO	F Building, Julong Industrial Park, Tianxin Meitang Community, Huangjian, Dongguan, Guangdong, China	38,915
CG01	GEOGHEGAN BROS LIMITED	Niall House, 24-26 Boulton Rd, Stevenage, SG1 4QX	49,305
CH00	HM Revenue & Customs	Insolvency & Securities, 3rd Floor, Euston Tower, 286 Euston Road, London, NW1 3UQ	0
CH01	HM Revenue & Customs	Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4RS	0
CH02	HM Revenue & Customs	Insolvency Operations, 5th Floor, Regian House, James Street, Liverpool, L75 1AD	0
CH03	HM Revenue & Customs	Room BP3202, Warkworth House, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ	0
CH04	HR4UK .COM LTD	FLORENCE HOUSE, ST MARYS ROAD, HINCKLEY, LEICESTERSHIRE, LE10 1EQ	393
CH05	HONGKONG LIANCHUANGXIANG WIRE PR	BAOAN DISTRICT,XIXIANG WEST HUANG GANG LING INDUSTRI, ZONE B BUILDING,ROOM 205, CN-SHENZHEN CITY	16,469
CH06	HONGKONG COOLIGHT OPT-ELE CO LIMITE	4/F BLDG,C CHAUNGFU SCIENCE & TECHNOLOGY PARK, BELHUAN ROAD, SHIYAN, SHENZHEN, CHINA	16,407
CH07	HONG KONG NEWCOM INDUSTRIAL CO LIM	7F ,BUILDING 2, NO 13 PINGGJI ROAD, SHANG LILANG, LONGGANG, SHENZHEN, CHINA 518112	380
CI00	INVESTEC ASSETT FINANCE PLC	WINDRUSH COURT,BLACKANDS WAY, ABINGDON, OXON, OX14 1SY	3,508
CK00	KUMAR THAMOTHARAN	86 Southfield Avenue, Watford, WD24 7DU	5,907
CL00	LEDTEC GMBH	ABELBACHSTRABE13, OT STEINHAUSEN, BUREN, 33142	1,773

CL01	LUXX LICHTTECHNIK GMBH	ABELBACHSTRABE 13, OT STEINHAUSEN, BUREN, 33142	1,047
CL02	LYONS LEONIDOU (CHARTERED ACCOUNT	GALLA HOUSE, 695 HIGH ROAD, NORTH FINCHLEY, LONDON, N12 0BT	3,600
CL03	LONDON WEB LTD	SECURITY HOUSE,LISMARRINE INDUSTRIAL PARK,, ELESTREE ROAD, ELSTREE, WD6 3EE	10,360
CL04	LITEX (UK) LTD	3 THE METRO CENTRE, DWIGHT ROAD, WATFORD, HERTFORDSHIRE, WD18 9HG	1,365
CL05	LORICA I GENERAL INSURANCE LTD	HEMEL OBE,, BOUNDRY WAY, HEMEL HEMPSTEAD, HERTFORDSHIRE, HP2 7YU	3,823
CL06	LUXX LIGHT TECHNOLOGY (HONGKONG) LT	UNITE B,22/F,CMA BUILDING,, 64 CONNAUGHT ROAD, CENTRAL HONG KONG	120,302
CM00	MR W R HAMPSON	99 Benslow Lane, Hitchin, Hertfordshire, SG4 9RA	206
CM01	MR GEORGE LEONIDOU	Lyonsdown Road, New Barnet, Hertfordshire, EN5 1JT	4,284
CM02	MINISUN LSE RETAIL GROUP LTD	UNIT L1 TO L3, LYNTOWN TRADING ESTATE, ECCLES, LANCS, M30 9QG	894
CN00	N JAFFERJI TA SAJCO 1825	775 KENTON LANE, HARROW, MIDDLESEX, HA3 6AH	54,325
CO01	OVERMOULD LTD	UNIT 4, COMMERCE WAY, LEIGHTON BUZZARD, BEDFORDSHIRE, LU7 4RW	326
CP00	PALLTRUCK WAREHOUSE	16 CLOUDBERRY, WALNUT TREE, MILTON KEYNES, BUCKINGHAMSHIRE, MK7 7DL	224
CP01	PRO LIGHTING ACCESSORIES	Customer Services, 1 Beechwood Avenue, Burnley, Lancashire, BB11 2PL	1,008
CR00	ROHLIG UK LIMITED	Unit 7, The X2 Centre, Hounslow, TW6 2GE	13,284
CS00	SAQCN INNOVATION TECHNOLOGY (HK) LI	M/F Lung Ma Building, 550-552 Nathan Road, Mongkok, Kowloon, Hong Kong	50
CS01	SUNRISE UNIFIED SOLUTIONS LTD	24/25-BROUGHTON GROUND LANE, BROUGHTON, MILTON KEYNES, MK16 0HZ	1,710
CS02	SHENZHEN COOLIGHT OPT-ELE CO. LTD	4/F Building C, Chuangfu Science & Tech Zone, Bao'an,, Shenzhen,, 518108	13,476
CS03	SEAWARD ELECTRONIC LTD	BRACKEN HILL, SOUTH WEST INDUSTRIAL ESTATE, PETERLEE, COUNTY DURHAM, SR8 2SW	133
CT00	TNT UK LIMITED-001575758	P O BOX 186, RAMSBOTTOM, BURY, BL0 9GR	246
CT01	TNT UK LIMITED-002432710	P O BOX 186, RAMSBOTTOM, BURY, BL0 9GR	1,541
CT02	TNT UK LIMITED-0400537079	P O BOX 4, RAMSBOTTOM, BURY, LANCASHIRE, BL8 9AR	127
CT03	TAGRA LED LIGHTING SYSTEMS	Unit 4, Martel Court, Spark Industrial Estate, Stockport, SK1 2AE	355
CT04	TIM WHITTAKER		654
CT05	TAYLOR LIGHTING LTD	THE RUBICON CENTRE, BROAD GROUND ROAD, REDDITCH, B98 8YP	106
CU00	U.P.S LIMITED	AR DEPARTMENT, ST. DAVIDS WAY,BERMUDA PARK, NUNEATON, WARWICKSHIRE, CV10 7SD	1,276
CV00	VEOLIA ENVIRONMENTAL SERVICES (UK) PL	VEOLIA HOUSE, 8TH FLOOR 210 PENTONVILLE ROAD, LONDON, N1 9JY	346
CV01	VERISURE SERVICES (UK) LTD	Great West Rd, London, TW8 9DR	0
CZ00	ZHUHAI TOPOPTO CO LTD	FLOOR 2ND,BAOLI BUILDINGS,, 14 W.JIGLE ROAD, ZHUHAI, GUANGDONG	25,666
63 Entries Totalling			715,788.39

