

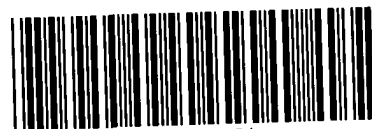
LIQ03

Notice of progress report in voluntary winding up



Companies House

TUESDAY



A9DNN5WJ

A21

15/09/2020

#45

COMPANIES HOUSE

1 Company details

Company number 0 4 3 5 5 4 3 7

Company name in full The Establishment Investment Trust Plc

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

2 Liquidator's name

Full forename(s) Gareth Rutt

Surname Morris

3 Liquidator's address

Building name/number Kings Orchard

Street 1 Queen Street

Post town Bristol

County/Region

Postcode B S 2 0 H Q

Country

4 Liquidator's name ①

Full forename(s) Andrew Martin

Surname Sheridan

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

5 Liquidator's address ②

Building name/number Kings Orchard

Street 1 Queen Street

Post town Bristol

County/Region

Postcode B S 2 0 H Q

Country

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

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report											
From date	^d 1	^d 8	^m 0	^m 7	^y 2	^y 0	^y 1	^y 9				
To date	^d 1	^d 7	^m 0	^m 7	^y 2	^y 0	^y 2	^y 0				
7	Progress report											
<input type="checkbox"/> The progress report is attached												
8	Sign and date											
Liquidator's signature	Signature X <i>CODD</i> X											
Signature date	^d 1	^d 1	^m 0	^m 9	^y 2	^y 0	^y 2	^y 0				

LIQ03

Notice of progress report in voluntary winding up

**Presenter information**

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

Contact name **Gareth Rutt Morris**

Company name **FRP Advisory Trading Limited**

Address **Kings Orchard**

1 Queen Street

Post town **Bristol**

County/Region

Postcode **B S 2 0 H Q**

Country

DX **cp.bristol@frpadvisory.com**

Telephone **0117 203 3700**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

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

**Where to send**

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

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

**Further information**

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

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

The Establishment Investment Trust Plc
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Declaration of Solvency		From 18/07/2019 To 17/07/2020	From 18/07/2019 To 17/07/2020
£		£	£
	ASSET REALISATIONS		
45,721,503.00	Shares & Investments	22,273,148.00	22,273,148.00
	Cash at Bank	503,289.51	503,289.51
	Bank Interest Gross	1,632.86	1,632.86
	Marketable Securites - Distribution in	22,148,041.00	22,148,041.00
		<u>44,926,111.37</u>	<u>44,926,111.37</u>
	COST OF REALISATIONS		
	Pre-appointment fees	17,000.00	17,000.00
	Joint Liquidators' Remuneration	16,000.00	16,000.00
	Joint Liquidators' Disbursements	216.54	216.54
	Accountancy fees	2,000.00	2,000.00
	Legal Fees (1)	455.00	455.00
	Brokers fees and disbursements	37,412.09	37,412.09
	Payroll processing fees	345.00	345.00
	Stationery & Postage	4,722.12	4,722.12
	Administrators fees & Disbs - PraxisIF	10,484.82	10,484.82
	Link Asset Services fee	24,255.16	24,255.16
	Regulatory fees - FCA	6,870.31	6,870.31
	Membership fees	20.00	20.00
	Directors & Officers Liability Insurance	7,334.81	7,334.81
	Bank Charges - Floating	30.40	30.40
-299,362.00	Costs of the winding up & other expen	NIL	NIL
		<u>-127,146.25</u>	<u>-127,146.25</u>
	UNSECURED CREDITORS		
-32,262.00	Accrued expenses	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
	The HINT Rollover Pool	12,876,448.00	12,876,448.00
	Garraway Rollover Pool	9,271,593.00	9,271,593.00
	Cash Pool	22,273,148.00	22,273,148.00
		<u>-44,421,189.00</u>	<u>-44,421,189.00</u>
45,389,879.00		<u>377,776.12</u>	<u>377,776.12</u>
	REPRESENTED BY		
	Vat Recoverable - Floating		66.00
	IB Current Floating		356,791.56
	Vat Control Account		20,918.56
			<u>377,776.12</u>



**THE ESTABLISHMENT INVESTMENT TRUST PLC
(IN LIQUIDATION)
(‘EIT’ OR ‘THE COMPANY’)
Company No: 4355437**

**JOINT LIQUIDATORS’ PROGRESS REPORT PURSUANT TO SECTION 92A OF THE
INSOLVENCY ACT 1986 AND RULE 18.3 OF THE INSOLVENCY (ENGLAND AND WALES)
RULES 2016**

Further to the appointment of Andrew Sheridan and I as Joint Liquidators on 18 July 2019, following the shareholders’ agreement to the scheme of reconstruction and the voluntary winding up proposal under S110 of the Insolvency Act 1986, we report on the progress of the solvent liquidation for the period from 18 July 2019 to 17 July 2020 (‘the period’) in accordance with the Insolvency Rules 2016.

