

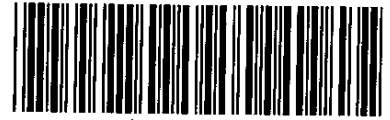
# AM07

## Notice of creditor's decision on administrator's proposals



Companies House

THURSDAY



A22

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01/11/2018

#175

COMPANIES HOUSE

### 1 Company details

Company number 0 9 6 3 6 4 4 7

Company name in full PH Realisations 2018 Limited

#### Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Ben

Surname Woodthorpe

### 3 Administrator's address

Building name/number ReSolve Advisory Limited

Street 22 York Buildings

Post town London

County/Region

Postcode W C 2 N 6 J U

Country

### 4 Administrator's name ●

Full forename(s) Simon

Surname Harris

#### Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ●

Building name/number ReSolve Advisory Limited

Street 22 York Buildings

Post town London

County/Region

Postcode W C 2 N 6 J U

Country

#### Other administrator

Use this section to tell us about  
another administrator.

## AM07

### Notice of creditor's decision on administrator's proposals

#### 6 Purpose of procedure or meeting

The Administrators sought approval on following:

- Administrators proposals,
- Time costs
- Category 2 disbursements
- Pre-appointment costs and expenses
- Administrators' discharge from liability

Creditors were also invited to determine whether to form a Creditors' Committee

#### 7 Description of procedure or meeting <sup>9</sup>

Decision procedure by correspondence

•

Whether it was a virtual or physical meeting, some other decision procedure (please describe), or deemed consent.

#### 8 Address of meeting

If a meeting was held at a physical location, give the address below.

Building name/number N/A

Street

Post town

County/Region

Postcode

Country

## AM07

### Notice of creditor's decision on administrator's proposals

<b>9</b>	<b>Other platform for decision procedure or meeting •</b>	
	Decision procedure by correspondence	• If a meeting was not held at (or the decision procedure was not undertaken at) a physical location, tell us what means were used—for example email, videolink
<b>10</b>	<b>Meeting</b>	
	If a meeting was held was the required quorum met?  <input type="checkbox"/> Yes  <input type="checkbox"/> No	
<b>11</b>	<b>Details of creditors' decisions</b>	
	Details of decisions including any modifications to the proposals approved by the creditors are as follows:  <ul style="list-style-type: none"><li>• That the Administrators' proposals be approved.</li><li>• That the Administrators' be remunerated on a time cost basis</li><li>• That the Administrators be permitted to recover category 2 disbursements</li><li>• That the Administrators' pre-appointment costs and expenses be approved and that they be drawn from the Company's estate.</li><li>• That the Administrators be discharged from liability in respect of any act of theirs 14 days after they cease to be Administrators of the Company.</li></ul>	
<b>12</b>	<b>Details of any resolutions passed</b>	
	Give details of any resolutions which were passed.  <ul style="list-style-type: none"><li>• That the Administrators' proposals be approved.</li><li>• That the Administrators' be remunerated on a time cost basis</li><li>• That the Administrators be permitted to recover category 2 disbursements</li><li>• That the Administrators' pre-appointment costs and expenses be approved and that they be drawn from the Company's estate.</li><li>• That the Administrators be discharged from liability in respect of any act of theirs 14 days after they cease to be Administrators of the Company.</li></ul>	

## AM07

### Notice of creditor's decision on administrator's proposals

#### 13 Date and time of decision made or resolution passed

Date	2	5	1	0	2	0	1	8
Time	2	3	:	5	9			

#### 14 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

D	D	M	M	Y	Y	Y	Y
2	6	1	0	2	0	1	8

# AM07

## Notice of creditor's decision on 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.

Ben Woodthorpe

ReSolve Advisory Limited

22 York Buildings

John Adam Street

London

Postcode

W C 2 N 6 J U

DX

020 7702 9775



### 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 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

# RE|SOLVE

## **Protein Haus Limited - in Administration**

**High Court of Justice Business and Property Courts, Chancery Division, London**

**Court no: 8262 of 2018**

**Joint Administrators' proposals for achieving the purpose of Administration**

**Date: 8 October 2018**

**Deemed date of delivery to creditors: 10 October 2018**

## **Contents**

- 1 Abbreviations and definitions
- 2 The purpose of this document
- 3 Summary of estimated recoveries for creditors
- 4 Brief history of the Company and events leading to its Administration
- 5 Conduct of the Administration to date and next steps if our proposals are approved
- 6 Estimate of the financial position
- 7 Receipts and payments account
- 8 Administrators' proposals
- 9 Statutory and other information

## **Appendices**

- I Pre-appointment time costs and disbursements
- II Administrators' charge out rates, disbursement policy, narrative and fee estimate
- III Post-appointment time costs, disbursements and expenses
- IV Notice of decisions by correspondence
- V Notice of invitation to form a creditors' committee
- VI Proof of debt
- VII Estimate of the financial position
- VIII Statement of Insolvency Practice 16

# 1. Abbreviations and definitions

Abbreviations and terms that may be used in these proposals:

Abbreviation	Definition
Administrators/we/us/our	Ben Woodthorpe and Simon Harris
BEIS	Department for Business, Energy and Industrial Strategy
Business IP	Business Intellectual Property Rights
CDG	CDG Leisure Limited
Company	Protein Haus Limited
CVL	Creditors' Voluntary Liquidation. One of the exit routes from Administration
EFP	Estimate of the financial position
FW	Fox Williams LLP (solicitors)
HMRC	HM Revenue & Customs
HSBC	HSBC Bank plc
IA86	The Insolvency Act 1986 (e.g. s248 IA86: section 248 Insolvency Act 1986)
ICAEW	Institute of Chartered Accountants in England & Wales, regulatory authority
IR16	The Insolvency (England and Wales) Rules 2016 (e.g. r3.30 IR16: rule 3.30 Insolvency (England and Wales) Rules 2016)
LSH	Lambert Smith Hampton Limited (valuers)
PHL/Purchaser	Protein Haus (London) Limited
Pre-Pack Sale	The Pre-Pack Administration Sale
Preferential creditor(s)	Mainly employee claims for unpaid wages earned in the 4 months preceding the Administration, up to £800, holiday pay and in certain circumstances, unpaid pension contributions
Prescribed part	The amount set aside for creditors from floating charge funds in accordance with s176A IA86 and the IA86 Prescribed Part Order 2003
ReSolve / Firm	ReSolve Advisory Limited
QFCH	Qualifying Floating Charge Holder
RoT	Retention of title: Claims made by suppliers that title of goods supplied to the Company remains with them after delivery to the Company but before payment made
RPS	Redundancy Payments Service, part of the Insolvency Service, an executive agency of BEIS. Authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
Sch B1 IA86	Schedule B1 to the Insolvency Act 1986
Secured creditor(s)	Creditors with security in respect of their debt, in accordance with s248 IA86
SIP	Statement of Insolvency Practice. Issued to insolvency practitioners by regulatory authorities. SIPs set out the principles and key compliance standards by which insolvency practitioners are required to operate
SIP 9	This SIP deals specifically with payments to insolvency office holders and their associates



SIP16	This SIP provides detailed guidance for insolvency practitioners involved in a pre-pack administration sale process. Pre-pack administration is an insolvency procedure whereby the underlying assets of an insolvent company are sold in close proximity to the appointment of Administrators.
SoA	Statement of Affairs
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
Unsecured creditor(s)	Creditors that are neither secured nor preferential

## 2. The purpose of this document

Ben Woodthorpe and Simon Harris of ReSolve were appointed as Joint Administrators of the Company on 1 October 2018.

In this document we provide:

- a brief history of the Company;
- reasons why we were appointed; and
- our proposals for achieving the purpose of Administration.

We also provide details of the Company's assets and liabilities and the likely outcome for each class of creditor.

The IA86 states the purpose of an Administration is to achieve one of these three hierarchical objectives:

- (a) rescue the Company as a going concern; or
- (b) 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); or
- (c) realise the Company's assets to pay a dividend to secured or preferential creditors.

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate.

As a result, we are seeking to achieve objective (b) for the Company, and have done this by realising the Company's available assets and conducting the Pre-Pack Sale. The sale has resulted in the transfer of all employees by way of TUPE legislation and it is considered the sale will allow for the Company to exit Administration by way of a CVL to allow for a distribution to unsecured creditors of the Company. Further details regarding the sale are provided later in this report and in **Appendix VIII**.

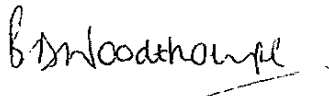
The insolvency legislation has set a 12 month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If we are unable to complete the Administration of the Company within 12 months then we will either apply to the Court, or hold a meeting of creditors, in order to seek approval to extend the duration of the Administration.

We will manage the affairs of the Company until creditors agree our proposals for achieving the objective of this Administration and they have been implemented as far as possible, after which the Administration will end.

Because we are pursuing objective (b), we are seeking a decision from creditors to approve our proposals and separate decisions to approve our pre-appointment costs and remuneration. Both of these decisions will be finalised on 25 October 2018. Further details, including the decision forms to be returned to us are at **Appendix IV**. A Notice of Invitation to form a Creditors' Committee is at **Appendix V**.

If you have any questions regarding the contents of this document, please contact Ayomide Bada on 020 3411 8102 or by email to [ayomide.bada@resolvegroupuk.com](mailto:ayomide.bada@resolvegroupuk.com).

Yours faithfully  
For and on behalf of  
Protein Haus Limited



Ben Woodthorpe  
Joint Administrator

The affairs, business and property of the Company are being managed by the administrator  
Partners and staff acting as administrators, administrative receivers or supervisors act as agents of the company over which they are appointed at all times, and without personal liability  
Cameron Gunn, Mark Supperstone, Simon Harris, Chris Farrington and Ben Woodthorpe are licensed to act as Insolvency Practitioners in the United Kingdom by the Institute of  
Chartered Accountants in England and Wales  
Please refer to the firm's privacy notice setting out your rights and explaining how your data will be used. The notice can be found on our website here  
[www.resolvegroupuk.com/policies2/](http://www.resolvegroupuk.com/policies2/)

### 3. Summary of estimated recoveries for creditors

#### Estimated outcome for secured creditors

There are no known secured creditors.

#### Estimated dividend prospects for other creditors

Creditors	Claims £	Recovery %	Forecast timing for repayment
Unsecured	558,780	9	6 months

There are no known preferential claims as the Company's employees were transferred to the Purchaser under TUPE legislation thereby mitigating any preferential claim against the Company.

Preferential claims relate to holiday pay (uncapped) and wages, which are subject to a maximum limit set by the insolvency legislation of £800. Any balance of wages is unsecured. There is no limit in respect to outstanding holiday pay.

Based on the Company's records, unsecured creditors total £558,780. Of this amount, £220,000 relates to the claim of HMRC and £232,500 relates to claims of the Directors.

This summary of the estimated recoveries for creditors is based on information available as at the date of this report.

### 4. Brief history of the Company and events leading to its Administration

#### Background

The Company commenced trading in June 2015 as a take-away service preparing and selling a variety of health foods and drinks to the general public from a kiosk at Canary Wharf.

In the first year of trading the Company secured three further outlets at Stratford (Westfield Shopping Centre), Moorgate tube station and a larger kiosk at Canary Wharf. These sites were all favourably located in and around London tube stations and Westfield shopping centre. As a result, 1,350 customers are estimated to have been served daily. The Westfield kiosk was closed after 8-9 months due to poor foot fall which saw operating costs exceed sales.