**Luxx Light Technology (UK) Limited
(In Administration)**

Schedule of Secured Creditors included in the Statement of Affairs

Secured Creditors

Secured creditor's name and address	Amount of claim (estimated)	Details of security	Date security was given	Value of security (per Statement of Affairs)
Ultimate Trade Finance Limited, Equinox North, Great Park Road, Bradley Stoke, Bristol, BS32 4QL	£46,306	Debenture	20 March 2016	£54,168
Ultimate Invoice Finance Limited, Equinox North, Great Park Road, Bradley Stoke, Bristol, BS32 4QL	£100,833	Debenture	9 February 2016	£172,637

Luxx Light Technology (UK) Limited (in Administration)

Estimated Outcome Statement as at 25 January 2019

	Notes	Statement of Affairs (book value) £	Actual position as at 25 Jan 19 £	Estimated future £	Final outcome £
Assets Specifically Pledged					
Sales Ledger	1	196,157	63,790	132,367	196,157
Less: bad debt provision at 12.5%	2	(24,520)	-	(24,520)	(24,520)
Less: Ultimate	3	(100,833)	(24,864)	(75,969)	(100,833)
Less: Ultimate (estimated charges)	1	(29,424)	-	(29,424)	(29,424)
Sale of Business and Assets (fixed charge)	4	1,000	-	1,000	1,000
Estimated (surplus)		42,380	38,926	3,454	42,380
Assets not Specifically Pledged					
Sale of Business and Assets (floating charge)	4	29,000	2,500	26,500	29,000
Cash at Bank	5	80	-	80	80
Rent Receivable	6	-	-	21,018	21,018
Estimated total surplus available to creditors		71,460	41,426	51,052	92,478
Expenditure					
Costs incurred pre-Administration					
Pre-Appointment Joint Administrators' Fees	7		(3,229)	-	(3,229)
Agents'/Valuers' Fees	8		(3,898)	-	(3,898)
Legal Fees	9		(950)	-	(950)
Costs incurred during Administration					
SFP Property Fees and Expenses	10		(405)	(4,095)	(4,500)
Joint Administrators' Remuneration	11		(14,864)	(35,137)	(50,000)
Joint Administrators' other Category 1 Expenses	12		(653)	(561)	(737)
Joint Administrators' other Category 2 Expenses	12		(138)	(102)	(240)
Agents'/Valuers' Fees	8		(2,795)	(1,000)	(3,795)
Legal Fees	9		(1,418)	(1,000)	(2,418)
Statutory Advertising	13		(85)	-	(85)
Insurance	14		-	(700)	(700)
Pension Costs	15		-	(2,000)	(2,000)
Storage and Destruction of Company's Records	16		-	(600)	(600)
Rent Payable	6		-	(21,018)	(21,018)
Total expenditure			(28,434)	(66,213)	(94,170)
Estimated total surplus/(deficit) to creditors			12,992	(15,161)	(1,692)

NB All figures are subject to change and exclude VAT.

