

LIQ03

Notice of progress report in voluntary winding up



Companies House

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29/12/2022

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1 Company details

Company number 0 8 6 4 9 2 5 5

Company name in full Drinkmaster Limited

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

2 Liquidator's name

Full forename(s) Simon Wesley

Surname Hicks

3 Liquidator's address

Building name/number Brailey Hicks

Street 13 Reynolds Park

Plympton

Post town Plymouth

County/Region Devon

Postcode P L 7 4 F E

Country United Kingdom

4 Liquidator's name ①

Full forename(s)

Surname

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

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

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

LIQ03

Notice of progress report in voluntary winding up

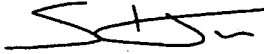
6 Period of progress report

From date	^d 2	^d 2	^m 0	^m 9	^y 2	^y 0	^y 2	^y 1
To date	^d 2	^d 1	^m 0	^m 9	^y 2	^y 0	^y 2	^y 2

7 Progress report☒ The progress report is attached**8** Sign and date

Liquidator's signature

Signature

X 

X

Signature date

^d 2	^d 1	^m 1	^m 1	^y 2	^y 0	^y 2	^y 2
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LIQ03

Notice of progress report in voluntary winding up

**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 **Ellie Mae**

Company name **Brailey Hicks**

Address **13 Reynolds Park**

Plympton

Post town **Plymouth**

County/Region **Devon**

Postcode **P L 7 4 F E**

Country **United Kingdom**

DX

Telephone

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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

ANNUAL PROGRESS REPORT FOR THE PERIOD 22/09/21 – 21/09/22 (“the Review Period”)

DRINKMASTER LIMITED - IN CREDITORS’ VOLUNTARY LIQUIDATION

ANNUAL PROGRESS REPORT OF DRINKMASTER LIMITED - IN CREDITORS' VOLUNTARY LIQUIDATION

Content

- Executive Summary
- Administration and Planning
- Realisation of Assets
- Creditors
- Ethics
- Fees and Expenses
- Creditors' Rights
- Conclusion

Appendices

- Appendix I - Statutory Information
- Appendix II – Receipts and Payments account for the “Review Period”
- Appendix III - Detailed list of work undertaken in the period
- Appendix V - Expenses summary for period, cumulative & comparison with estimate

EXECUTIVE SUMMARY

A summary of key information in this report is detailed below.

Assets

Asset	Estimated to realise per Statement of Affairs (£)	Realisations to date (£)	Anticipated future realisations (£)	Total anticipated realisations (£)
Cash at bank	122,681.00	118,749.15	Nil	118,749.15
Book debts	27,291.00	20,193.43	Nil	20,193.43
Stock	11,500.00	43,750.00	Nil	43,750.00
Motor vehicle	5,800.00			
Fixture and fittings	2,685.00			
Bank interest gross	Nil	14.93	Unknown	Unknown
Pension refund	Nil	39.22	Nil	39.22

Expenses

Expense	Amount per fees and expenses estimates (£)	Expense incurred to date (£)	Anticipated further expense to closure (£)	Total anticipated expense (£)
Pre Liquidation costs				
- Brailey Hicks	7,500.00	7,500.00	Nil	7,500.00
- Lambert Smith Hampton	2,200.00	2,200.00	Nil	2,200.00
Liquidators remuneration	31,000.00	31,000.00	Nil	31,000.00
Legal fees – Michelmores LLP	5,000.00	2,650.00	Nil	2,650.00
Agents fees – Lambert Smith Hampton	5,100.00	8,068.95	Nil	8,068.95
Accounting fees	2,000.00	Nil	Nil	Nil
Debt collection fees – JP Associates	1,500.00	3,012.68	Nil	3,012.68
ERA specialist – Courts Trustee	1,120.00	1,120.00	Nil	1,120.00
Specific bond	1,064.00	1,064.00	Nil	1,064.00
Statutory advertising	182.00	273.00	Nil	273.00
Case management software fee	175.00	175.00	Nil	175.00
Rent payable	13,500.00	13,500.00	Nil	13,500.00
Locksmith	300.00	300.00	Nil	300.00
Security costs	317.92	317.92	Nil	317.92
Insurance of assets	2,500.00	855.22	Nil	855.22
Storage costs	6,000.00	3,889.75	10,626.00	14,515.75
Postage	1,000.00	627.81	140.00	769.81
Mileage	373.80	373.80	Nil	373.80
HM Land Registry	5.00	Nil	Nil	Nil