The Company produced and packaged its product from kitchens at Canary Wharf occupied by an associated company, Pentfold Limited. When the leases for the three units expired in June 2018 new leases were provided to the Company to 30 November 2018.

In February 2017 the Company commenced trading from One New Change (St Pauls) and in December 2017 opened outlets at Moorgate and Victoria tube stations.

The Company has a strong online presence, via its own website, Twitter, Facebook and Instagram pages.

In 2017 the Company also entered into contracts with two well-known food delivery companies.

As at 1 October 2018, the Company operated from the following leasehold properties in London and employed 68 full and part-time staff, excluding its directors:

Canary Wharf – Kiosk and kitchen  
Moorgate  
Victoria

Berners Street  
St Pauls (One New Change)

The Company also entered into a lease for a property at Great Portland Street station; however it never operated from this property.

## The circumstances leading to our appointment

In 2017, in an attempt to increase revenue and spread the brand, the Company opened three new stores in London. Due to the time and funds required to open and launch the additional stores, the Company's operations began to suffer from associated conditions including:

- Increased property costs;
- Raw ingredient costs;
- Increased labour costs; and
- Declining customer confidence.

The Company's operations were loss making in 2018 and the directors identified that it would not be able to meet all operating liabilities beyond the September rent quarter date. As a result, the Company's directors considered it necessary to seek professional advice and in July 2018 contacted ReSolve to discuss the Company's options. Further details are provided at **Appendix VIII**.

Following these discussions, ReSolve was instructed by the Board on 18 September 2018 to act as agent for the Company, to conduct an accelerated marketing campaign for the sale of the Company's business and assets (Pre-Pack Sale), and subsequently to assist with placing the Company into Administration.

As a result of the marketing campaign, four offers were received for the Company's business and certain assets by the deadline of 4pm on 25 September 2018. Following discussions with the four parties it was deemed necessary to informally extend the deadline to 2pm on 27 September 2018 to allow the competing parties sufficient time to revise and finalise offers.

Each of the final offers was referred to the proposed Administrators appointed agents, LSH and CDG for consideration. LSH and CDG subsequently recommended the offer received from PHL, a newly incorporated, connected, entity. PHL's offer was for £50,000 for the acquisition of the Company's business and certain assets via a Pre-Pack Administration process. Further details relating to the sale are provided later in this report and in **Appendix VIII**.

On 1 October 2018, Simon Harris and I were appointed by the directors of the Company, as Joint Administrators of the Company, a sale of the Company's business and assets was completed to PHL shortly thereafter.

The appointment permitted the Joint Administrators to take any actions required either jointly or alone, and I have been the Administrator primarily involved in dealing with the Company's affairs.

The table below shows the Company's most recently available trading figures:

Financial statements				Balance sheet as at			
Profit and loss account		30-Sep-17	31-Mar-17			30-Sep-17	31-Mar-17
		Management	Statutory			Management	Statutory
		£	£			£	£
Turnover		1,630,225	2,262,488	Assets			
Cost of Sales		(850,923)	(1,085,181)	Fixed assets		269,036	270,350
Gross Profit		779,302	1,177,307	Current assets		557,582	328,327
				Total assets		826,618	598,677
Administrative Expenses		(766,509)	(1,025,115)	Liabilities			
Operating Profit		12,793	152,192	Current liabilities		(596,179)	(377,424)
Interest payable and similar expenses		(1,144)	(186)	Total liabilities		(596,179)	(377,424)
Profit before Tax		11,649	152,006	Provisions for liabilities		(42,948)	(42,123)
Tax on profit		(3,288)	(30,302)	Net assets		187,491	179,130
Net Profit/(Loss)		8,361	121,704	Capital and Reserves			
				Called up share capital		400	400
				Retained earnings		187,091	178,730
				Total equity		187,491	179,130

Source: Company management and statutory accounts

Please note the management accounts have not been verified for accuracy and therefore may not reflect the Company's true trading position.

## Prior professional relationships

Prior to our appointment as Administrators, ReSolve was introduced to the Company by CDG and undertook the following work for the Company:

- engaged on 18 September 2018 to assist the directors in planning for an insolvency process; and
- engaged on 19 September 2018 to assist the directors in marketing the Company business and/or assets.

As part of our routine pre-appointment procedures, we gave careful consideration as to whether this prior work would result in any ethical threats, including conflicts of interest, as set out in the ICAEW's Code of Ethics for Insolvency Practitioners. Our prior work has not been linked to any of the causes of the Company's failure, accordingly we are not precluded from acting as the Company's Administrators. Details of the Code and internal policies relevant to this appointment can be found here [www.resolvegroupuk.com/policies2/](http://www.resolvegroupuk.com/policies2/).

## Pre-administration costs

These are costs incurred prior to the Company entering Administration but with a view to it doing so. Our pre-administration costs total £35,500 of which £7,500 plus VAT was paid by the Company prior to my appointment in respect of the marketing work. The pre-administration costs are split between advisory and pre-appointment costs, full details of these costs are provided at **Appendix I**.

The payment of unpaid pre-administration costs as an expense of the Administration is a matter requiring a decision of creditors by a decision procedure under r3.52 IR16. That request is included at **Appendix IV**.

If creditors elect a committee, that committee will have authority to approve the payment of these costs under r3.52 IR16.

## 5. Conduct of the Administration to date and next steps if our proposals are approved

The objective of this Administration is to achieve a better result for the Company's creditors as a whole than would be likely be achieved if the Company were wound up (without first being in Administration). To achieve this, we have realised certain available assets of the Company and conducted the Pre-Pack Sale.

The sale has resulted in the transfer of all employees by way of TUPE legislation and it is considered the sale will allow for the Company to exit Administration by way of a CVL to allow for a distribution to unsecured creditors of the Company.

A summary of the matters dealt with since the Administrators' appointment are outlined below:

- Completed the Pre-Pack Sale to the Purchaser and received the completion funds
- Wrote to all employees of the Company to confirm their transfer to the Purchaser in accordance with TUPE legislation
- Corresponded with the Company's pre-appointment solicitors, Sherrards LLP
- Corresponded with the Company's pre-appointment Accountants, Hill Wooldridge & Co
- Notified the Company's pre-appointment bankers, HSBC, of our appointment by phone and by post regarding the Company's pre-appointment bank account
- Requested for the opening of an Administration bank account
- Instructed solicitors, FW to deal with post completion matters related to the Pre-Pack Sale
- Liaised with the Purchaser generally regarding post completion matters

- Confirmed the sale of the Company's assets with agents, LSH and CDG and liaised with them in relation to the assets excluded from the Pre-Pack Sale
- Liaised with members and creditors regarding claims and enquiries
- Drafted the Administrators' SIP 16 report to creditors (please **Appendix VIII** of this report)
- Drafted these proposals, and
- Addressed statutory duties associated with this Administration.

### **Sale of business and assets**

On 1 October 2018, shortly following Administration, the Pre-Pack Sale was completed to PHL for £50,000. The sale proceeds were due in full on completion and were received by FW. The sale proceeds have since been transferred to ReSolve. An Administration bank account has been requested and the funds will be transferred to it in due course.

For further details on the Pre-Pack Sale, please see **Appendix VIII**.

A summary of the assets sold and the consideration received is detailed below:

<b>Asset category</b>	<b>Consideration Received £</b>
Goodwill	1
Included plant and machinery	17,500
The Company's records	1
Stock	1,000
Customer contracts	1
Business IP	994
Leasehold Property:	
(a) Canary Wharf - Kiosk	7,500
(b) Canary Wharf – Kitchen 1	1
(c) Canary Wharf – Kitchen 2	1
(d) Canary Wharf – Kitchen 3	1
(e) Berners Street	11,500
(f) Moorgate	7,500
(g) St Pauls (One New Change)	4,000
	<hr/> 50,000 <hr/>

#### ▪ ***Goodwill***

The Company's goodwill was included in the Pre Pack sale for £1.

Further details are provided in **Appendix VIII**.

#### ▪ ***Plant and machinery***

The Company's plant and machinery included kitchen equipment such as blenders and refrigeration units located at its leasehold properties. The majority of the plant and machinery was included in the Pre-Pack Sale.

Plant and machinery held at the Company's leasehold property at Victoria was excluded from the sale. I have instructed agents, LSH to recover these items and I anticipate a sale will be achieved in due course

Further details are provided in **Appendix VIII**.

- **Company records**

The Company's records were included in the Pre-Pack Sale for £1.

A provision included in the Pre-Pack sale agreement requires PHL to provide access to the records at the request of the Administrators.

Further details are provided in **Appendix VIII**.

- **Stock**

Stock held at the Company's leasehold properties consisted of ingredients used in its products as well as finished goods. The stock was included in the Pre-Pack Sale to PH for £1,000.

Further details are provided in **Appendix VIII**.

- **Customer contracts**

The Company's customer contracts, including two delivery agreements, were included in the Pre-Pack Sale for £1.

Further details are provided in **Appendix VIII**.

- **Business IP**

The Company's Business IP, including its trading name, website and social media platforms were included in the Pre-Pack sale for £994.

Further details are provided in **Appendix VIII**.

- **Leasehold Property**

The Company operated from the following leasehold premises:

Property	Leaseholder	Status at the date of these proposals
(a) Canary Wharf - Kiosk	Protein Haus Limited	Included in the Pre-Pack sale
(b) Canary Wharf – Kitchen 1	Protein Haus Limited	Included in the Pre-Pack sale
(c) Canary Wharf – Kitchen 2	Protein Haus Limited	Included in the Pre-Pack sale
(d) Canary Wharf – Kitchen 3	Protein Haus Limited	Included in the Pre-Pack sale
(e) Berners Street	Protein Haus Limited	Included in the Pre-Pack sale
(f) Moorgate	Protein Haus Limited	Included in the Pre-Pack sale
(g) St Pauls (One New Change)	Protein Haus Limited	Included in the Pre-Pack sale
(h) Great Portland Street*	Protein Haus Limited	Excluded from the Pre-Pack Sale
(i) Victoria	Protein Haus Limited	Excluded from the Pre-Pack Sale

\*The Company never traded from the Great Portland Street premises

- **Canary Wharf Kiosk**

CDG advised the lease for the property from where the Canary Wharf Kiosk operates may attract a premium however this may be impacted on the lack of security of tenure and works that seem to continually affect the surrounding area. It was agreed the purchaser would allocate £7,500 of its offer to the acquisition of this lease.

- **Canary Wharf Kitchens 1,2 and 3**

Due to the short period remaining on these leases (all end 30 November 2018) CDG advised no value would likely be achieved. It was agreed the purchaser would allocate £1 of its offer to the acquisition of each of these leases.

- **Berners Street**

CDG advised the lease for the property at Berners Street would likely attract a premium if a similar business was to continue to operate from it. It was agreed the purchaser would allocate £11,500 of its offer to the acquisition of this lease.

- **Moorgate**

CDG advised the lease for the property at Moorgate may attract a premium however this may be impacted on the lack of security of tenure and the rent review next year. It was agreed the purchaser would allocate £7,500 of its offer to the acquisition of this lease.

- **St Pauls (One New Change)**

CDG advised the lease for the property at One New Change may attract a premium. It was agreed the purchaser would allocate £4,000 of its offer to the acquisition of this lease.

The Purchaser advised it did not wish to acquire the leasehold properties located at Victoria and Great Portland Street.