Notes

- The Company's sales ledger stood at £196,157 as at the date of the Joint Administrators' appointment.
- A bad debt provision of 12.5% has been applied to the ledger.
- The Company held an invoice discounting agreement with Ultimate, which was owed £100,833 as at the date of Administration. The level of charges has not yet been ascertained and has been estimated for the purpose of this statement.
- A sale of the Company's business and assets took place for £30,000. Details of the apportionment will be considered in due course.
- It is understood that there may be cash at bank of circa £80 to recover.
- A licence to occupy has been granted to LUS and the rent will be collected and paid to the landlord accordingly.
- See the body of the accompanying report for further information regarding the work carried out prior to Administration.
- MBV's costs for conducting a valuation of the business and assets, marketing them for sale, and providing assistance with any third party claims, have been estimated.
- The Joint Administrators instructed solicitors, Trethowans to assist in placing the Company into Administration, undertake a general validity review and assist with any sale documentation. These costs have been estimated.
- The Joint Administrators instructed SFP Property Limited to assist them with property matters arising in the Administration.
- The 'Actual position' column includes costs incurred, whether or not they have been drawn.
- The 'Estimated future' column includes costs anticipated to be incurred in finalising the case.
- See the body of the accompanying report for further information on the Joint Administrators' expenses.
- Statutory advertising services are provided by Courts Advertising.
- Insurance services are provided by Aon Risk Solutions and the amount has been estimated. An invoice will be received in due course.
- The Joint Administrators intend to instruct pension specialists to assist in addressing pension matters.
- The Joint Administrators have instructed JG Collection Services Limited to collect, inventory and store the Company's records.

Luxx Light Technology (UK) Limited (in Administration)

The Statement of Proposals

ATTACHMENT D

- **The Joint Administrators' Receipts and Payments Account to 29 January 2019**

LUXX LIGHT TECHNOLOGY (UK) LIMITED
(IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
FROM 13 DECEMBER 2018 TO 25 JANUARY 2019

	Notes	Statement of Affairs £	From 13 Dec 18 to 25 Jan 19 £
RECEIPTS			
Book Debts		41,380.00	-
Sale of Business and Assets	1	30,000.00	2,500.00
Cash at Bank		80.00	-
TOTAL RECEIPTS		<u>71,460.00</u>	<u>2,500.00</u>
 PAYMENTS			
Statutory Advertising			84.60
TOTAL PAYMENTS	2		<u>84.60</u>
BALANCE IN HAND			<u>2,415.40</u>
 REPRESENTED BY			
Interest Bearing Current Account			2,398.48
VAT Receivable			16.92
BALANCE IN HAND			<u>2,415.40</u>

NOTES TO THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

Notes

1 Completion funds totalling £1,000 are held by Trethrowans and a transfer of those funds has been requested.

2 Details of material disbursements/expenses incurred to date are as follows:

Bond premium	£50.00
Mail redirection	£303.00
Postage	£266.64
Subsistence	£33.22
Mileage	£138.06

Luxx Light Technology (UK) Limited (in Administration)

The Joint Administrators' Proposal

APPENDIX II

- **Breakdown of Pre-Administration Time Costs for SFP**

LUXX LIGHT TECHNOLOGY (UK) LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME INCURRED FOR THE PRE APPOINTMENT PERIOD

CLASSIFICATION OF WORK FUNCTION	Time spent over the pre appointment period					
	Directors (all)	Managers (all)	Administrators (all)	Assistant	Total Hours Incurred	Total Costs £
Statutory and General Administration	2.20	3.80	0.50	3.60	10.10	2,807.50
Investigations	0.00	0.00	0.00	0.70	0.70	70.00
Realisation of assets	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00
Creditors and Members	0.00	1.10	0.00	0.00	1.10	351.00
Total	2.20	4.90	0.50	4.30	11.90	3,228.50

See Appendix for Summary Charge Out Rates for staff

Luxx Light Technology (UK) Limited (in Administration)

The Joint Administrators' Proposal

APPENDIX III

- **Charge-out Rates and Bases of Disbursements**

Charge-out rates for office holders and their staff and bases of calculation of disbursements

Time costs of office holders and their staff are recorded in 6-minute units at the charge-out rates shown.

These rates are reviewed periodically and are subject to inflationary or other adjustments. Up-to-date schedules of charge-out rates will be provided in all future reports.

For further information regarding fees, please download the relevant Guide at <http://panel.sfgroup.com/> or a hard copy will be provided on request.

Further information regarding insolvency processes in general is available at www.creditorinsolvencyguide.co.uk

SFP Restructuring Limited	
Grade	Rate £/hr
Director 2	500
Director 1	450
Senior Manager 2	350
Senior Manager 1	325
Manager 2	300
Manager 1	275
Assistant Manager	260
Senior Administrator 2	250
Senior Administrator 1	225
Administrator 2	175
Administrator 1	150
Assistant	100
Data Store Administrator	75

Category 1 Disbursements

Category 1 disbursements are costs that can be specifically identified as relating to the administration of the case. These are charged to the estate at cost, with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums, and properly reimbursed expenses. Postage directly incurred on the case is also charged at cost as at Category 1 disbursement. Legislation provides that office holders may discharge Category 1 disbursements from the funds held in the insolvent estate without further recourse to creditors.

Category 2 Disbursements

Category 2 disbursements are costs that are also directly referable to the appointment in question but not to a payment to an independent third party. Payments may only be made in relation to Category 2 disbursements after the relevant creditors (or committee) have approved the bases of their calculation. Set out below are the bases of the office holder's disbursements in this category.

Stationery / Photocopying – standard charge

A single charge will be made to cover the initial mail-out to creditors and members. The charge therefore is dependent upon the type of insolvency and the number of creditors and members.