Dividend prospects

Creditor class	Dividend paid to date	Anticipated Dividend, based upon the above
Secured creditor	Nil	6p in the £
Preferential creditors	Nil	100p in £
Secondary Preferential creditors	N/A	N/A
Unsecured creditors	Nil	7p in the £

Summary of key issues outstanding

- VAT bad debt relief: As advised previously there is a small VAT claim in relation to unpaid book debts.
- Adjudication of preferential creditor claims: The Redundancy Payments Service ("RPS") has recently submitted their claim, this requires adjudication. Also, some employees have surplus claims over the amounts they have received from the RPS, which will also require adjudication.
- Dividend distribution to preferential creditors: Once the RPS' claim has been adjudicated and any employee surplus claims have been agreed, a preferential dividend will be paid.
- Prescribed part calculation: Once the preferential creditors have been paid in full, the prescribed part can be calculated.
- Payment to secured creditor: Upon the prescribed part being calculated and paid, payment can be made to the secured creditor.
- Dividend to unsecured creditors: Once all the matters above have been concluded, a prescribed part dividend will be made to unsecured creditors.

Closure

Due to the issues outstanding as listed above, it is difficult to estimate the precise timing of any of the dividends to preferential, unsecured and secured creditors. However, I would expect to be able to conclude this liquidation within the next 12 months.

ADMINISTRATION AND PLANNING**Statutory information**

Statutory information may be found at Appendix I.

The Liquidator is required to meet a considerable number of statutory and regulatory obligations. 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 of the case, which ensures that work is carried out to high professional standards. A detailed list of these tasks may be found in Appendix IV.

Reporting

The Liquidator has met his statutory and regulatory duties to report to creditors, as listed below. In consideration of the need for transparency and engagement with creditors, care has been taken to ensure that reports and other communications with creditors have provided useful details of the strategies pursued and the outcomes anticipated.

ANNUAL PROGRESS REPORT OF DRINKMASTER LIMITED - IN CREDITORS' VOLUNTARY LIQUIDATION

During the Review Period, the following key documents have been issued:

- The first Annual Progress Report

Other administration tasks

During the Review Period, the following material tasks in this category were carried out:

- Case reviews etc;
- Cashiering;
- Planning meetings; and
- Strategy reviews

Bank interest and sundry refund

The only realisations made in the Review Period has been minimal bank interest gross of £7.53 and a pension refund of £39.22.

CREDITORS

Irrespective of whether sufficient realisations are achieved to pay a dividend to creditors, the Liquidator has had to carry out key tasks which are detailed in the list at Appendix IV. The following sections explain the anticipated outcomes to creditors and any distributions paid.

Employment tribunal

16 employees made claims for unfair dismissal against the Company. The first tribunal was held remotely on 30 July 2021 at Plymouth County Court. The tribunal was awarded in favour of the employees and the RPS was to make payments to the 16 employees in respect of the protective awards.

Further, a second tribunal was scheduled on 6 May 2022 due to 3 employees out of the 16 who made claims, not receiving their protective awards payments from the RPS. Subsequently, the hearing was vacated on 29 April 2022 because the claims were withdrawn as a result of payment being received from RPS.

Pension Scheme

Courts Trustee Limited were instructed by the liquidator to wind up the Company's pension. This matter was resolved on 22 February 2022, and any additional pension elements will form part of the RPS claim in the liquidation.

Secured creditors

The Company had granted the following security: -

Type of charge	Date created	Beneficiary
Debenture	7 January 2020	Tayto Group Limited ("TGL")

The debt due to TGL at the date of appointment was made up of various loans and overdrafts, the total quantum of which was approximately £797,116.88 excluding charges and interest. As advised previously, the liquidator sought advice from Michelmores LLP in respect of the validity of TGL's security. As creditors are aware, it transpired that only £84,301.68 can be claimed under the debenture's security.

It is anticipated that asset realisations will not be sufficient to repay TGL in full.

It is anticipated that the secured creditor will receive an estimate of 6p in the £.

Preferential creditors - Employee claims

I have received the RPS claim following the tribunal which was awarded in favour of the 16 employees which includes protective awards. The RPS claim also includes the entitlements of the additional 6 employees that were made redundant but did not participate in the employment tribunal.

The liquidator is in the process of writing to employees who may have a surplus preferential claim in the liquidation. The Liquidator anticipates being able to pay a distribution of 100p in the £ in respect of preferential creditor claims.

Unsecured creditors

HMRC was shown to be owed £45,954.00 in the statement of affairs. The liquidator is yet to receive HMRC's claim in the liquidation.

The trade and expense creditors as per the statement of affairs totalled £157,866. Please be advised that proofs of debt are still being received and therefore the total value of unsecured claims is not known at present.