CDG has advised it would be unlikely to achieve any value for either of the Victoria and Great Portland Street leases.

#### **Other assets**

- **Cash at Bank**

Based on information provided by the directors the Company's bank account is currently overdrawn, however, I have written to the Company's bank, HSBC, to request further details.

I am not aware of any other funds held by the Company.

- **Book debts**

The Company's records indicate amounts due to the Company total £510,461.

We are advised the book debts relate to pre-payments and sums due from associated companies. At this time we are uncertain what the level of recoveries might be. We will provide further details regarding the Company's book debts in our next report.

- **Westfield Kiosk**

The kiosk the Company operated from at the Westfield shopping centre in Stratford was placed into storage shortly after it was agreed to close this operation.

We are currently liaising with LSH to establish whether any value can be achieved for the kiosk. We will provide further details in our next report.

#### **Employees**

The Company employed 68 people, excluding directors. Following the sale all of the Company's employees transferred to PHL in accordance with TUPE legislation. The transfer ensures the Company has no employee liabilities.

#### **Connected party transactions**

We are not aware of any such transactions prior to our appointment.



The Pre-Pack sale to PHL represents a connected party transaction as PHL is associated by way of common directorship and shareholding (schedule below). The Purchaser had legal representation in respect of the transaction.

A schedule of the known association between the Company and PHL is detailed below:

Name	Director of Protein Haus Limited	Shareholder of Protein Haus Limited	Director of Protein Haus (London) Limited	Shareholder of Protein Haus (London) Limited
Redouane El Khamlichi	Yes	Yes	Yes	Yes

Further details are provided in Appendix VIII.

### **Directors' conduct and investigations**

We have a duty to investigate the conduct of those who have been directors of the Company at any time in the three years before the Administration. We have to submit our findings to BEIS within three months of our appointment.

We will also investigate the affairs of the Company and decide whether any civil proceedings should be taken against anyone to recover or contribute to the Company's assets.

We should be pleased to receive from you any information you consider will assist us in these investigations. This is part of our normal work as Administrators and does not imply criticism of the directors' conduct.

### **Objective of the Administration**

We are pursuing objective 3(1)(b) of Schedule B1 IA86.

### **Outcome for creditors**

#### **▪ Secured creditors**

There are no known secured creditors.

#### **▪ Preferential creditors (employees' claims)**

There are no known preferential claims.

The Company's employees were transferred to the Purchaser under TUPE legislation thereby mitigating any claim against the Company.

Preferential claims relate to holiday pay (uncapped) and wages, which are subject to a maximum limit set by the insolvency legislation of £800. Any balance of wages is unsecured. There is no limit in respect to outstanding holiday pay.

#### **▪ Unsecured creditors**

Where a company gave a floating charge over its assets to a lender on or after 15 September 2003, there are provisions in the insolvency legislation that require the Administrators to set aside a percentage of a Company's assets for the benefit of the unsecured creditors. This is known as the prescribed part of a company's net property.

A company's net property is the amount left after paying the preferential creditors, but before paying the lender who holds the floating charge. Administrators have to set aside 50 per cent of the first £10,000 of the net property and 20 per cent of the remaining net property up to a maximum of £600,000.

The Company has not created any floating charges, so the prescribed part provisions will not apply.

If we do agree unsecured claims, we may ask the Court for permission to allow us to pay dividends to unsecured creditors. If we do not request permission from the Court, a subsequent liquidator will formally adjudicate on claims and pay any dividends to unsecured creditors.

Further details are provided in **Section 3** of this report.

### **Fees and disbursements**

According to insolvency legislation, our fees can be calculated in the following ways:

1. As a percentage of the value of the property that we deal with ("percentage basis"); or
2. By reference to the time properly given by us and our staff attending to matters arising ("time cost basis"); or
3. A set amount ("fixed fee").

It will be up to creditors or a Creditors Committee to decide on the basis of our fees and category 2 disbursements. In this case we are proposing our fees for the Administration be charged on the time cost basis.

Details of our time costs and disbursements to date are provided at **Appendix III**. In the period from 1 October 2018 to 8 October 2018 we have spent 29 hours which equates to £9,064 dealing with this report and the matters described in it.

If a Creditors' Committee is appointed, it will be for the committee to approve the basis of our fees and category 2 disbursements.

The invitation to form a Creditors Committee is at **Appendix V**.

If a Creditors Committee is not appointed, we will require a decision from creditors to approve the basis of our fees and category 2 disbursements.

Notice of the decisions required of creditors in respect of our proposals and remuneration is at **Appendix IV**.

If neither the creditors nor the committee fix the basis of our fees and category 2 disbursements, we may apply to Court to fix them, no later than 18 months after the date of our appointment.

When we seek time cost approval we have to set out a fee estimate, which acts as a cap on time costs so we cannot draw fees of more than the estimate without further approval. The fees estimate can be found at **Appendix II**.

This shows the estimated time costs, hours charged and average hourly rates split into various categories and by grade of staff. We estimate the total time costs we will incur in undertaking these tasks in the Administration and any subsequent liquidation will be £81,845. It should be noted the costs of the Administration will not be recovered in full if there are not sufficient realisations to first pay a distribution to unsecured creditors.

This estimate has been provided at an early stage in the Administration and before we have full knowledge of the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on our current knowledge of the case and our knowledge and experience of acting as Administrators in respect of cases of a similar size and apparent complexity. As a result, the estimate does not account for any currently unknown complexities or difficulties that may arise during the Administration of the case.

If the time costs incurred by us exceed the estimate, or are likely to exceed the estimate, we will provide an explanation as to why in the progress reports to creditors. Since we cannot draw remuneration in excess of this estimate without first obtaining approval to do so, then where we consider it appropriate in the context of the case, we will seek a resolution to increase the fee estimate so that we will then be able to draw additional remuneration over and above this estimate.

Further information regarding Administrators' fees can be found here:

<http://www.resolvegroupuk.com/resources>

There are different versions of the guide so please ensure that you refer to the latest version. A hard copy can be obtained on request, free of charge, from this office.

## **6. Estimate of the financial position**

I have asked the directors to prepare a summary of the Company's estimated financial position as at 1 October 2018, which is known as a SoA.

Ahead of receiving the directors' SoA I have prepared an EFP of the Company as at 1 October 2018 from the records of the Company and a copy is attached at **Appendix VII**.

As required by law, the names and addresses of employees have been omitted, along with the personal email addresses of the shareholders.

Please note that the EFP does not make provisions for the costs of realising Company assets or the costs of the Administration and the information in the EFP has not been audited.

## 7. Receipts and payments account

Summary of Administrators receipts and payments account for the period from 1 October 2018 (date of Administrators' appointment) to 8 October 2018			
	Estimated Financial Position  £	For the period 1-Oct-18 to 8-Oct-18 £	Total Receipts/ Payments to date £
<b>Uncharged receipts</b>			
Goodwill	1.00	1.00	1.00
Included plant and machinery	17,500.00	17,500.00	17,500.00
The Company's records	1.00	1.00	1.00
Stock	1,000.00	1,000.00	1,000.00
Customer contracts	1.00	1.00	1.00
Business IP	994.00	994.00	994.00
<i>Leasehold Property:</i>			
(a) Canary Wharf - Kiosk	7,500.00	7,500.00	7,500.00
(b) Canary Wharf – Kitchen 1	1.00	1.00	1.00
(c) Canary Wharf – Kitchen 2	1.00	1.00	1.00
(d) Canary Wharf – Kitchen 3	1.00	1.00	1.00
(e) Berners Street	11,500.00	11,500.00	11,500.00
(f) Moorgate	7,500.00	7,500.00	7,500.00
(g) St Pauls (One New Change)	4,000.00	4,000.00	4,000.00
(h) Great Portland Street	-	-	-
(i) Victoria	-	-	-
Book debts	Uncertain	-	-
	<u>50,000.00</u>	<u>50,000.00</u>	<u>50,000.00</u>
<b>Uncharged payments</b>			
None		-	-
		-	-
<b>Balance (receipts less payments)</b>			
		<u>50,000.00</u>	<u>50,000.00</u>
<b>REPRESENTED BY</b>			
Current account - non interest bearing			-
Sale proceeds held on account by ReSolve			50,000.00
<b>Total</b>			<u>50,000.00</u>

Ben Woodthorpe  
Joint Administrator  
8 October 2018

## 8. Administrators' proposals

In order to achieve the objective set out at section 3 above, Simon Harris and I formally propose to creditors that:

- (a) We continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that we:
  - (i) Dealing with matters relating to the Pre Pack sale;
  - (ii) Realising the Company's remaining assets at such time and on such terms as is considered appropriate and distributing the same as deemed appropriate
  - (iii) 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 which supplies or has supplied goods or services to the Company; and
  - (iv) do all such things and generally exercise all their powers as Administrators as we consider desirable or expedient at our 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 proposals
- (b) the Administration of the Company will end by filing notice of dissolution with the Registrar of companies. The Company will then automatically be dissolved by the registrar of companies three months after the notice is registered.
- (c) the Administration will end by placing the Company into Creditors' Voluntary Liquidation, and propose that Ben Woodthorpe and Simon Harris are appointed Joint Liquidators of the Company and that we be authorised to act either jointly or separately in undertaking our duties as Liquidators. Creditors may nominate a different person(s) as the proposed liquidator(s), but they must make the nomination(s) at any time after these proposals are delivered to them, but before they are approved.
- (d) the Administration will end by the presentation of a winding up petition to the Court for the compulsory liquidation of the Company, and propose that Ben Woodthorpe and Simon Harris are appointed Joint Liquidators of the Company by the Court.
- (e) the Administration of the Company will end by making an application to Court for an order that the Administration ceases.

### Approval of proposals

I am seeking decisions by correspondence from the creditors to approve my proposals, approve my pre-administration costs, fix the basis of my remuneration and to approve my category 2 disbursements. If a creditor wishes to vote on the decisions, they must complete and return the enclosed voting form to me by no later than 23.59 on 25 October 2018, the decision date. If a creditor has not already submitted proof of their debt, they should complete the enclosed form and return it to me, together with the relevant supporting documentation. A vote on the decisions by a creditor will not count unless they have lodged proof of their debt by no later than 23.59 on 25 October 2018.

**Please note that I must receive at least one vote by the decision date or the decisions will not be made. I would therefore urge creditors to respond promptly.**

Should any creditor or group of creditors wish to request a physical meeting of creditors, they must do so within five business days of the delivery of the notice that accompanies this letter. Such requests must be supported by proof of their debt, if not already lodged. I will convene a meeting if creditors requesting a meeting represent a minimum of 10 per cent in value or 10 per cent in number of creditors or simply 10 creditors, where "creditors" means "all creditors."

**Extending the Administration**

We may seek the consent of the appropriate class of creditors, or an order of the Court, to extend the period of the Administration beyond the statutory period of 12 months, if we believe it is required to achieve the objective of the Administration and to finish our work.

**Discharge from liability**

We will be discharged from liability in respect of our actions as Administrators at a time set by the creditors or the Court.