Shareholders’ Summary:

At the General Meeting of the Company on 10 July 2019, the Ordinary Shareholders of the Company voted to receive their entitlement upon the winding up of the Company either in cash and/or to roll over some or all of their investment into one or both of the following Rollover Funds:

Ordinary shares in ***Henderson International Income Trust PLC (‘HINT’)***; and/or
Class R sterling net income shares in ***Garraway Asian Centric (‘Garraway’)***.

If no election was received from a shareholder (other than Restricted Shareholders), the entire shareholding of ordinary shares held by that shareholder was deemed to have elected for the HINT option.

The total EIT shareholding of 20,000,000 shares was allocated as follows:

Elections by Shareholders	Nb. of Shares	% of shareholding	Value of assets distributed
HINT	5,797,435	28.99	12,876,448
Garraway	4,174,401	20.87	9,271,593
Cash	10,028,164	50.14	22,273,148
	20,000,000	100.00	44,421,189

The residual net asset value per share was £2.22105945.

A further distribution to shareholders is dependent on all liabilities of the Company being discharged which is currently ongoing. A further update will be provided to shareholders in our next annual report.

If shareholders have any queries regarding shares issued in HINT or Garraway, please contact the following:

HINT Shareholders

Computershare
Telephone: 0370 702 000
ISIN No: GB00B3PHCS86

Garraway Shareholders

Valu-Trac Administration Services
Telephone: 01343 880344
ISIN No: GB00BK7XYB09

1. Background

The Board announced on 20 November 2018 that it would not recommend that Shareholders vote in favour of the continuation of the Company in its current form at the Annual General Meeting and invited proposals to be submitted for alternative plans for the Company future.

The small size of the Company, the continuing discount, increased regulatory and governance obligations, and increased costs had led the Board to conclude that the Company continuing in its current form was not an attractive option for shareholders.

On 12 April 2019, the Board announced that, following a review of the options available, the Board had concluded that it was in the Shareholders' interests to put forward proposals for the reconstruction and members' voluntary liquidation of the Company, through a scheme of reconstruction under Section 110 of the Insolvency Act 1986.

As detailed in the circular document sent to all shareholders on 10 June 2019, EIT was to enter members' voluntary liquidation to enable a reconstruction as it was no longer sustainable in its current form. As part of the reconstruction, pursuant to section 110 of the Insolvency Act 1986, the shareholders were asked to elect for any combination of the following options: roll over some or all of their investment into new ordinary shares to be issued by Henderson International Income Trust PLC ('HINT'); and/or roll over some or all of their investment into new class R sterling net income shares to be issued by VT Garraway Asian Centric Global Growth Fund ('Garraway'); and/or receiving cash in the liquidation of the Company. Shareholders (other than Restricted Shareholders) that made no election, automatically received ordinary shares in HINT.

2. Mechanics of the Scheme of Reconstruction

As part of the reconstruction, the total aggregate value of the assets of the Company was calculated by the investment manager. Shortly after the calculation date, the Investment Manager, in consultation with the Joint Liquidators, finalised the division of the Total Assets and appropriated them to four separate and distinct pools: The Liquidation Pool, The HINT Rollover Pool, the Garraway Rollover Pool and the Cash Pool.

2.1 The Liquidation Pool

The Company is being wound down by means of a members' voluntary liquidation. The directors, in consultation with the Joint Liquidators, have set aside sufficient assets in the liquidation pool to meet all estimated liabilities and contingencies, including the costs of implementing the scheme. Included in the Liquidation Pool is a retention of £50,000, which the directors in conjunction with the Joint Liquidators, consider sufficient to meet any contingent and unknown liabilities of the Company.

If there is a balance remaining after discharging all current and future actual and contingent liabilities of the Company, the Liquidators will in due course pay the same to Shareholders on the Register on the date of liquidation, 18 July 2019, pro rata to their respective holdings of Ordinary Shares, provided that any amount payable to any shareholder which is less than £5.00, will be not be paid the Shareholder but will be aggregated and paid by the Joint Liquidators to a charity nominated by the Directors.

Details of the funds paid to the Joint Liquidators in respect of the Liquidation Pool and expenses paid to date, are provided in the Joint Liquidators' Receipts and Payments are detailed below in Section 3 and in Appendix A and C.