The RPS has submitted a claim which represents the entitlements paid to employees by the RPS for their redundancy, notice pay, protective awards etc. The liquidator is in the process of writing to employees who may have a surplus unsecured claim in the liquidation

Dividend prospects

It is anticipated that preferential creditors will be paid in full. Secured creditors may receive a dividend of 6p in the £. Unsecured creditors may receive a dividend of 7p in the by way of the prescribed part.

Where a floating charge is created after 15 September 2003 a prescribed part of the company's net property shall be made available to unsecured creditors by way of the prescribed part. The Company granted a fixed and floating charge to TGL on 7 January 2020 and based on present information it is estimated that, after allowing for costs and preferential claims, the value of the Company's net property will be £64,805 and this means that the prescribed part is currently estimated at £15,960.

ETHICS

Please also be advised that liquidator is bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

During the Review Period, no new threats to compliance with the Code of Ethics have been identified.

Specialist Advice and Services

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the liquidator is obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.

FEES AND EXPENSES

Pre-Appointment Costs - Fixed fee agreed with the Directors and ratified by creditors.

The creditors authorised the fee of £7,500 for assisting the directors with placing the Company in Liquidation and with preparing the Statement of Affairs on 16 September 2020.

The fee was paid from first realisations on appointment and is shown in the enclosed receipts and payments account.

The Liquidator's fees

It is the firm's practice to ensure that work is conducted by the appropriate staff member at the appropriate level of experience. Junior members of staff deal with the day to day administration on cases and a manager and director then oversees the work undertaken. Where the issues are complex and litigious, the work will be closely supervised or undertaken by a senior manager or insolvency practitioner.

The basis of the liquidator's fees was approved by creditors on 20 October 2020 in accordance with the following resolution:

"That the basis of the liquidator's fees be a fixed fee of £31,000 plus VAT for dealing with matters arising in the liquidation in accordance with the information provided in the liquidator's letter to the company's creditors dated 30 September 2020. In addition, in the event that any asset realisations are made in the liquidation as a result of the liquidator's investigations, the liquidator will be authorised to be remunerated at a rate of 30% of any such realisations"

No further fees have been drawn in respect of the liquidator's percentage fee.

Expenses

The expenses, which include disbursements, that have been incurred and not yet paid during the period are detailed on Appendix IV. Also included in Appendix IV is a comparison of the expenses likely to be incurred in the Liquidation as a whole with the original expenses estimate, together with reasons where any expenses are likely to exceed that estimate.

The category 1 expenses paid for in the Review Period total £65.50 are detailed at Appendix II and represent payments to parties not associated with the firm, who have provided services or goods for the administration of the assignment.

The category 2 expenses paid for in the Review Period total £1,100.00. The basis of this category of expense was disclosed to creditors prior to their approval, which was given on 19 November 2021 and are also detailed in Appendix II.

Information about this insolvency process may be found on the R3 website at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors' Guide to Fees' together with the firm's charge-out rate and expenses policy may be found at <https://braileyhicks.co.uk/uploads/Liquidations-creditor-fee-guide-6-April-2017.pdf>. A hard copy of both the Creditors' Guide and the firm's charge-out rate and disbursement policy may be obtained on request.

Other professional costs

No professional costs were incurred during the Review Period.

CREDITORS' RIGHTS

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

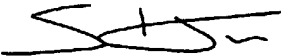
An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

CONCLUSION

The administration of the case will be continuing until the above outstanding matters are finalised. Upon conclusion of the matters the liquidation will be closed. I would expect the liquidation to be closed within the next 12 months.

If you require any further information, please contact Ellie Mae or Lauren Kessel at this office.

Signed



SIMON HICKS

LIQUIDATOR

21 November 2022

ANNUAL PROGRESS REPORT OF DRINKMASTER LIMITED - IN CREDITORS' VOLUNTARY LIQUIDATION

Appendix I

Statutory Information

Company Name	Drinkmaster Limited
Former Trading Name	N/A
Company Number	08649255
Registered Office	16 Lantoom Way, Dobwalls, Liskeard, Cornwall, PL14 4FF
Former Registered Office	C/O Tayto Group Limited, Princewood Road, Earlstrees Industrial Estate, Corby, NN17 4AP
Office holder	Simon Wesley Hicks
Office holders' address	Brailey Hicks, 13 Reynolds Park, Plympton, Plymouth, PL7 4FE
Date of appointment	22 September 2020

Drinkmaster Limited - In Creditors Voluntary Liquidation
Liquidator's Abstract of Receipts & Payments
From 22 September 2021 to 21 September 2022