## 9. Statutory and other information

Statutory and other information																								
Court details:	The High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD) Court no: 8262 of 2018																							
Full name:	Protein Haus Limited																							
Trading name(s):	N/A																							
Registered number:	09636447																							
Registered office:	107 Hindes Road, Harrow, Middlesex, United Kingdom, HA1 1RU																							
Appointors:	Directors																							
Company directors:	Paul Benjamin Redouane El Khamlichi Carli Wheatley (resigned 26 July 2018)																							
Company secretary:	None																							
Shares held by directors:	<table><tr><th>Name of Shareholder</th><th>Type of shares and number of shares held</th><th>Total amount called up</th></tr><tr><td></td><td>Ordinary £1</td><td>(£)</td></tr><tr><td>Paul Benjamin</td><td>310</td><td>310</td></tr><tr><td>Redouane El Khamlichi</td><td>320</td><td>320</td></tr><tr><td>Carli Wheatley</td><td>320</td><td>320</td></tr><tr><td>Andrew Bond</td><td>50</td><td>50</td></tr><tr><td></td><td>1,000</td><td>1,000</td></tr></table>			Name of Shareholder	Type of shares and number of shares held	Total amount called up		Ordinary £1	(£)	Paul Benjamin	310	310	Redouane El Khamlichi	320	320	Carli Wheatley	320	320	Andrew Bond	50	50		1,000	1,000
Name of Shareholder	Type of shares and number of shares held	Total amount called up																						
	Ordinary £1	(£)																						
Paul Benjamin	310	310																						
Redouane El Khamlichi	320	320																						
Carli Wheatley	320	320																						
Andrew Bond	50	50																						
	1,000	1,000																						
Date of the Administrators' appointment	1 October 2018																							
Division of the Administrators' responsibilities:	For the purpose of paragraph 100(2) of Schedule B1, the administrators may exercise any of the powers conferred on them by IA86 jointly or individually																							
Objective being pursued by the Administrators:	Objective 3(1)(b) of Schedule B1 IA86																							
Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on Insolvency Proceedings (recast):	The regulation applies to this Administration and these proceedings are main proceedings																							

If you have any queries regarding the proposals or the conduct of the Administration in general, please contact Ayomide Bada on 020 3411 8102.

Should you have any comments or complaints regarding the Administration, please contact Mark Supperstone in the first instance. If you consider that we have not dealt with your comment or complaint appropriately, you may request we perform an internal independent review of your complaint. This review would be undertaken by a person within ReSolve not involved in the Administration. A request for a review can be made in writing to the Compliance Manager, ReSolve Advisory Limited, 22 York Buildings, John Adam Street, London, WC2N 6JU or by email to [mark.supperstone@resolvegroupuk.com](mailto:mark.supperstone@resolvegroupuk.com).

If you still feel that you have not received a satisfactory response then you may be able to make a complaint to the Complaints Gateway operated by the Insolvency Service. Details of this procedure and other regulatory policies can be found on ReSolve's website at [www.resolvegroupuk.com/policies2/](http://www.resolvegroupuk.com/policies2/).

## Pre-appointment time costs and disbursements

The Board of the Company instructed us to assist them in placing the Company in Administration on 18 September 2018. They agreed that we should be paid our pre-appointment fees and expenses on a time cost basis. We provide below a detailed time cost table showing the pre-appointment time costs incurred by category and staff grade at my firm:

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Advisory	15.90	8,745.00	45.50	15,925.00	20.80	5,153.50	82.20	29,823.50	362.82
Pre Appointment	1.60	880.00	-	-	20.40	4,796.00	22.00	5,676.00	258.00
	17.50	9,625.00	45.50	15,925.00	41.20	9,949.50	104.20	35,499.50	340.69

The following work was undertaken:

### Advisory

- Conducted an accelerated marketing campaign
- Liaised with the Company's directors to make information available
- Liaised with interested parties
- Liaised with agents, LSH and CDG regarding preparation of a valuation of the Company's assets and providing a recommendation of acceptance on the offers received
- Considered the valuation and comments provided by LSH and CDG
- Instructed solicitors, FW, to prepare a sale contract and review appointment documentation
- Attended to ongoing correspondence with the Board in respect of the marketing campaign
- Liaised with solicitors, FW, regarding the appointment and offers from interested parties, and
- Liaised with FW and the solicitors for PH regarding the sale contract.

### Pre-appointment

- Corresponded with the Company's directors regarding appointment documentation
- Planned internally for the appointment
- Conflict check and initial checklists, and
- Preparation of documents required for appointment

The following statement sets out the time costs and Category 1 disbursements that were incurred and paid prior to the Administration and those where approval is being sought to pay them from Administration funds.

Description	Amount £	Paid pre- appointment £	To be paid £
Pre-appointment time-costs	35,500	7,500	28,000
Pre-appointment expenses	70	-	70

### Approval of pre-appointment fees and disbursements

The Administrators are seeking approval of the outstanding pre-appointment fees and disbursements by way of a decision procedure. Further details are provided at Appendix IV.



## Appendix II

### Administrators' charge out rates, fees estimate, disbursement policy, and narrative

#### Our charge out rates

We are seeking to be remunerated on a time cost basis.

Charge out rates used are appropriate to the skills and experience of a member of staff and the work that they perform. Time is recorded in six minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work.

This document provides an estimate as to how much time the Administrators and their staff will spend undertaking specific tasks, and the costs of undertaking such work. The estimated time that will be spent undertaking the work in each category of work has been multiplied by the applicable charge out rate for each member of staff that it is anticipated will undertake work in that category to arrive at the estimated total time costs attributable to that category of work.

The estimated costs have been divided by the estimated hours required to arrive at an average hourly charge out rate for that category of work. The hourly charge-out rates used on this case are as follows:

Staff grade	Rate per hour (£)
Partner	550-755
Director	450
Senior Manager	395
Manager	350
Assistant Manager	305
Senior Administrator	255
Administrator	220
Junior Administrator	175

Secretarial and support staff are not charged to the cases concerned, being accounted for as an overhead of ReSolve Advisory Limited.

#### Disbursement policy

##### Category 1

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling (non-mileage), postage, statutory advertising and other expenses made on behalf of the assignment.

Category 1 disbursements do not require approval.

##### Category 2

Indirect charges (Category 2 disbursements) require separate approval and the basis of charging is as follows:

- Photocopying 20 pence per sheet
- Mileage 45 pence per mile

No category 2 disbursements have been incurred to date. However, we are proposing that we be permitted to charge Category 2 disbursements up to £400, as and when they are incurred.

The following is a summary of the disbursements incurred as at 8 October 2018 and disbursements estimated to be incurred in the future:

Post-appointment	Category one £	Category two £	Total £	Paid to date £	Estimated future £
IT Support	110	-	110	-	-
Postage	-	-	-	-	200
Printing & Stationary	-	-	-	-	400
Bonding Insurance	-	-	-	-	375
Creditor Services	-	-	-	-	25
Name change	10	-	10	-	-
Advertising	-	-	-	-	150
<b>Total</b>	<b>110</b>	<b>-</b>	<b>120</b>	<b>-</b>	<b>1,100</b>

#### Agents and professional advisors

The following agents or professional advisors have been utilised in this matter and the costs of these also comprise Administration expenses:

Professional Advisor	Nature of Work	Fee Arrangement	Fees incurred to date /£	Paid	Estimated future fees
Fox Williams LLP	Solicitor	Time costs	12,500	-	5,000
Lambert Smith Hampton	Agent/Valuer	Fixed fee	2,000	-	2,000
CDG Leisure	Agent/Valuer	Fixed fee	1,500	-	-
IP-Bid.com	Advertising	Fixed fee	195	-	-

The choice of professionals was based on our perception of their experience and ability to perform the type of work assigned to them, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and we are satisfied they are reasonable in the circumstances of this case.

Whilst not requiring approval, when reporting to creditors during the course of the Administration the actual expenses incurred by these professional will be compared with the original estimates provided and I will explain any material differences.

#### **Lambert Smith Hampton Limited**

LSH was instructed to prepare a valuation of the Company's assets and provide a recommendation of sale. LSH also reviewed the Company's fixed asset register and other particulars in order to provide its recommendations. LSH liaised throughout the process with the proposed Administrators to understand the rationale for the sale and understand the level of interest expressed in the opportunity.

LSH continue to be engaged to assist with the sale of the excluded assets.

LSH have confirmed their independence and hold adequate professional indemnity insurance.

#### **CDG Leisure Limited**

CDG was instructed to prepare a valuation of the Company's leasehold properties to identify potential premium values and provide a recommendation of sale.

CDG have confirmed their independence and hold adequate professional indemnity insurance.

**Fox Williams LLP**

FW was instructed to draft, issue and assist with negotiation of the sale contract and other legal documentation providing legal advice as and when required. FD liaised with the solicitors for the Purchaser and the proposed Administrators throughout.

FW also reviewed and provided comments on the proposed Administrators' appointment documentation.

FW continue to be engaged in relation to post Pre-Pack Sale matters.

**IP-Bid.com**

IP-Bid.com was instructed to advertise the Company's business and assets for sale. IP-Bid.com operates as an online portal for advertising distressed businesses for sale.

## Administrators' fee estimate

ADMINISTRATION AND PLANNING (Note 2)	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work (£)	Average charge out rate (£)
Description of the tasks to be undertaken in this category of work			
Case planning and monitoring			
Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.	8.00	2,805.00	
Setting up physical/electronic case files (as applicable).	0.50	97.50	
Setting up the case on the practice's electronic case management system and entering data.	1.50	322.50	
Undertaking periodic reviews of the progress of the case.	7.00	2,090.00	
Overseeing and controlling the work done on the case by case administrators.	4.00	1,190.00	
Compliance matters			
Obtaining a specific penalty bond.	1.00	225.00	
Reviewing the adequacy of the specific penalty bond on a quarterly basis.	1.00	225.00	
Cashiering			
Creating, maintaining and managing the office holder's cashbook.	4.00	900.00	
Undertaking regular bank reconciliations of the bank account containing estate funds.	3.50	1,045.00	
General administration			
Arranging suitable insurance over assets.	2.00	522.50	
Regularly monitoring the suitability and appropriateness of the insurance cover in place.	1.50	395.00	
Preparing and filing VAT returns (delete if not applicable).	3.50	815.00	
Preparing and filing Corporation Tax returns (delete if not applicable).	2.00	450.00	
Seeking closure clearance from HMRC and other relevant parties.	2.00	450.00	
<b>Total</b>	<b>41.50</b>	<b>11,532.50</b>	<b>277.89</b>
INVESTIGATIONS (Note 3)			
Description of the tasks to be undertaken in this category of work			
D return preparation			
Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act (delete if not applicable).	11.00	2,990.00	
General investigation			
Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.	22.00	5,350.00	
Other investigation			
Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors	6.00	1,580.00	
<b>Total</b>	<b>45.00</b>	<b>11,500.00</b>	<b>255.56</b>
REALISATION OF ASSETS (Note 4)			
Description of the tasks to be undertaken in this category of work			
Book debt recoveries			
Corresponding with debtors and attempting to collect outstanding book debts.	18.00	4,910.00	
Liaising with the bank regarding the closure of the account.	2.00	450.00	
Sale of business / assets			
Instructing agents to value business assets.	-	-	
Liaising with agents to realise assets.	4.00	1,445.00	
Instructing and liaising with solicitors to assist in the realisation of assets.	7.00	2,295.00	
Property - freehold and leasehold			
Instructing agents to provide advice in relation to the excluded leasehold properties.	3.00	1,105.00	
Liaising with Landlords and their agents in relation to the leasehold properties.	9.00	2,540.00	
Liaising with solicitors, landlords and their agents in relation to the assignment of the leasehold properties.	7.00	2,295.00	
<b>Total</b>	<b>50.00</b>	<b>15,040.00</b>	<b>300.80</b>

## CREDITORS (note 5)

Description of the tasks to be undertaken in this category of work

### Employees

Obtaining information from the case records about employee claims.  
Issuing notice of transfer to PHL by way of TUPE Legislation.