	Charge per creditor / member (£)
Administration ("ADM")	0.24
CVL (following ADM)	0.16
CVL (not following ADM)	0.20
CVA	0.20
Compulsory Liquidation (note: only creditors charged)	0.22
Bankruptcy	0.22

Stationery / Photocopying – exceptional charge

In the event that an exceptional circular (i.e. not including expected circulars such as notices of appointment) is sent to at least 100 recipients, it will be charged on the following basis.

	Per page / envelope (£)
1 page of headed paper	0.12
1 page of continuation paper	0.10
1 page of photocopying paper	0.02
Envelopes (all sizes)	0.10

Mileage

(Note: if, as an alternative to using the pool or personal car, public transport is used, the costs will be charged as a Category 1 disbursement.)

	Per mile (£)
Pool car	1.10
Director's / staff's personal car	0.45
Additional cost for each passenger in colleague's personal car	0.05



Category 2 Disbursements (continued)

Charges for Record Archiving	SFP Property Limited																																				
<p>In most cases, the office holders' staff arrange for collection of the company's books and records and create an inventory. The records are then delivered to the storage facilities of an independent agent, who will then be responsible for the records' ongoing storage, responding to retrieval requests and the records' eventual destruction (usually 12 months after the company's dissolution). SFP charges on the following bases (exclusive of staff time costs and the costs of the independent agents):</p> <table> <tr> <th></th><th><u>Charge</u></th></tr> <tr> <td>Provision of archive boxes</td><td>£5 per box</td></tr> <tr> <td>Retrieval costs from site</td><td>£1.10 per mile</td></tr> <tr> <td>Same Day Delivery (up to 10 items)</td><td>£22.50</td></tr> <tr> <td> Per item thereafter</td><td>£1.50</td></tr> <tr> <td>Delivery to third party offices (up to 10 items)</td><td>£15.00</td></tr> <tr> <td> Per item thereafter</td><td>£1.50</td></tr> </table>		<u>Charge</u>	Provision of archive boxes	£5 per box	Retrieval costs from site	£1.10 per mile	Same Day Delivery (up to 10 items)	£22.50	Per item thereafter	£1.50	Delivery to third party offices (up to 10 items)	£15.00	Per item thereafter	£1.50	<p>SFP Property Limited is an entity associated with the office holders. Time is charged on 6-minute units at the rates listed below.</p> <table> <tr> <th><u>Grade</u></th><th><u>Rate £/hr</u></th></tr> <tr> <td>Director</td><td>350</td></tr> <tr> <td>Senior Manager 2</td><td>275</td></tr> <tr> <td>Senior Manager 1</td><td>250</td></tr> <tr> <td>Manager 2</td><td>225</td></tr> <tr> <td>Manager 1</td><td>200</td></tr> <tr> <td>Senior Administrator 2</td><td>175</td></tr> <tr> <td>Senior Administrator 1</td><td>155</td></tr> <tr> <td>Administrator 2</td><td>135</td></tr> <tr> <td>Administrator 1</td><td>115</td></tr> <tr> <td>Assistant</td><td>100</td></tr> </table> <p>SFP Property Limited may also incur direct expenses, such as Land Registry fees, which will be charged to the insolvent estate at cost.</p>	<u>Grade</u>	<u>Rate £/hr</u>	Director	350	Senior Manager 2	275	Senior Manager 1	250	Manager 2	225	Manager 1	200	Senior Administrator 2	175	Senior Administrator 1	155	Administrator 2	135	Administrator 1	115	Assistant	100
	<u>Charge</u>																																				
Provision of archive boxes	£5 per box																																				
Retrieval costs from site	£1.10 per mile																																				
Same Day Delivery (up to 10 items)	£22.50																																				
Per item thereafter	£1.50																																				
Delivery to third party offices (up to 10 items)	£15.00																																				
Per item thereafter	£1.50																																				
<u>Grade</u>	<u>Rate £/hr</u>																																				
Director	350																																				
Senior Manager 2	275																																				
Senior Manager 1	250																																				
Manager 2	225																																				
Manager 1	200																																				
Senior Administrator 2	175																																				
Senior Administrator 1	155																																				
Administrator 2	135																																				
Administrator 1	115																																				
Assistant	100																																				

Luxx Light Technology (UK) Limited (in Administration)

The Joint Administrators' Proposal

APPENDIX IV

- **Breakdown of Time Costs for SFP**

LUXX LIGHT TECHNOLOGY (UK) LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME INCURRED FOR THE PERIOD 13 DECEMBER 2018 TO 25 JANUARY 2019

CLASSIFICATION OF WORK FUNCTION	Time spent over the period under review 13 DECEMBER 2018 TO 25 JANUARY 2019					Total Time spent 13 DECEMBER 2018 TO 25 JANUARY 2019		
	Directors (all)	Managers (all)	Administrators (all)	Assistant	Total Hours incurred	Total Costs £	Total hours incurred	Average rate £/hour
Statutory and General Administration	0.00	21.30	4.30	8.80	34.40	8,359.00	34.40	242.99
Investigations	0.30	0.00	0.00	1.10	1.40	260.00	1.40	185.71
Realisation of assets	4.00	5.40	0.00	0.00	9.40	3,705.00	9.40	394.15
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors and Members	0.00	7.80	0.10	2.60	10.50	2,539.50	10.50	241.86
Total	4.30	34.50	4.40	12.50	55.70	14,863.50	55.70	266.85