Per statement of affairs		From 22 September 2020 to 21 September 2022	From 22 September 2021 to 21 September 2022	Total
£	REALISATIONS	£	£	£
122,981.00	Cash at bank	118,749.15	Nil	118,749.15
27,291.00	Book Debts	20,193.44	Nil	20,193.44
11,500.00	Stock			
5,800.00	Motor vehicle	43,750.00	Nil	43,750.00
2,685.00	Fixture & fittings			
Nil	Bank interest gross	7.40	7.53	14.93
Nil	Pension refund	Nil	39.22	39.22
<u>170,257.00</u>		<u>182,692.59</u>	<u>46.75</u>	<u>182,746.73</u>
	COST OF REALISATIONS			
	Pre liquidation costs			
	Brailey Hicks	(7,500.00)	Nil	(7,500.00)
	Lambert Smith Hampton	(2,200.00)	Nil	(2,200.00)
	Liquidator's remuneration	(31,000.00)	Nil	(31,000.00)
	Legal fees - Michelomores LLP	(2,650.00)	Nil	(2,650.00)
	Agents fees - Lambert Smith Hampton	(8,068.95)	Nil	(8,068.95)
	Debt collection fees - JP Associates	(3,012.68)	Nil	(3,012.68)
	ERA specialist - Courts Trustee Limited	(1,120.00)	Nil	(1,120.00)
	Specific bond	(1,064.00)	Nil	(1,064.00)
	Statutory advertising	(273.00)	Nil	(273.00)
	Case management software fee	(175.00)	Nil	(175.00)
	Rent payable	(13,500.00)	Nil	(13,500.00)
	Locksmith	(300.00)	Nil	(300.00)
	Security costs	(317.92)	Nil	(317.92)
	Insurance of assets	(855.22)	Nil	(855.22)
	Storage costs	(2,789.75)	(1,100.00)	(3,889.75)
	Postage	(562.31)	(65.50)	(627.81)
	Mileage	(373.80)	Nil	(373.80)
		<u>(75,388.83)</u>	<u>(1,165.50)</u>	<u>(76,928.13)</u>
		<u>107,303.76</u>	<u>(1,118.75)</u>	<u>105,818.60</u>
	REPRESENTED BY			
	Brailey Hicks client account			99,685.23
	VAT receivable			6,133.37
				<u>105,818.60</u>

ANNUAL PROGRESS REPORT OF DRINKMASTER LIMITED - IN CREDITORS' VOLUNTARY LIQUIDATION

Appendix III

Detailed list of work undertaken for Drinkmaster Limited in Creditors' Voluntary Liquidation for the Review Period

Below is detailed information about the tasks undertaken by the Liquidator.

General Description	
Statutory and General Administration	
Statutory/advertising	Filing of documents to meet statutory requirements including annual receipts and payments accounts
Document maintenance/file review/checklist	Filing of documents Periodic file reviews documenting strategy Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Requesting bank statements Bank account reconciliations Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / Review	Discussions regarding strategies to be pursued
Storage	Dealing with records in storage
Reports	Preparing annual progress report and general reports to creditors
Creditors' decisions	Preparation of decision procedure notices, proxies/voting forms and advertisements Notice of decision procedure to all known creditors Collate and examine proofs and proxies/votes to conclude decisions
Creditors and Distributions	
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Corresponding with the PPF and the Pensions Regulator Correspondence with employees' solicitor in respect of tribunal claim Liaising with the liquidator's solicitor regarding the tribunal Review tribunal documents

Appendix V**Expenses summary for period, cumulative & comparison with estimate
for Drinkmaster Limited in Creditors' Voluntary Liquidation**

Below are details of the Liquidator's expenses for the period under review and the total to date.

Expenses	Original expenses estimate £	Actual expenses incurred in the Review Period £	Actual expenses incurred to date £
Category 1 Expenses			
Legal costs	5,000.00	Nil	2,650.00
Agents' and valuers' costs	5,100.00	Nil	8,068.95
Debt collection agency	1,500.00	Nil	3,012.68
ERA specialists	Nil	Nil	1,120.00
Bonding	1,064.00	Nil	1,064.00
Advertising	182.00	Nil	273.00
Case management software fee	Nil	Nil	175.00
Rent payable	Nil	Nil	13,500.00
Locksmith	Nil	Nil	300.00
Security costs	Nil	Nil	317.92
Insurance	2,500.00	Nil	855.22
Printing and postage	1,000.00	65.50	627.81
Category 2 Expenses			
Storage costs	6,000.00	1,100.00	3,889.75
Mileage	500.00	Nil	317.92