0.50	127.50
5.00	1,495.00

### Unsecured creditors

Dealing with creditor correspondence, emails and telephone conversations regarding their claims.  
Maintaining up to date creditor information on the case management system.

13.00	3,270.00
5.00	1,095.00

### Claim agreement and distributions

Issuing a notice of intended dividend and placing an appropriate gazette notice  
Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.  
Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.  
Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.

1.00	225.00
14.00	3,780.00
4.00	900.00
9.00	2,455.00

Total

51.50	13,347.50	259.17
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## STATUTORY (Note 6)

Description of the tasks to be undertaken in this category of work

### Reporting to creditors

Preparation of SIP16  
Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment (as applicable).  
Preparation of proposals  
Preparing, reviewing and issuing annual progress reports to creditors and members (as applicable).  
Preparing, reviewing and issuing final reports to creditors and members (as applicable).

28.00	7,560.00
5.00	1,495.00
30.00	8,580.00
25.00	6,540.00
20.00	5,265.00

### Filing documents with Companies House / Court

Filing returns at Companies House and/or Court (as applicable).

4.00	985.00
------	--------

Total

112.00	30,425.00	£271.65
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Total time costs and hours

300.00	81,845.00	£272.82
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## Notes to the Administrators' fee estimate

### Note 1 – Administration and planning

This represents the work that is involved in the routine administrative functions of the case by the Administrators and their staff.

### Note 2 – Investigations

The insolvency legislation gives us powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure. An initial investigation determines whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation.

If potential recoveries or matters for further investigation are identified then we will incur additional time costs to investigate them in detail and to bring recovery actions where necessary. We are unable to quantify the benefit to creditors of these investigations at present but will include such information in our statutory report to creditors once the position is clear. We are also required by legislation to report to BEIS on the conduct of the directors and the work to enable us to comply with these statutory obligations is of no direct benefit to the creditors, although it may identify potential recovery actions.

### Note 3 – Realisation of assets

This is the work that needs to be undertaken to realise the known assets in the case.

**Note 4 – Creditors**

Employees: All employees of the Company were transferred to the purchaser by way of TUPE Legislation.

Creditors: We need to maintain records of the names and addresses of creditors, together with the amounts of their claims to ensure notices and reports can be issued to the creditors. We will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. We are required to undertake this work as part of their statutory functions.

Dividends: We have to undertake certain statutory formalities in order to enable us to pay a dividend to creditors. This include writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

**Note 5 – Statutory**

Statutory - preparation of reports and compliance with statutory matters pertaining to the IA86, IR16, together with compliance with SIPs.

## Appendix III

### Post-appointment charge out rates, disbursement policy, narrative and fee estimate

Schedule of post appointment time costs for the period from 1 October 2018 to 8 October 2018:

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration & Planning									
General administration	-	-	2.70	945.00	1.30	311.50	4.00	1,276.50	319.13
	-	-	2.70	945.00	1.30	311.50	4.00	1,276.50	319.13
Creditors									
Unsecured	-	-	-	-	0.50	127.50	0.50	127.50	255.00
Employees	-	-	-	-	0.60	153.00	0.60	153.00	255.00
	-	-	-	-	1.10	280.50	1.10	280.50	255.00
Realisation of Assets									
Sale of business / assets	1.20	660.00	-	-	0.50	127.50	1.70	787.50	463.24
Other assets	-	-	-	-	0.70	178.50	0.70	178.50	255.00
	1.20	660.00	-	-	1.20	306.00	2.40	966.00	402.50
Statutory									
Statutory paperwork / form completion	0.70	385.00	-	-	1.50	382.50	2.20	767.50	348.86
Reporting to creditors	-	-	8.70	3,045.00	10.70	2,728.50	19.40	5,773.50	297.60
	0.70	385.00	8.70	3,045.00	12.20	3,111.00	21.60	6,541.00	302.82
Total hours and cost	1.90	1,045.00	11.40	3,990.00	15.80	4,029.00	29.10	9,064.00	311.48

#### Narrative of work carried out:

##### Administration and Planning

###### General administration

- Preparing the documentation and dealing with the formalities of appointment.
- Case bordereau.
- Liaising with the directors throughout the appointment process.
- Case planning and administration.
- Preparing the documentation required.
- Dealing with all routine correspondence.
- Liaising with insurers regarding initial cover.
- Updating the Insurers with respect to the disposal of assets.
- Maintaining physical case files and electronic case details.
- Liaising with the Company's directors regarding provision of information.

##### Creditors

###### Unsecured

- Dealing with creditor correspondence, emails and telephone conversations.
- Liaising with a lease company in relation to a vehicle held by the Company.
- Maintaining up to date creditor information on the case management system.

###### Employees

- Writing to employees to confirm their transfer by way of TUPE legislation to PHL.

## **Realisation of Assets**

### **Sale of business / assets**

- Liaising with LSH and CDG regarding the securing, valuation and sale of Company assets
- Liaising with the Purchaser regarding post Pre-Pack Sale matters; and
- Internal correspondence regarding assets.

### **Other assets**

- Liaising with the directors in relation to the Company's book debts.
- Liaising with the landlords and their agents in respect of the assignment, surrender and forfeit of leases.
- Liaising with agents LSH in respect of site clearance.

### **Statutory**

- Preparation and delivery of all statutory documentation.
- Informing Companies House of the Administration.
- Liaising with solicitors regarding appointment documentation.
- Internal discussions in relation to the timings of the appointment and preparing for the appointment.
- Dealing with statutory issues required under IA86, IR 2016 and the Statements of Insolvency Practice.

## **Reasons why this work is required**

### **Administration**

This represents the routine administrative work that is required of the office holders and their staff, together with the control and supervision of the work done on the case by the office holders and their staff. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holders to meet their requirements under the insolvency legislation and the SIP, which set out required practices that office holders must follow.

### **Investigations**

Insolvency legislation gives the office holders powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure and also in respect of matters such as misfeasance and wrongful trading. The office holders are required by the SIP to undertake an initial investigation to determine whether there are potential recovery actions for the benefit of creditors and any time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holders will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors. Any approval for an increase in fees will be sought as necessary. Such recovery actions will be for the benefit of the creditors and the office holders will provide an estimate of that benefit if an increase in fees is necessary.

The office holders are also required by legislation to report to the BEIS on the conduct of the directors and the work to enable them to comply with this statutory obligation is of no direct benefit to the creditors, although it may identify potential recovery actions.

### **Realisation of Assets**

This is the work that needs to be undertaken to protect and then realise the known assets, which should directly benefit creditors.

### **Creditors**

Employees - The office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the RPS. That work will include dealing with queries received from both the ex-employees and the RPS to facilitate the processing of the claims. The office holders are required to undertake this work as part of his statutory functions.



Claims of creditors - The office holders need maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holders will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holders are required to undertake this work as part of their statutory obligations.

### **Statutory**

These activities involve complying with legislation including but not limited to; The IA86, The IR16, The Companies Act 2006, The Bribery Act 2010, the Money Laundering Regulations 2007, SIPs and Pension Regulations. These activities do not add any direct benefit to creditors and they form part of the statutory obligations of the Administration.

### Notice of decisions by correspondence

#### Decisions requested of creditors

We are seeking decisions by correspondence from the creditors to:

- approve our proposals;
- fix the basis of our fees and category two disbursements;
- approve the Administrators' pre-appointment costs and expenses; and
- approve the Administrators' discharge from liability.

**If a creditor wishes to vote on the decisions, they must complete and return the enclosed voting form to the Administrators by no later than 23.59 on 25 October 2018, the decision date.**

If a creditor has not already submitted proof of their debt, they should complete the enclosed form and return it to the Administrators, together with the relevant supporting documentation. A vote on the decisions by a creditor will not count unless they have lodged proof of their debt by no later than 23.59 on 25 October 2018.

#### Creditors Committee

Creditors are also invited to decide whether to form a Creditors' Committee. The notice of invitation to form a Creditors' Committee and further instructions are at **Appendix V**.

To enable the creditors to make an informed decision as to whether they wish to either seek to form a Committee, or to nominate themselves to serve on a Committee, further information about the role of the Committee and what might be expected from its members has been prepared by R3 and can be found here:

<https://www.r3.org.uk/what-we-do/publications/professional/creditors-guides>.

**Please note that the Administrators must receive at least one vote by the decision date or the decisions will not be made. The Administrators would therefore urge creditors to respond promptly.**

## Notice of decisions by correspondence

### Protein Haus Limited – In Administration Company Number 09636447

Notice is given by Ben Woodthorpe and Simon Harris to the creditors of Protein Haus Limited that set out below are decisions for your consideration under paragraph 51 of Schedule B1 of the Insolvency Act 1986. Please complete the voting section below indicating whether you are in favour or against the following decisions:

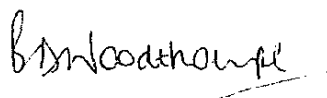
1. That the Administrators' proposals be approved.
2. The Administrators be remunerated by reference to time costs for different categories of work, the details of which are set out in these proposals.
3. That the Administrators be permitted to recover category 2 disbursements.
4. That the Administrators' pre-appointment costs and expenses be approved and that they be drawn from the Company's estate.
5. The Administrators be discharged from liability in respect of any act of theirs 14 days after they cease to be Administrators of the Company.

The final date for votes is 25 October 2018, the decision date.

6. In order for their votes to be counted creditors must submit to us their completed voting form so that it is received at ReSolve Advisory Limited, 22 York Buildings, London, WC2N 6JU by no later than 23.59 hours on 25 October 2018. It must be accompanied by proof of their debt, (if not already lodged). Failure to do so will lead to their vote(s) being disregarded.
7. Creditors must lodge proof of their debt (if not already lodged) at the offices of ReSolve Advisory Limited, 22 York Buildings, London, WC2N 6JU by no later than 23.59 on 25 October 2018, without which their vote will be invalid.
8. Creditors with claims of £1,000 or less must have lodged proof of their debt for their vote to be valid.
9. Any creditors who have previously opted out from receiving documents in respect of the insolvency proceedings are entitled to vote on the decisions provided they have lodged proof of their debt.
10. Creditors may, within five business days of delivery of this notice to them, request a physical meeting of creditors be held to determine the outcome of the decisions above. Any request for a physical meeting must be accompanied by valid proof of their debt (if not already lodged). A meeting will be convened if creditors requesting a meeting represent a minimum of 10 per cent in value or 10 per cent in number of creditors or simply 10 creditors, where "creditors" means "all creditors."
11. Creditors have the right to appeal the decision made by applying to Court under Rule 15.35 within 21 days of 25 October 2018, the decision date.

Creditors requiring further information regarding the above, should either contact me at ReSolve Advisory Limited, 22 York Buildings, London, WC2N 6JU or contact Ayomide Bada by telephone on 020 3411 8102, or by email at [ayomide.bada@resolvegroupuk.com](mailto:ayomide.bada@resolvegroupuk.com).