See Appendix for Summary Charge Out Rates for staff

Luxx Light Technology (UK) Limited (in Administration)

The Joint Administrators' Proposal

APPENDIX V

- **Breakdown of Time Costs for SFP Property**



LUXX LIGHT TECHNOLOGY (UK) LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME INCURRED FOR THE PERIOD 13 DECEMBER 2018 TO 25 JANUARY 2019

CLASSIFICATION OF WORK FUNCTION	Time spent over the period under review 13 DECEMBER 2018 TO 25 JANUARY 2019					Total Time spent 13 DECEMBER 2018 TO 25 JANUARY 2019		
	Directors (all)	Managers (all)	Administrators (all)	Assistant	Total Hours incurred	Total Costs £	Total hours incurred	Average rate £/hour
Statutory and General Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of assets	1.10	0.00	0.00	0.20	1.30	405.00	1.30	311.54
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors and Members	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	1.10	0.00	0.00	0.20	1.30	405.00	1.30	311.54
								405.00

See Appendix for Summary Charge Out Rates for staff

Luxx Light Technology (UK) Limited (in Administration)

The Joint Administrators' Proposal

APPENDIX VI

- **The Joint Administrators' Fees Estimate**

Luxx Light Technology (UK) Limited (in Administration)

The Joint Administrators' Fees Estimate as at 25 January 2019

Below is the Joint Administrators' fees estimate in respect of the above case for the purpose of obtaining approval of the basis of the office holders' fees. The total time costs estimated to be incurred is £50,000 for 202 hours at an average hourly rate of £247.52. Please note that this estimate includes time costs already incurred, details of which are provided at **Appendix III**.

This firm's current charge-out rates may be found at **Appendix II**.

Legislation requires fees estimates to detail the work that the office holders propose to undertake and the time that they estimate the work will take to complete. For the sake of completeness, this estimate lists all the tasks that the Joint Administrators and their staff may undertake (including those already undertaken), but the estimate of hours reflects only the time that the Joint Administrators anticipate is *likely* to be incurred, given the circumstances of the case as they are understood at present. To assist creditors in understanding the most material tasks that the Joint Administrators expect to undertake, please refer to the document to which this forms an appendix.

This estimate of time covers the work anticipated to be undertaken to the completion of the Administration, subject to the assumptions listed in Section 6 of the document to which this forms an appendix. The Joint Administrators do not anticipate that it will be necessary to seek approval for fees in excess of this estimate. However, should additional work be necessary beyond what is contemplated, further approval may be sought from the relevant creditors.

Time cost categories	Tasks included	No. of hours estimated to be incurred
Statutory and General Administration	(including 34.40 hours spent to date)	80
Case planning	Discussions regarding strategies to be pursued Meetings with office holders, team members, SFP Property and independent advisers to consider practical, technical and legal aspects of the case Receiving and considering progress reports from SFP Property Organising tasks and updating team members and office holders Travelling to/from company premises to initiate the insolvency process and perform statutory and general administration tasks	
Administrative set-up	Setting up appointment on internal systems and databases Creating files and informing departments of appointment Support staff's creation of standard letters and forms Entering creditors' names and addresses onto database	
Appointment notification	Statutory notices and advertisements on appointment Initial meeting with company officers Notifying insurers, bank and other third parties	
Records of insolvent and office holder	Collecting the company's books and records Seeking delivery of books and records from third parties Creating an inventory of the company's books and records Retrieving and reviewing books and records from storage Maintaining office holders' files, filing electronic and hard copy correspondence Support staff's processing of the teams' instructions to issue letters Completing checklists Maintaining statutory and case progression task lists and diaries	
Statutory duties	Preparing, circulating and filing Proposals and statutory fee-related information Where a vote is conducted by correspondence: Preparing and issuing notices and voting forms Collating and examining proofs and votes to conclude decisions Responding to queries and questions regarding Proposals and voting process Issuing and filing statutory notice on conclusion of voting process Where no votes from unsecured creditors are sought: Liaising with secured creditors (and preferential creditors, where appropriate) to seek approval of statutory matters Responding to queries and questions regarding Proposals Issuing and filing Notice of Approval of Proposals In the event that creditors requisition a physical meeting: Preparing and issuing meeting notices and voting forms Advertising meeting Collating and examining proofs and proxies Responding to queries and questions regarding Proposals and meeting Holding meeting and completing minutes Issuing and filing statutory notice on conclusion of meeting Preparing, circulating and filing six monthly progress reports, final report and associated statutory notices Seeking approval of extension from relevant creditors and issuing notice of extension (where appropriate) In the event that a court extension is required:	