2.2 The HINT Rollover Pool

The HINT rollover pool consists of such assets, cash and other rights of the Company from the assets of the Company after sufficient funds are appropriated to the Liquidation Pool based on the elections for the HINT Ordinary shares by the Ordinary Shareholders.

On appointment, we entered into a HINT Transfer Agreement with HINT whereby we procured the transfer of the assets in the HINT Rollover Pool to HINT in exchange for the allotment of HINT ordinary shares to the Liquidators as nominees for the relevant Shareholders.

Total assets valued at £12,876,448 were transferred directly from the Company to HINT following our appointment under the Transfer agreement.

2.3 The Garraway Rollover Pool

The Garraway rollover Pool consists of such assets, cash and other rights of the Company from the assets of the Company after sufficient funds are appropriated to the Liquidation Pool based on the elections for the Garraway Ordinary shares by the Ordinary Shareholders.

On appointment, we entered into a Garraway Transfer Agreement with Garraway ICVC whereby we procured the transfer of the assets in the Garraway Rollover Pool to Garraway ICVC (or its nominees) for the benefit of Garraway Asian Centric, in exchange for the allotment of Garraway net income shares to the Liquidators as nominees for the relevant Shareholders.

Total assets valued at £9,271,593 were transferred directly from the Company to Garraway following our appointment under the Transfer Agreement.

2.4 The Cash Pool

The Cash Pool consists of such assets, cash and other rights of the Company from the assets of the Company after sufficient funds are appropriated to the Liquidation Pool based on the elections by the Ordinary Shareholders.

Total cash of £22,273,148 was distributed to those shareholders who elected to receive cash, by the Joint Liquidators, via the Company's registrar, Link Asset Services on 22 July 2019.

2.5 Overseas shareholders

As set out in the circular, those overseas shareholders registered in the relevant jurisdictions were not entitled to vote and their allocation of EIT Ordinary shares were issued to the Liquidators as the overseas shareholders' nominees in order that the shares could be sold for cash and the funds distributed to the overseas shareholders accordingly.

3. The Liquidation Pool - Asset realisations and payments

Attached, **at Appendix A**, is a copy of the Joint Liquidators' Receipts and Payments account for the period, details of which are summarised below:

3.1 Cash at bank

On appointment, the cash at bank balance held by the Company's custodian account, at Northern Trust and The Royal Bank of Scotland, totalling £503,289.51 was transferred to the Liquidation bank account.

3.2 Bank Interest

In the period we have received a total of £1,632.86 in gross bank interest.

3.3 Investments

On appointment the Company held a shareholding in a company called Silver Heritage Group Limited, a gaming operator that operated and managed casinos in Nepal. Due to COVID-19, the company ceased to trade and without additional support from the company's secured creditors and shareholders the company went into Voluntary Administration on 18 May 2020. There will be no return to shareholders and therefore the investment is valued at Nil.

3.7 VAT Claim

There is an outstanding VAT refund due from HM Revenue & Customs in respect of the pre liquidation VAT periods of £56,896, per the Company's books and records, that we are pursuing.

3.8 Winding up costs and expenses

The Directors' Declaration of Solvency showed that the cost of the winding up and other expenses were estimated to be £299,362. The majority of these costs related to professional costs incurred in the Scheme of Reconstruction and the Liquidation Pool.

4. Unsecured creditors

The Directors' Declaration of Solvency showed that there were accrued expenses to be paid which were estimated to be £32,262. The majority of these claims relate to professional costs incurred in the Scheme of Reconstruction and the Liquidation Pool, as referred to above.

Notice for creditors to submit their claims in the liquidation was advertised in the London Gazette.

There are still a number of claims to be settled and a further update will be provided in our next report to the shareholders.

5. Corporation Tax

We have liaised with the Company's tax advisors, Grant Thornton, with regards to the completion of the final accounts and the completion and filing of the pre-appointment corporation tax returns for the year ended 31 March 2019 and the period ending 17 July 2019, both returns indicated that no corporation tax was due for both of the periods.

We have yet to file the corporation tax return for the year to 17 July 2020.