Dated this 8 October 2018



Ben Woodthorpe  
Joint Administrator

## Decisions

### Protein Haus Limited – In Administration Company Number 09636447

1. That the Administrators' proposals be approved.

**FOR / AGAINST**

2. That the Administrators be remunerated on a time cost basis.

**FOR / AGAINST**

3. That the Administrators be permitted to recover category 2 disbursements.

**FOR / AGAINST**

4. That the Administrators' pre-appointment costs and expenses be approved and that they be drawn from the Company's estate.

**FOR / AGAINST**

5. That the Administrators be discharged from liability in respect of any act of theirs 14 days after they cease to be Administrators of the Company.

**FOR / AGAINST**

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor: \_\_\_\_\_

Signature of creditor: \_\_\_\_\_

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which  
signing document: \_\_\_\_\_

Dated \_\_\_\_\_

## Notice of invitation to form a creditors' committee

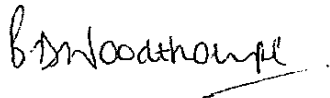
**Protein Haus Limited – In Administration**  
**Company Number 09636447**

**NOTICE IS GIVEN** by Ben Woodthorpe and Simon Harris to the creditors of Protein Haus Limited of an invitation to form a Creditors' Committee under rule 3.39 of The Insolvency (England and Wales) Rules 2016.

1. In addition to seeking a decision on the matters set out in the accompanying notice, creditors are also invited to determine, at the same time, whether a Creditors' Committee should be established.
2. A Committee may be formed if a minimum of three and a maximum of five creditors are willing to become members.
3. Nominations can only be accepted for a creditor to become a member of the Committee if they are an unsecured creditor and have lodged a proof of their debt that has not been disallowed for voting or dividend purposes.
4. The specified date for receipts of nominations for creditors to act as a member of the Committee under rule 3.39 of The Insolvency (England and Wales) Rules 2016 is 25 October 2018, the Decision Date.
5. Please complete the section below, and include the name and address of any person you wish to nominate to act as a member of the Committee. The completed document should be returned to ReSolve Advisory Limited, 22 York Buildings, London, WC2N 6JU so that it is received by no later than 23.59 on 25 October 2018, the decision date.

Note: Further information on the rights, duties and the functions of a Committee is available in a booklet published by the Association of Business Recovery Professionals (R3). This booklet can be accessed at <https://www.r3.org.uk/what-we-do/publications/professional/creditors-guides>. If you require a hard copy of the booklet please contact ReSolve Advisory Limited, 22 York Buildings, London, WC2N 6JU.

Dated this 8 October 2018



Ben Woodthorpe  
Joint Administrator

## Decision

### Protein Haus Limited – In Administration Company Number 09636447

1. That a Creditors' Committee should be established.

#### FOR / AGAINST

I wish to nominate the following creditor to act as a member of the committee:

Name of nominated creditor \_\_\_\_\_

I wish to nominate the following creditor to act as a member of the committee:

Name of nominated creditor \_\_\_\_\_

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor: \_\_\_\_\_

Signature of creditor: \_\_\_\_\_

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which signing document: \_\_\_\_\_

Dated \_\_\_\_\_

Note: The completed form should be delivered to ReSolve Advisory Limited, 22 York Buildings, London, WC2N 6JU

## Proof of debt

PROTEIN HAUS LIMITED - IN ADMINISTRATION	
Date of Administration: 1 October 2018	
1.	Name of creditor (If a company please also give company registration number).
2.	Address of creditor for correspondence.
3.	Total amount of claim, including any Value Added Tax and outstanding un-capitalised interest as at the date the company went into Administration.
4.	Details of any documents by reference to which the debt can be substantiated. (Note: There is no need to attach them now but the administrators may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting).
5.	If amount in 3 above includes outstanding un-capitalised interest please state amount. £
6.	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form).
7.	Particulars of any security held, the value of the security, and the date it was given.
8.	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.
9.	Signature of creditor or person authorised to act on his behalf
	Name in BLOCK LETTERS
	Position with or in relation to creditor  Address of person signing (if different from 2 above)
For Administrators' Use only	
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Joint Administrator	Joint Administrator

## Estimate of the financial position

<i>Estimated Financial Position as at 8 October 2018</i>		Notes	Book value	Estimated to realise
			£	£
<b>Assets not specifically pledged</b>				
Goodwill			-	1
Plant and machinery			221,702	17,500
Sellers records			-	1
Stock			34,996	1,000
Customer contracts			-	1
Business Intellectual Property Rights			-	994
Leasehold property			48,648	30,503
Book debts	1		510,461	Uncertain
<b>Total floating assets</b>			<b>815,807</b>	<b>50,000</b>
<b>Amount available to preferential creditors</b>				<b>50,000</b>
<b>Estimated preferential creditors' claims</b>				
	2			-
<b>Surplus / (Deficiency) available to unsecured creditors</b>				<b>50,000</b>
<b>Unsecured creditors' claims</b>				
Trade creditors				(106,280)
Directors				(232,500)
HM Revenue and Customs				(220,000)
				<b>(558,780)</b>
<b>Surplus/(Deficiency) to unsecured creditors</b>				<b>(508,780)</b>
<b>Issued and called up capital</b>				
Ordinary shares				(1,000)
				<b>(1,000)</b>
<b>Estimated total surplus / (deficiency) as regards to members</b>				<b>(509,780)</b>
<i>The above excludes costs of the Administration</i>				

## Notes

- 1 Due to the limited information provided the estimated to realise value of the debtors is uncertain for the purpose of this estimated outcome statement
- 2 Employees have been transferred to the Purchaser by way of TUPE legislation thereby mitigating any preferential claims.



Creditor name	Address	Amount (£)
Allan Reeder Limited	Acton Park Industrial Estate Acton,London W3 &QE	7,195
A.Moys Plumbing Services Ltd	3 Princes Street, Princes Street, North Walsham, Norfolk, NR28 0HX	-
Amazon	14 Poland St, Soho, London W1F 7HP	-
Body Temple	Tuscany House, Beata Road, Chesterton, Newcastle-Under-Lyme, ST5 7UT	-
BT	1 Newgate St, London EC1A 7AJ	-
Catimor	84b Lamb's Conduit Street London WC 1N 3LR	286
CGM Food Ltd	34 Queensway Enfield EN3 4SA	1,661
City Central	-	-
City Financial Services	62 Queen Street, London EC4R 1EB	-
Cooler Air Services Limited	Unit 2-11 Borrowmeadow Road, Springkerse Industrial Estate, Stirling, FK7 7UW	-
Costco Wholesale	1 Shadbolt Avenue, Off Harbet Rd, London E4 8GP	-
Crema Aroma	Unit 1 Crofthead Centre, Templar Rise, Livingston, EH54 6DG	-
Crowbond	Unit T8,Leyton Ind Village,London E10 7QP	14,597
Delice de France	149 Brent Road, Southall,Middlesex UB2 5LJ,UK	210
Delta Refridgeration	Unit D2,Old Forge Yard,Swanley Village Road,Kent BR8 &NF	382
Deputy	Herschel House, 58 Herschel Street, Slough, Berkshire, SL1 1PG	-
Donovan Bros. Ltd	DB House,Lagoon Road,Orpington,Kent BR5 5QX	713
Doppio	336 Battersea Park Road London, SW11 3BY	-
Everflow	Everflow Limited Wynyard Bussiness Park Wynyard TS22 5FG	34
Everyday Adventures Ltd	Guy Hacking London E58HA	142
Everyday Waste	124 Finchley Road, London, NW3 5JS	-
Food Republic	Arches 42&43 Stewarts Lane Depot off Silverthorne Road,Battersea,SW8 3HE	568
Fluent2	34 Bloomsbury Way, London, WC1A 2SA	-
Fridge Xpress	The Acre, Lawford Heath Lane, Rugby, CV23 9EU	-
GOF Cash and Carry	640 Ripple Rd, Barking IG11 0ST	-
Harvest Seafood	Unit3,Leyton Business Park, Otloe Road,E10 7BT	3,963
Harvest Seafood Watling Street	Unit3,Leyton Business Park, Otloe Road,E10 7BT	814
HB Ingredients	15 The Cliffe Ind.Estate South Street,Lewes,East Sussex,BN8 6JL	298
HM Revenue and Customs	Durrington Bridge House, Barrington Road, Worthing, BN12 4SE	220,000
Houghtons of London	A62-64 New Corden Market,Nine Elms Lane,London,SW8 5EE	24,718
Ice Machines UK Ltd	Unit 10, LDL Business Centre, Station Rd West, Ash Vale, Aldershot GU12 5RT	-
Ingredients	Basepoint Business Centre, Metcalf Way, Crawley, West Sussex, RH11 7XX	-
ISqueeze	Unit 2, 146-148 Granville Road, NW2 2LD marketing@isqueeze.c	-
John Coysten Meats	6 The Hemmells,London North Trading Centre,Basildon,Essex, SS15 6ED	1,569
John Hays	-	1,877
J & M Meats	Unit 32 Llys Edmund Prys, St Asaph Business Park, St Asaph, Denbighshire, LL17 6	7,940
Kamset Digital	Kamset House,Bentalls,Basildon,Essex SS14 3BX	480
KFF	Kent House,Priory Park,Mills Road,Aylesford,Kent ME20 &PP	5,986
Land Securities	100 Victoria Street, London, SW1E 5JL	-
Ledger Link	17 Stukeley Street, London Tech Hub, London, WC2B 5LT	-
L & O Meats	32 Saffron Court,Southfields Industrial Estate,Laindon Essex SS15 6SS	1,190
Liberis	Third Floor, Glen House, Glenthorne Road, London W6 0NG	1,000
LMEC	Hethel Engineering Centre NR14 8FB	-
Lomax	293 Fulham Road, London SW10 9PZ	-
Makro	Beddington Farm Road, Croydon, CR0 4UQ	-
Meridian Foods Limited	The Estate Office,Stockbridge Road,Sutton Scotney,SO21 3JW	1,166
Miko Coffee	St Ann's House,St.Anne's Road,Chertsey.Surrey KT16 9EH	296
Muscle Finesse Wholesale	3 Tresham Road,Orton Southgate,Peterborough,Cambridgeshire,PE2 6SG	696
Muscle Foods	Unit L Fulcrum Business Park, Vantage Way, Poole, Dorset, England, BH12 4NU	-
Naturally Good Food	The Haybarn, Newnham Ground, Kings Newnham Lane, Bretford, Rugby, CV23 0JU	-
Neville & More	Unit 15 Oakhurst Business Park,Southwater,West Sussex,RH13 9 RT	1,185
Nisbets	583 Fulham Road, Fulham, London, SW6 5UA	-
OJ Fresh	Unit 3, Camberley Business Centre, Stanhope Road, Camberley, Surrey, GU15 3DP	-
Orkestro	41 Mashiters Walk,Romford,RM1 4BX	1,960
Own Logo	Wickfield,Copperfield Crescent Higham,Rochester,Kent,ME3 7NJ	16,026
Paul Benjamin	Redacted	82,500
Prima Tapes & Labels Ltd	Prima House, Faraday Way, Orpington BR5 3QW	-
Print Town	Peacock House, Caxton St North, London E16 1JL	-
Projuice Limited	Unit 2 Clyst Court,Blackmore Road,Hill Barton Business Park,Exeter,EX5 1SA	6,204
PSA Hygiene	Shearway Leas, Smarden Road, Headcorn, Kent, TN27 9HP	-
Pulsin Ltd	Unit 16 Brunel Court, Waterwells, Business Park, Quedgeley, Gloucester, GL2 2AL	-
Ramona's Kitchen	64 New Cavendish Street, London, England, W1G 8TB	-
Real Food Source	Unit 1 Newhailes Industrial Estate, Newhailes Road, Musselburgh, East Lothian, EH2	-
Redouan El Kamilichi	Redacted	150,000