Time cost category	Tasks included	No of hours estimated to be incurred
	<ul style="list-style-type: none"> Preparing application to court for an extension and accompanying witness statement with the assistance of solicitors Liaising with solicitors regarding the application and court order Issuing and filing notice of extension Posting all statutory reports and notices to the firm's website for access 	
Estate accounting	<ul style="list-style-type: none"> Correspondence regarding opening and closing accounts Requesting bank statements Bank account reconciliations Raising fee and disbursement invoices Reviewing suppliers' invoices and approving for payment Banking remittances and issuing cheques/BACS payments Maintaining the estate cash book and journaling transactions Periodic reviews of the summary of receipts and payments to ensure its accuracy 	
Post-appointment tax	<ul style="list-style-type: none"> Calculating corporation tax due on post-appointment disposals and submitting tax returns Arranging VAT de-registration Completing VAT returns and applying for VAT refunds after de-registration Dealing with tax-related correspondence 	
Compliance	<ul style="list-style-type: none"> Completing statutory due diligence checks and an ethics review regarding the appointment Pursuing relevant parties for evidence of identity Seeking solicitors' advice on the validity of the appointment Carrying out periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery threats and safeguards Arranging the statutory bond and periodically reviewing its adequacy Assessing the options for exiting the Administration and obtaining internal clearance for closure and the exit route chosen Periodically reviewing the cash book receipts and payments account for accuracy 	
Information technology	IT department's support of the case administration team as regards maintaining, and extracting data from, the company's computer systems	
Investigations (including 140 hours spent to date)		40
Case preparation	Pursuing the return of directors' questionnaires	
Initial review	Reviewing questionnaires submitted by creditors and directors	
Investigations	<ul style="list-style-type: none"> Correspondence to request information on the company's dealings and to make further enquiries of third parties Reviewing the company's books and records to identify inconsistencies or unusual transactions Review of specific transactions and exchanges with directors and accountants regarding certain transactions Undertaking background searches Liaising with the committee or (major) creditors about further action to be taken 	
Pursuing claims identified	<ul style="list-style-type: none"> In the event that one or more causes of action are identified for pursuit: <ul style="list-style-type: none"> Liaising with solicitors regarding examinations Attendance at examination Reviewing examination transcripts Liaising with solicitors regarding outcome of examinations and further actions available Meetings internally to discuss progress and strategy of litigation Seeking funding from creditors Instructing agents to assist in investigations Reviewing terms of solicitors' conditional fee agreements Preparing brief to solicitors/Counsel Liaising with solicitors regarding recovery actions Dealing with ATE insurers Attending to negotiations Attending to settlement matters and agreements Pursuing settlement and other payments 	
Reports	<ul style="list-style-type: none"> Preparing and submitting statutory reports to the Insolvency Service Liaising with the Insolvency Service Assisting the Insolvency Service with its investigations 	
Administrative work	<ul style="list-style-type: none"> Other correspondence Support staff's assistance with correspondence and maintaining files 	
Handling and examining records	<ul style="list-style-type: none"> Extracting data from the company's computer systems Collecting the company's books and records for investigation purposes Travelling associated with the above 	
Strategy and planning	Internal meetings to discuss findings, potential actions and strategies for further investigations	

Time cost categories	Task included	No. of hours estimated to be incurred
Realisation of Assets (including 9.40 hours spent to date)		52
Identification, securing, insuring assets	<p>Identifying assets by consulting with directors, employees and third parties</p> <p>Reviewing fixed asset register and other company records</p> <p>Correspondence with insurer regarding initial and ongoing insurance requirements</p> <p>Reviewing insurance policies</p> <p>Seeking insurance refunds</p> <p>Correspondence with previous brokers/insurers</p> <p>Terminating insurances and agreeing final bills</p> <p>Depending on the existence, location and condition of physical assets:</p> <ul style="list-style-type: none"> Physical examination of company premises Investigating the company's security arrangements and arranging changes where appropriate Reviewing and amending where appropriate the security and viability of the company's computer systems Undertaking and/or instructing specialists to undertake risk assessments, environmental and health and safety reviews Identification of potential issues requiring attention of insurance specialists 	
Retention of title	<p>In the event of receiving retention of title claim(s):</p> <ul style="list-style-type: none"> Dealing with initial notifications of creditor's intention to claim Liaising with agents to process claims Meeting claimant on site to identify goods Examining retention of title claim documentation and adjudicating on claims Exchanges with solicitors in deciding complex claims and dealing with disputes Correspondence with claimant notifying of the outcome of adjudication and dealing with additional responses Settlement of claim, where appropriate 	
Property - negotiations	<p>Depending on the property interests in existence:</p> <ul style="list-style-type: none"> Instructing agents as regards valuations and proposed marketing strategies Discussing and agreeing strategies with office holders, teams and SFP Property/agents Undertaking oral and written negotiations with interested parties Dealing with tenant issues (if any) Liaising with secured creditors, landlords and any LPA Receivers Reviewing draft sale documentation Liaising with SFP Property, agents and solicitors Undertaking work regarding utilities and business rates, including seeking refunds where possible Liaising with HMRC as regards option to tax 	
Property – professional advice	<p>Depending on the property interests in existence:</p> <ul style="list-style-type: none"> Agreeing method statement with SFP Property/agents Reviewing valuation report Invoicing for and collection of rent from tenants or licensees Reviewing updates from SFP Property/agents Discussions and meetings with the office holders, teams and SFP Property/agents regarding strategies Reviewing completion statement 	
In-situ sale	<p>In the event that an in-situ sale is progressed:</p> <ul style="list-style-type: none"> Instructing and liaising with agents as regards valuations and marketing strategies Considering agents' updates on efforts to sell business and assets, reviewing strategies and discussing offers received Liaising with potential purchasers Agreeing licences to trade/occupy Assessment and review of offers received Negotiating with intended purchaser Liaising with secured creditors and seeking releases Compiling information for SPA Reviewing drafts of SPA and supporting documents (e.g. personal guarantees, debentures) Exchanges with solicitors to agree the terms of the SPA Pursuing deferred sale consideration 	
Asset sale and other realisations	<p>In the event that assets are sold ex-situ:</p> <ul style="list-style-type: none"> Instructing and liaising with agents as regards valuations and marketing strategies Liaising with landlords as regards access to and ownership of assets Considering agents' updates on efforts to sell assets, reviewing strategies and discussing offers received Liaising with potential purchasers Assessment and review of offers received Negotiating with intended purchaser Liaising with secured creditors and seeking releases Compiling information for SPA (if any) 	