6. Summary of work undertaken in the Period

The following is a summary of the work undertaken during the period:

- Following our appointment, we have complied with our statutory obligations in respect of notifying various government agencies and the wider world of the fact of the Company's liquidation;
- We have corresponded with HM Revenue & Customs ('HMRC') in relation to their potential claims in the liquidation and the refund of the VAT due to the Company;
- We have corresponded with Northern Trust and The Royal Bank of Scotland PLC with regards to their role as custodian of the Company, the transfer of funds held, the closure of accounts and to obtain information on the remaining securities held;
- We liaised with the Trust's administrators, Praxis IFM and its registrar, Link Group Ltd with regards to the distributions to the HINT Rollover Pool, the Garraway Rollover Pool and the Cash Pool, as set out in Section 2 of this report;

- We have paid the outstanding costs associated with the reconstruction of the scheme and the Liquidation Pool, as and when received;
- We have responded to shareholder queries and requests for information regarding their shareholding and in respect of the liquidation;
- We have liaised with Praxis IFM and the Company's tax advisors with regards to the completion of the Company's pre-liquidation Corporation tax return, as referred to above in Section 5.

7. Outstanding Matters

There are a number of outstanding matters to be dealt which are listed below:

- We continue to liaise with Northern Trust PLC, with regards to a number of matters including the closure of the accounts and transfer of funds held;
- We continue to liaise with the Company's Registrar, Link Group Ltd, with regards to the transfer of the shareholders' register and the information regarding any unclaimed dividends held;
- We continue to correspond with HMRC with regards to obtaining tax clearance for the pre-liquidation period and to receive the outstanding VAT refund due to the Company;
- We continue to comply with all statutory matters that relate the liquidation, including the completion and submission of VAT and Corporation tax returns;
- We are continuing to make payment to those suppliers who submit invoices that are overdue for payment from the Liquidation Pool; and
- Make a final distribution to shareholders (if applicable).

8. Joint Liquidators' Remuneration, Disbursements and Expenses

The Joint Liquidators' time costs are based on computerised records of all time spent on the administration of this case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in maximum of 6 minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP Advisory LLP charge out rates are attached together with a breakdown of our time costs and disbursement incurred during the period of this report, in accordance with Statement of Insolvency Practice 9.

We have attached, at **Appendix B**, a summary of the Liquidators' time costs to 17 August 2020 which shows total time costs incurred to date of £10,077.75, representing 31.90 hours, at an average charge out rate of £315.92 per hour.

In accordance with the resolution approved by the shareholders at the General Meeting of the Company on 18 July 2019, we were authorised to draw fees on a time cost basis. In the period of this report, £16,000 plus disbursements and VAT have been drawn in respect of the fee agreed with the Board of Directors in our letter of engagement.

In addition, FRP Advisory LLP were paid £17,000 plus VAT in connection with the time we spent liaising with the Board of Directors of the Company and their advisors prior to our appointment, reviewing and planning for the liquidation process and preparing the required documentation for the General meeting.

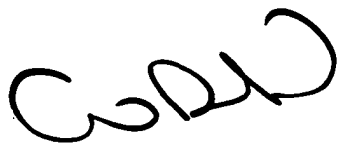
The Joint Liquidators' disbursements are a recharge of actual costs incurred by the Joint Liquidators in dealing with this matter. Details of disbursements incurred during the period of this report are set out in **Appendix B**.

We also attach at **Appendix C** a statement of expenses that have been incurred during the period covered by this report.

Shareholders have a right to request further information from the Joint Liquidators and further have a right to challenge the Joint Liquidators' remuneration and other expenses, which are first disclosed in this report, under the Insolvency Rules. (For ease of reference these are the expenses incurred in the reporting period as set out in **Appendix C** only). Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link <http://creditors.frpadvisor.com/feesguide.htm> and select the one for liquidation. Alternatively, a hard copy of the relevant guide will be sent to you on request. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

If you have any queries about this report or the progress of this matter, please do not hesitate to contact our office.

Date: 11 September 2020



Gareth Morris
Joint Liquidator

Licensed in the United Kingdom by the Insolvency Practitioners Association and bound by the Insolvency Code of Ethics