Redemption Roasters	84b Lamb's Conduit St, London WC1N 3LR	-
Rexel	Unit22,Mastmaker Court,Mastmaker Road	47
Rapid Secure	Unit 1 & 2 Acorn Court, Bridge Estate, Silfield Road, Wymondham NR18 9AL	-
Stinkyink.com	Unit 9, Alveley Industrial Estate, Bridgnorth, Shropshire, WV15 6HG	-
Strong Drive Limited	First Floor 32-33 Skyline Business Village, London, E14 9TS	-
Stuart	Stuart House, Hargham Road, Shropham, Norfolk, NR17 1DT	-
Tactical Environmental Services	40 Station Road,Chingford London E4 7BE	520
TFL Property	-	-
Tomasz Lewandowski	Redacted	-
Tri-Star Packaging	Unit4 The Arena,Mollison Ave Enfield,Middlesex,EN3 7NL	1,932
Tropicana Health & Fitness Ltd	Unit 38-39 Minworth Industrial Park, Sutton Coldfield, West Midlands, B76 1AH	-
UNY Foods	Unit 7 Fresh Wharf Estate Barking IG117BG	478
Westminster Magistrates' Court	Westminster City Council,Business Rates,PO Box 187,Erith Da8 9EY	147
Wholey Moly	1 Minster Road, London, London, United Kingdom, NW2 3SD	-
Wholesale	-	-
		<u>558,780</u>

### Statement of Insolvency Practise 16 (SIP 16) Pre-Packaged sales in Administrations

#### Background

Please refer to Section 4 of the Administrators' proposals for details of the Company's background.

#### Initial Introduction

The matter was initially introduced to Ben Woodthorpe of ReSolve Advisory Limited (ReSolve) by Cedar Dean Group. Please note no payment has been, or is proposed to be made to Cedar Dean Group for their introduction of this matter.

On 25 July 2018 an initial options meeting was held with the directors to discuss the Company's predicament and options potentially available to them and then on 29 August 2018, Ben Woodthorpe and James Reeves of ReSolve again met with the Board to discuss the financial affairs of the Company. Prior to the commencement of the Administration, the Administrators advised the Board as a whole, acting on behalf of the Company, about the Company's financial difficulties and provided advice about the options available to the Company to help determine an appropriate course of action to take.

Following the meetings, an engagement letter dated 18 September 2018, and signed by the Company on 19 September 2018, was issued for the purpose of providing assistance to the directors in planning for an insolvency process. Subsequently, ReSolve were instructed to assist in marketing the Company and/or its business and assets for sale via an accelerated marketing campaign and provide ad hoc insolvency advice to the Company. An engagement letter was issued on 19 September 2018, and signed by the Company on the same date, in this regard.

Prior to instruction in September 2018, neither Mr Woodthorpe or Mr Harris had any other prior professional relationship with the Company.

No advice was given to the individual directors regarding the impact of the insolvency of the Company on their personal financial affairs. Whilst not formally in office at that time, I was still required to act in my dealings with the Company in accordance with the Insolvency Code of Ethics.

Ultimately the Company was placed into Administration and I was appointed Administrator. As Administrator I am an officer of the Court and I have taken over the management of the Company from the Board. The purpose of the Administration is to achieve one of the hierarchy of statutory objectives, namely to:

- (a) rescue the Company as a going concern; or
- (b) 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); or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

More information about the objective I am seeking to achieve in respect of the Company is set out below.

In order to help me achieve the objective I have a wide range of powers, as set out in the insolvency legislation, and I must perform my functions as quickly and efficiently as is reasonably practicable. I must also act in the interests of the creditors of the Company as a whole other than where objective c) is being pursued I need only ensure that I do not unnecessarily harm the interests of the creditors of the Company as a whole.

#### Pre-appointment considerations

Prior to the Administration of the Company, ReSolve conducted a brief review of the Company's affairs and financial performance based on information available.

The following matters were considered prior to achieving the pre-packaged sale outlined in this statement:

### **Requests for further financial support**

The directors advised they had invested circa £1 million in the business since their appointment, and were by far the principal funders. Despite taking steps to reduce costs the business was still loss making. The directors did not consider further investment to be a viable option in light of the need to provide funding for September rents on 29 September 2018.

Accordingly, there were no funding options available to the Company from existing investors and the decision was made on 19 September 2018 to engage ReSolve to try and find an investor or buyer for the business.

### **Consulting with creditors**

The Administrators' staff notified and attempted to consult with the Company's largest known unsecured creditor, HMRC regarding the impending proposed sale (detailed later in this statement).

No comment was provided by HMRC in relation to the sale.

### **Consideration to trade in Administration**

The Administrators considered trading the Company whilst in Administration in order to market the business for a longer period, in anticipation that this may achieve better realisations. However, given the approaching rent quarter dates at the Company's leasehold properties and paucity of interest in the opportunity from the pre-administration marketing (detailed later), there was no guarantee trading could continue or further interest would be received.

The Administrators were also mindful of the potential health and safety issues associated with fresh food vendors.

In addition, the Administrators noted they would have no funds to trade, pay staff or pay for other essential services. Staff retention would be critical to the Company's ability to trade and in the absence of payment walkouts would be likely. There was also large uncertainty regarding the Company's ability to trade profitably in Administration.

Whilst advice received from CDG suggested the Company could achieve a premium for some of the leases if marketed for a length of time in Administration, the above factors, recent experience in negotiating lease assignments, the cost of trading for at least 12 weeks and the absence of funding meant this option was discounted in favour of a Business Sale and TUPE.

### **Previous sales**

The Administrators confirm, as far as they are aware, the Company's business and/or assets had not been acquired from an insolvency practitioner within the last 24 months.

### **Other considerations**

The Pre-Pack Sale enables the Administrators to achieve the objective set out above as it achieves a better result for the creditors as a whole than would be likely if the Company had been placed into Liquidation without first being in Administration. The Administrators also confirm that the outcome achieved as a result of the Pre-Pack Sale was the best available outcome for creditors of the Company as a whole in all the circumstances of the case.

### **Comparison of outcomes and other procedures**

The various courses of action that ReSolve considered were as follows:

## **Do nothing**

It was not feasible for the Company to do nothing and continue to trade as the Company was unable to meet normal trading expenditure or the approaching rent quarter dates of its leasehold properties.

By doing nothing, the realisable value of the Company's business would have reduced. In addition, by doing nothing, the Company's directors could have been at risk from potential wrongful trading actions, by continuing to incur credit without being able to pay and without a prospect of ultimately being able to avoid insolvent liquidation.

## **Company Voluntary Arrangement (CVA)**

The option of a CVA was dismissed.

The Company projected additional funding would have been required to continue trading in the short to medium term. As previously outlined, the directors were not willing to invest further funds and no other investors had indicated a willingness to support the Company. There were suggestions some landlords would consider preventing the Company from trading in the event a CVA was proposed.

## **Scheme of Arrangement**

A Scheme of Arrangement requires the input of the members of the Company and is a complicated and expensive procedure. The Company would have ended up with the same issues with a formal arrangement as above.

## **Creditors' Voluntary Liquidation**

In a CVL scenario the Company would have likely ceased trading and thereby reduced the opportunity to sell parts of the Company's business. With word spreading after the issuing of the notices to place the Company into Liquidation, it would have likely impacted on the realisable value of the business.

In addition, it is considered that the Company's employees would have been made redundant on liquidation, increasing the claims against the Company.

## **Pre-packaged Administration**

In light of the above, the Administrators considered that a pre-packaged Administration sale of the Company's business and certain assets would result in the best outcome for creditors as a whole in all the circumstances of the case. The Pre-Pack Sale has allowed the Administrators to satisfy the second objective of Administration (objective (b)), by achieving a better result for creditors as a whole than would be likely if the Company had been wound up (without first having been in Administration).

A pre-packaged Administration would preserve the value in the Company's business and provide the best opportunity to maximise realisations and therefore increase the funds available to unsecured creditors.

The Pre-Pack Sale also resulted in the transfer of 68 employees, excluding directors, to the purchaser under TUPE legislation, thereby mitigating the claims of employees against the Company. It is unlikely that this would have been possible in other insolvency procedures.

Detailed at the end of this statement is an estimated outcome statement (EOS) showing the estimated outcome position for creditors as a whole in an Administration scenario compared to a liquidation scenario (please note this excludes the costs of Liquidation and Administration).

## **Marketing of the business and assets**

On 19 September 2018 a 'teaser' document and non-disclosure agreement (NDA) were circulated to a selection of ReSolve's database of financial investors, venture capitalists and private equity houses known to have an interest in the distressed sector. The opportunity was also circulated to additional industry specific parties known to ReSolve from a previous engagement when marketing for sale another London-based multi-site casual dining business. In all, 175 parties were contacted.

Additionally, an advert was placed on IP-bid.com, an online portal for business in distress, attracting interest from an additional 12 parties. This website is the primary website in the UK for advertising distressed businesses so the Administrators are satisfied it is the correct medium to advertise online.

Having marketed the business to a range of distressed investors, private equity houses and companies operating in a similar industry, the Administrators believe they have performed an extensive campaign in order to achieve the best price in the timeframe available.

Six parties signed an NDA and were provided with further information including (but not limited to) financial information, asset register, employee information and given the opportunity to liaise with management. A deadline for indicative offers was set for 4pm on 25 September 2018.

Four offers were received for the business and assets.

Following discussions with the four parties it was deemed necessary to informally extend the deadline to 27 September 2018 to allow the competing parties sufficient time to revise and finalise their offers.

This resulted in four final offers being submitted for the purchase of the Company's business and/or assets.

The largest offer was for £160,000 but was quickly withdrawn following the prospective purchaser establishing the leases for the Company's kitchens were to expire on 30 November 2018 with no prospect of extending them. The remaining offers were:

- Prime London Investments Limited - £55,000
- Paul Benjamin and Red Khamlichi - £50,000 (The directors of Protein Haus via a yet to be incorporated company)
- A nominal offer was submitted for the purchase of the IP and brand only. This offer was rejected.

The offer from Paul Benjamin and Red Khamlichi was on the basis they would take on all of the Company's employees and would meet the September quarter rents for all properties excluding Victoria and Great Portland Street.

There was a competing offer at a similar level, however the other prospective purchaser had indicated it wanted to undertake further due diligence in respect of the employee obligations and in respect of levels of historic trade. There was a concern that this offer might be further reduced once this period of due diligence has been completed and there was simply no time to allow this due diligence to take place.

It was important to complete any sale of the Company's business and/or assets urgently to avoid the Company incurring landlord issues. This was particularly relevant here since there was no protection from landlords in the absence of a QFCH. Where there is a QFCH, the marketing could have taken place with an interim moratorium protecting the Company from actions of creditors. That moratorium was unavailable to the Company.

In light of the above the offer of Mr Khamlichi was accepted.

## **Valuation of the business and assets**

### **▪ *Lambert Smith Hampton***

LSH is a firm of chartered surveyors regulated by the Royal Institution of Chartered Surveyors. It confirmed it had no conflict of interest in acting in this matter and holds adequate professional indemnity insurance.