Time cost categories	Tasks included	No. of hours estimated to be incurred
	<ul style="list-style-type: none"> Reviewing drafts of SPA and supporting documents (e.g. personal guarantees, debentures) Exchanges with solicitors to agree SPA Pursuing sales consideration Depending on the existence of relevant assets: <ul style="list-style-type: none"> Liaising with agents and owners/lessors of leased assets Reviewing stock values Analysing the value in WIP and costs to complete Contracting with service-providers/suppliers to complete WIP Arranging for post-appointment sales invoices to be issued and pursuing payments Liaising with insurance companies and directors to pursue insurance claims Examining company records to support tax refunds Exchanges with HMRC regarding tax refunds Pursuing transfer of credit balances from banks 	
Debt collection - reporting	<ul style="list-style-type: none"> Depending on the existence of book debts: <ul style="list-style-type: none"> Discussions with office-holders, teams, agents and solicitors regarding collection strategies 	
Debt collection – communications	<ul style="list-style-type: none"> Depending on the existence of book debts: <ul style="list-style-type: none"> Correspondence with debtors Receiving updates from any factoring companies Where relevant, agreeing debt collection agency agreements and monitoring agents' progress Submitting VAT bad debt relief claims Responding to factoring company's queries and providing documents/information to support debts Liaising with debt collectors and solicitors Resolving disputes, including communicating with directors/former staff Pursuing credit insurance claims 	
Debt collection – review of sales ledger	<ul style="list-style-type: none"> Monitoring monies received into pre-appointment bank account and seeking transfer to office holders' account Collecting and reviewing supporting documentation including associated travelling Reconciling debtors' accounts with reference to monies received pre and post appointment Reviewing and assessing debtors' ledgers Dealing with any reassignment of ledger 	
Creditors (including 10.50 hours spent to date)		30
Communication with unsecured creditors	<ul style="list-style-type: none"> Respond to creditors' enquiries by telephone, post and email Correspondence with creditors and their representatives, insurers etc. Updating database regarding creditors' contact details In the event that a Creditors' Committee is formed: <ul style="list-style-type: none"> Holding an initial meeting of the Committee Reporting to Committee members Seeking the Committee's approval on case strategy and statutory matters Calling and holding meetings of the Committee as required and as the circumstances of the case dictate Completing statutory filing 	
Creditor claims	<ul style="list-style-type: none"> Recording claims onto database, marking as admitted, pending adjudication etc. Filing of claims and supporting documentation In the event that one or more distributions are paid in the Administration: <ul style="list-style-type: none"> Preparation of correspondence to potential creditors inviting submission of claims Adjudicating claims Requesting further information from claimants regarding claims Preparation of correspondence to claimants advising of the outcome of adjudication Dealing with any appeals to rejections of claims Seeking solicitors' advice on the validity and quantity of complex claims Preparation of correspondence to creditors advising of intention to declare distribution Advertisement of notice of intended distribution Preparation of distribution calculation, including where appropriate calculations of the statutory net property and prescribed part Preparation of correspondence to creditors announcing declaration of distribution Preparation of cheques/BACS to pay distribution Preparation of correspondence to creditors enclosing payment of distribution Seeking unique tax reference from HMRC, submitting information on PAYE/Ni deductions from employee distributions and paying over to HMRC Dealing with unclaimed dividends 	
ERA	<ul style="list-style-type: none"> Where the following have not been carried out as part of trading activities and any staff remain employed by the company on the Joint Administrators' appointment: <ul style="list-style-type: none"> Arranging for the election of employee representatives Consultation with staff, employee and Union representatives and sub-contractors Contacting absent/remote-working staff by telephone Liaising with the Pensions Regulator regarding auto-enrolment 	