**The Establishment Investment Trust Plc
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments**

Declaration of Solvency £		From 18/07/2019 To 17/07/2020 £	From 18/07/2019 To 17/07/2020 £
45,721,503.00	ASSET REALISATIONS		
	Shares & Investments	22,273,148.00	22,273,148.00
	Cash at Bank	503,289.51	503,289.51
	Bank Interest Gross	1,632.86	1,632.86
	Marketable Securities - Distribution in	22,148,041.00	22,148,041.00
		<u>44,926,111.37</u>	<u>44,926,111.37</u>
	COST OF REALISATIONS		
	Pre-appointment fees	17,000.00	17,000.00
	Joint Liquidators' Remuneration	16,000.00	16,000.00
	Joint Liquidators' Disbursements	216.54	216.54
	Accountancy fees	2,000.00	2,000.00
	Legal Fees (1)	455.00	455.00
	Brokers fees and disbursements	37,412.09	37,412.09
	Payroll processing fees	345.00	345.00
	Stationery & Postage	4,722.12	4,722.12
	Administrators fees & Disbs - PraxisIF	10,484.82	10,484.82
	Link Asset Services fee	24,255.16	24,255.16
	Regulatory fees - FCA	6,870.31	6,870.31
	Membership fees	20.00	20.00
	Directors & Officers Liability Insurance	7,334.81	7,334.81
	Bank Charges - Floating	30.40	30.40
-299,362.00	Costs of the winding up & other expen	<u>NIL</u>	<u>NIL</u>
		(127,146.25)	(127,146.25)
	UNSECURED CREDITORS		
-32,262.00	Accrued expenses	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	DISTRIBUTIONS		
	The HINT Rollover Pool	12,876,448.00	12,876,448.00
	Garraway Rollover Pool	9,271,593.00	9,271,593.00
	Cash Pool	22,273,148.00	22,273,148.00
		<u>(44,421,189.00)</u>	<u>(44,421,189.00)</u>
45,389,879.00		<u>377,776.12</u>	<u>377,776.12</u>
	REPRESENTED BY		
	Vat Recoverable - Floating		66.00
	IB Current Floating		356,791.56
	Vat Control Account		20,918.56
			<u>377,776.12</u>

JOINT LIQUIDATORS' TIME COSTS FOR THE YEAR ENDED 17 July 2020

	Total Hours	Total Cost £	Average Hrly Rate £
⊕ Administration and Planning	18.85	4,944.00	262.28
⊕ Asset Realisation	3.10	1,284.50	414.35
⊕ Creditors	4.40	1,748.00	397.27
⊕ Statutory Compliance	5.15	1,903.25	369.56
⊕ Pre-Appointment	0.40	198.00	495.00
Grand Total	31.90	10,077.75	315.92

Disbursements for the period 18 July 2019 to 17 July 2020

	Value £
⊖ Category 1	
Advertising	216.54
Bonding	675.00
Grand Total	891.54

Mileage is charged at the HMRC rate
prevailing at the time the cost was incurred

FRP Charge out rates

Grade	From
	1st May 2019
Appointment taker / Partner	370-495
Managers / Directors	280-370
Other Professional	165-230
Junior Professional & Support	80-110

FRP Advisory Trading Limited ("FRP")

	£/hour
Appointment taker/Restructuring Advisory Partner	370-495
Managers/Directors	280-370
Other Professional	165-230
Junior Professional/Support	80-110

Time costs are maintained on computerised records of all time spent on the administration of each case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in maximum of six minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP charge out rates applicable to this assignment are set out above.

Further information can be found in the Creditors' Guide to Fees which you can access using the following link <http://www.frpadvisor.com/fees-guide.html>. Alternatively, a hard copy of the relevant guide will be sent to you on request.

On occasions it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment this will be notified to creditors as part of the normal reporting procedures.

DISBURSEMENT POLICY

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

There are two types of disbursements; direct disbursements (known as Category 1) and indirect disbursements (known as Category 2).

Category 1 disbursements:

These are payments to independent third parties where there is specific expenditure directly referable to the appointment in question, these include but are not limited to such items as case advertising, storage, bonding, searches, insurance, licence fees.

Category 1 disbursements can be drawn without prior approval

Category 2 disbursements

These are expenses that are directly referable to the appointment in question but not to a payment to an independent third party. With the exception of mileage FRP do not charge category 2 disbursements.

Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP at the HMRC approved mileage rate prevailing at the time the mileage was incurred, at the time of this report this is 45p per mile.

Category 2 disbursements require prior approval in the same manner as an office holder's remuneration.

JOINT LIQUIDATORS' EXPENSES FOR THE YEAR ENDED 17 JULY 2020

Statement of expenses for the period ended 17/07/2020	
	Period to 17/07/2020
Expenses	£
Office Holders' remuneration (Time costs)	10,078
Office Holders' disbursements	892
Pre-appointment fees - FRP Advisory	17,000
Accountancy fees - BDO LLP	2,000
Legal fees - Cheeswrights LLP	455
Brokers fees and disb - Shore Capital & Corporate Ltd	37,412
Payroll processing fees - Taylor Viney Marlow	345
Stationery & Postage	4,722
Praxis IFM - administrators' fees and disbursements	10,485
Link Asset Services Ltd	24,255
FCA - Regulatory fees	6,870
Membership fees - Issuer Direct Ltd	20
Directors & officers liability insurance - Howden	7,335
Bank charges - Barclays Bank plc	30
Total	121,899