LSH liaised with ReSolve for the purpose of identifying assets and advise upon the value of the tangible assets including office furniture and equipment. It was deemed necessary to engage property specialists, CDG to provide valuation in respect of the Companies leasehold properties, further details are provided below.

LSH provided a valuation on two bases; in-situ and ex-situ. The former represents the value placed on the asset if sold at the Company's premises as part of a going concern sale. The latter represents the values if the assets are removed for sale. Both valuation bases are exclusive of the costs of the sale.

For ease of comparison, the consideration paid for each asset category has also been disclosed next to each valuation:

Asset category	In-situ £	Ex-situ £	Consideration Received £
Goodwill	Uncertain	Uncertain	1
Included plant and machinery	30,330	13,000	17,500
The Company's records	Uncertain	Uncertain	1
Stock	Uncertain	Uncertain	1,000
Customer contracts	Uncertain	Uncertain	1.00
Business IP	Uncertain	Uncertain	994
	30,330	13,000	19,497

Whilst LSH did not provide a value specifically attributable to the goodwill, company records, stock, customer contracts, Business IP and any other intangible assets sold, LSH and the Administrators were satisfied that the price paid represented the demand in each asset class. In this case only four parties made an offer so demand would be deemed to be minimal, especially in respect of the Business IP, goodwill and other intangible assets.

#### ▪ **CDG Leisure**

CDG liaised with ReSolve for the purpose of preparing a valuation of the leasehold properties to identify potential premium values and provide a recommendation of sale. CDG has confirmed its independence and holds adequate professional indemnity insurance.

CDG provided a valuation of the premiums potentially achievable in relation to each property. For ease of comparison, the consideration paid for each asset category has also been disclosed next to each valuation:

Asset category	Premium £	Consideration Received £
(a) Canary Wharf - Kiosk	50,000	7,500
(b) Canary Wharf – Kitchen 1	Nil	1
(c) Canary Wharf – Kitchen 2	Nil	1
(d) Canary Wharf – Kitchen 3	Nil	1
(e) Berners Street	35,000	11,500
(f) Moorgate	45,000	7,500
(g) St Pauls (One New Change)	40,000	4,000
	170,000	30,503

Following consultation with CDG it was determined that an extended marketing campaign would incur additional rental costs diminishing any value that would likely to be achieved. Based on recent experiences, average lease assignments would take 12 or more weeks to complete with no guarantee of success in the current market.

As a result, it was determined the immediate sale represented the best value to the Company and CDG recommended this sale.

A licence to occupy and undertaking has been agreed with the Purchaser for payment of any rents due to the Landlords (mitigating any claim the Landlords may have in the Administration for future rents).

Two leasehold properties located at Victoria and Great Portland Street were excluded from the Pre-Pack Sale. Further details are provided below.

#### **Excluded assets**

It should be noted the following assets were excluded from the sale of the business and certain assets:

- Cash at bank
- Plant and machinery held at Victoria
- Kiosk (previously operating from Westfield Stratford)
- Leases relating to Victoria and Great Portland Street, and
- Book debts

Further details are provided below.

#### ▪ ***Cash at bank***

Based on information provided by the directors the Company's bank account is currently overdrawn, however, I have written to the Company's bank, HSBC, to request further details. This overdraft is guaranteed by Red Khamlichi.

I am not aware of any other funds held by the Company.

#### ▪ ***Plant and machinery at Victoria***

The plant and machinery located at Victoria was excluded from the sale. LSH provided an in-situ and ex-situ valuation of £3,600 and £2,000 respectively.

I have instructed LSH to recover these items and I anticipate a sale in due course. LSH will account to the Administrators accordingly.

#### ▪ ***Kiosk***

The Company previously operated a kiosk similar to the one in Canary Wharf in the Westfield shopping centre in Stratford, East London. As advised above, the Company closed the kiosk in March/April 2017.

We are advised the kiosk has been in storage since it closed.

#### ▪ ***Leasehold properties (Victoria and Great Portland Street)***

The leasehold properties located at Victoria and Great Portland Street were excluded for the Pre-Pack sale as PHL confirmed it had no interest in these properties.

CDG has advised there is no likelihood of any premium being achieved for either of these properties.

#### ▪ ***Book debts***

The Company's records indicate amounts due to the Company total £510,461.

We are advised the book debts relate to pre-payments and sums due from associated companies. At this time we are uncertain what the level of recoveries might be. We will provide further details regarding the Company's book debts in our next report.

### **The transaction**

On 1 October 2018, a sale of the Company's business and certain assets was completed to the Purchaser for £50,000, all of which was payable on completion. The sale consideration is currently held on account by ReSolve whilst we await details of the Administration bank account.

### **Assets**

Details in relation to the assets included in the Pre-Pack Sale are included earlier in this report.



## Sale consideration

The sale consideration of £50,000 is summarised below:

Asset category	Consideration Received £
Goodwill	1
Included plant and machinery	17,500
The Company's records	1
Stock	1,000
Customer contracts	1
Business IP	994
Leasehold Property:	
(a) Canary Wharf - Kiosk	7,500
(b) Canary Wharf – Kitchen 1	1
(c) Canary Wharf – Kitchen 2	1
(d) Canary Wharf – Kitchen 3	1
(e) Berners Street	11,500
(f) Moorgate	7,500
(g) St Pauls (One New Change)	4,000
	<u>50,000</u>

## Purchaser and related parties

The Purchaser is an associated company by way of a common directorship and shareholding of the Company. Further details are provided below.

## Statement of Insolvency Practice 13 (SIP 13)

In accordance with the guidance given in SIP 13, details of any acquisition of the Company's assets by a director or associated party in the two years prior to the Administration must be reported. The Administrators advise as follows:

- The Administrators have not been made aware of any connected party transactions that took place in the two years prior to the Administration
- If during the Administrators' further investigations we are made aware of any transactions these will be brought to the attention of the creditors in any subsequent reports, and
- The Pre-Pack Sale is considered a connected party transaction as PHL is associated by way of common directorship and shareholding (schedule below). The Purchaser had separate legal representation in respect of the transaction.

A schedule of the known association between the Company and the Purchaser, and the basis of that association, is detailed below:

Name	Director of Protein Haus Limited	Shareholder of Protein Haus Limited	Director of Protein Haus (London) Limited	Shareholder of Protein Haus (London) Limited
Redouane El Khamlichi	Yes	Yes	Yes	Yes

Further details of the transaction with the Purchaser are disclosed in this appendix in accordance with the guidance given in SIP 13.

To the Administrators' knowledge there are no known personal guarantees granted by the Company's directors that have been released as a result of the transaction with the Purchaser. Furthermore, the Administrators are

unaware of any options, buy-back arrangements or similar conditions attached to the contract of sale with the previous ownership or management.

## Connected Party Transactions

As indicated above, the purchaser of the business and assets of the Company is a connected party. Connected party purchasers are encouraged to, but are not required to, approach what is known as the pre-pack pool, an independent group of suitably qualified and experienced individual, in order to obtain their opinion on the pre-pack transaction. The connected party purchaser has to pay £800 to the pre-pack pool for them to provide this opinion. Details of the Pre-Pack Pool were provided to the purchaser.

In this instance I understand the connected purchaser has not approached the pre-pack pool for their opinion on the pre-pack sale.

Connected party purchasers are also encouraged to, but are not required to, prepare a viability statement indicating how their business will survive for at least 12 months from the date of the purchase, and detailing what they will do differently from the Company in Administration in order that the business will not fail.

In this instance, whilst I requested that the connected purchaser prepare a viability statement, my understanding is that one has not been prepared.

As mentioned above, there is no requirement for PHL to approach the Pre-Pack Pool or provide a viability statement.

## Conclusion

I believe the Pre-Pack Sale of the Company's business and certain assets was in the best interests of all creditors in order to preserve the realisable value of the business. For the following reasons:

- A higher consideration for the Company's assets was achieved than would be achievable in a break up scenario and in turn improving the available funds for unsecured creditors,
- The preferential creditors' claims against the Company were removed as a result of the transfer of 68 employees to the Purchaser in accordance with TUPE legislation,
- We marketed fully to our database, IP-Bid and interested parties that came forward when we recently marketed a multi-site casual dining business, and
- There were no funds available to enable ongoing trading in Administration.

None of the above would have been likely in a liquidation scenario. As outlined in the EOS at the end of this statement, and summarised below, the estimated return to each creditor class is greater in Administration as a result of the Pre-Pack Sale compared to Liquidation:

Creditor class	Liquidation	Administration
	%	%
Preferential	-	N/A
Unsecured	-	9

LSH and CDG recommended the sale based on the valuations provided and the offers received.

The transaction enables the statutory purpose of Administration (objective (b)) to be achieved and the sale price achieved was the best reasonably obtainable in the timeframes available.

Accordingly, it is the Administrators' opinion that a pre-packaged Administration was the best approach for the Company. I confirm that the sale price achieved, and also the outcome, was the best available outcome for creditors of the Company as a whole in all the circumstances of the case and that the pre-pack sale achieves the statutory purpose of the Administration that I am seeking to achieve in respect of the Company.

## Estimated outcome statement

Estimated Outcome Statement at 5 October 2018			
Liquidation vs Administration			
	Notes	Liquidation £	Administration (via pre-pack) £
<b>Assets not specifically pledged</b>			
Goodwill		-	1
Included Plant and machinery		9,000	17,500
Excluded Plant and machinery		15,000	Uncertain
Sellers records		-	1
Stock		-	1,000
Customer contracts		-	1
Business Intellectual Property Rights		-	994
Lease (a) Canary Wharf – Kiosk		-	7,500
Lease (b) Canary Wharf – Kitchen 1		-	1
Lease (c) Canary Wharf – Kitchen 2		-	1
Lease (d) Canary Wharf – Kitchen 3		-	1
Lease (e) Bemers Street		-	11,500
Lease (f) Moorgate		-	7,500
Lease (g) St. Pauls (One New Change)		-	4,000
Lease (h) Great Portland Street		-	-
Lease (i) Victoria		-	-
Book debts	1	Uncertain	Uncertain
		<b>24,000</b>	<b>50,000</b>
<b>Amount available to preferential creditors</b>			
		<b>24,000</b>	<b>50,000</b>
Preferential creditors' claims (estimated)	2	(68,000)	-
<b>Net Property</b>			
		<b>(44,000)</b>	<b>50,000</b>
<b>Funds available to unsecured creditors</b>			
		<b>(44,000)</b>	<b>50,000</b>
Unsecured creditors' claims		(326,280)	(326,280)
<b>Total unsecured creditors</b>		<b>(326,280)</b>	<b>(326,280)</b>
<b>Shortfall to the unsecured creditors</b>			
		<b>(370,280)</b>	<b>(276,280)</b>
<b>Estimated dividend %</b>			
Secured creditor		N/A	N/A
Preferential creditors - various		Uncertain	N/A
Unsecured creditors - various		0.00%	15.32%

The above excludes costs of Liquidation and Administration

### Notes

- 1 Due to the limited information available the estimated to realise value of the Company's book debts is uncertain for the purpose of this estimated outcome statement.
- 2 In a Liquidation scenario it is likely that all staff would have been made redundant, thereby increasing the preferential creditors. For the purpose of this estimate the claims of the employees who have been transferred to the Purchaser have been given a preferential claim of £1,000 each in the Liquidation scenario.