Time cost categories	Tasks included	No. of hours estimated to be incurred
	<p>Where any post-appointment wages are paid, liaising with accountants/book-keepers regarding arrangements for setting up a new PAYE scheme with HMRC and submitting online payroll returns</p> <p>Instructing accountants/book-keepers to process payroll</p> <p>Arranging payment of tax and pension contributions</p> <p>Deciding on and making redundancies when and where necessary</p> <p>Updating staff periodically and as material events occur</p> <p>Dealing with employee queries and issues arising, e.g. disciplinary actions, Employment Tribunals and complaints</p> <p>Liaising with RPO and Job Centre Plus regarding redundancies</p> <p>Concluding payroll and issuing forms P45 on redundancies/transfers</p> <p>Seeking legal advice to assist with employee matters, where necessary</p> <p>In all cases:</p> <p>Assisting employees to pursue claims via the RPO</p> <p>Corresponding with the PPF, the Pensions Regulator, pension Trustees and pension administrator</p> <p>Instructing specialists to review pension obligations</p> <p>Reviewing professional advice regarding status of pension</p> <p>Dealing with the pension to conclude the office holders' obligations</p>	
Property - negotiations	<p>Liaising with landlord to mitigate claims</p> <p>Agreeing landlord's claims, where a dividend is anticipated</p> <p>Dealing with tenants' and other third party claims</p>	
Property – professional advice	<p>Where a dividend is anticipated:</p> <p>Reviewing dilapidations claims</p> <p>Adjudicating on landlords' claims and other claims related to the property with the assistance of agents and/or solicitors where necessary</p>	
Communication with secured creditors	<p>Depending on the existence and distribution prospects of secured creditors:</p> <p>Providing oral and written updates to secured creditors on progress of the insolvency and prospects of recovery</p> <p>Seeking solicitors' advice on the validity of secured creditors' claims</p> <p>Agreeing allocation of realisations and costs between fixed and floating charges</p> <p>Paying distributions to secured creditors and seeking confirmation of discharged claims</p>	
Pre-appointment taxation	<p>Reviewing HMRC's claims</p> <p>Submitting pre-appointment VAT, corporation tax and PAYE/NIC/CIS returns and/or appealing assessments, where a dividend to non-preferential unsecured creditors is anticipated</p>	
Estimated total hours		(including 55.70 hours spent to date)
Estimated total fee		(at an average charge-out rate of £247.52 per hour) (including £14,863.50 incurred to date)
		202
		£50,000

Luxx Light Technology (UK) Limited (in Administration)

The Joint Administrators' Proposal

APPENDIX VII

- **The Joint Administrators' Expenses Estimate**

Luxx Light Technology (UK) Limited (in Administration)

The Joint Administrators' Expenses Estimate as at 25 January 2019

Below is the estimate of the Joint Administrators' expenses that have been, or are likely to be, incurred in administering the insolvent estate. These expenses comprise Category 1 and Category 2 expenses. Office holders are entitled by statute to discharge Category 1 expenses from the insolvent estate. Category 2 expenses may be paid from the estate provided that the relevant creditors have authorised their payment. Further information regarding this approval process is provided in the report to which this forms an attachment.

Expenses Category 1	Estimate of total
Agents / Valuers (providing a valuation, assisting with a sale of the Company's business and assets and assisting with any ROT and HP creditors)	£3,795
Solicitors (providing advice and assistance in respect of the validity of security and the office holders' appointment, ROT, sale of the business, potential rights of action)	£2,418
Statutory advertising	£85
Insurance	£700
Pension costs	£2,000
Storage and eventual destruction (if the exit is by dissolution) of the company's books and records (independent agents)	£600
Bonding	£50
Postage	£350
Mail redirection	£303
Subsistence whilst attending on-site	£34
Rent Receivable	£21,017.78
Total	£31,352.78

Expenses Category 2 (for details of the bases on which the expenses are calculated, see Attachment 3)	Estimate of total
SFP Property (assisting with all property-related matters)	£4,500
Stationery / photocopying	£100
Mileage	£140
Total	£4,740

SFP Property Summary of work that has been or likely will be undertaken	
Statutory and General Administration	
Case planning	Discussions regarding strategies to be pursued Meetings with office holders, their team members and independent advisers to consider practical, technical and legal aspects of the case Organising tasks and updating team members and office holders Travelling to/from company premises to initiate the insolvency process and perform statutory and general administration tasks
Administrative set-up	Setting up appointment on internal systems and databases Creating files and informing departments of appointment
Appointment notification	Notifying insurers
Post-appointment tax	Establishing position with HMRC regarding option to tax premises
Realisation of Assets / Trading	
Identification, securing, insuring assets	Undertaking and/or instructing specialists to undertake risk assessments, environmental and health and safety reviews Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies
Property - negotiations	Undertaking initial instruction work as regards valuations and proposed marketing strategies Researching comparable property data/desktop property research Researching property status and condition Discussing and agreeing strategies with office holders Undertaking oral and written negotiations with interested parties Dealing with tenant issues (if any) Liaising with secured creditors, landlords and any LPA Receivers Where there is a property interest to be sold: Reviewing draft sale documentation Liaising with agents and solicitors Undertaking work regarding utilities and business rates, including seeking refunds where possible
Property – professional advice	Finalising method statement with office holders, opening files Drafting and finalising valuation report Providing updates to the office holder Concluding the office holders' involvement in the property, business rates and utilities Depending on company's interest in property: Undertaking work regarding dilapidations and property repairs Site visits to monitor property Invoicing for and collection of rent from tenants or licensees Agreeing assignment, surrender or disclaimer of lease Reviewing completion statement
Estimated total time costs	£4,500
ESTIMATED TOTAL COSTS TO BE INCURRED BY SFP PROPERTY (including costs to date of £405)	£4,500