

AM10

Notice of administrator's progress report



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number	0	6	7	6	1	4	8	7
Company name in full	Montezuma's Direct Limited							

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

2 Administrator's name

Full forename(s)	Philip
Surname	Stephenson

3 Administrator's address

Building name/number	30 Finsbury Square							
Street								
Post town	London							
County/Region								
Postcode	E	C	2	A		1	A	G
Country								

4 Administrator's name ①

Full forename(s)	Kevin J
Surname	Coates

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

5 Administrator's address ②

Building name/number	30 Finsbury Square							
Street								
Post town	London							
County/Region								
Postcode	E	C	2	A		1	A	G
Country								

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

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 0	^d 1	^m 0	^m 6	^y 2	^y 0	^y 2	^y 3
To date	^d 3	^d 0	^m 1	^m 1	^y 2	^y 0	^y 2	^y 3

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X PStep

X

Signature date

^d 2	^d 1	^m 1	^m 2	^y 2	^y 0	^y 2	^y 3
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**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 **Kirsty Dolmor**

Company name **Grant Thornton UK LLP**

Address **11th Floor**

Landmark St Peter's Square

Post town **1 Oxford St**

County/Region **Manchester**

Postcode **M 1 4 P B**

Country

DX

Telephone **0161 953 6900**

**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



Montezuma's Chocolates Limited, Montezuma's Direct Limited and Montezuma's Limited – All in administration

UK Restructuring
Grant Thornton UK LLP
11th Floor
Landmark St Peter's Square
1 Oxford St
Manchester
M1 4PB
T +44 (0)161 953 6906

Joint Administrators' progress report for the
period 1 June 2023 to 30 November 2023

Prepared by: Philip Stephenson, Joint Administrator

Contact details: Should you wish to discuss any matters in
this report, please email
cmusupport@uk.gt.com, or write to the
above address

Guide to this report

Report sections

Definitions

1 **Executive summary**

This should be read in conjunction with the remainder of the report, together with its appendices

2 **Progress**

Includes strategy and progress

3 **Investigations into the affairs of the Companies**

Includes strategy and progress

4 **Creditors and dividends**

Includes creditor balances and information on dividends

5 **Joint Administrators' remuneration and expenses**

Includes details of payments to the Joint Administrators (including details of fees and expenses incurred) and their associates

6 **Future strategy**

Includes summary details of further work to be done, exit route, details on any proposed creditor decisions, general information for readers (eg data protection) and timing of the next report

Report appendices

A **Notice about this report**

Includes information about the preparation and purpose of the report, reliance on it and no liability

B **Statutory information**

Includes information required about the Companies (eg names, addresses) and about the administrations (eg proceedings, Administrators, contact details)

C **Abstract of the Joint Administrators' receipts and payments**

D **Statement of Insolvency Practice 9 disclosure: Payments to the Joint Administrators and their associates**

Includes remuneration basis, work done, expenses of the Joint Administrators, sub-contracted out work, relationships requiring disclosure

Definitions

The following definitions are used either within the body of this report, the appendices to it, or both.

Act	The Insolvency Act 1986
AMA	Accelerated merger and acquisition
The Bank / NatWest	National Westminster Bank PLC
CBILs	Coronavirus Business Interruption Loan scheme
Companies / the Group	Montezuma's Chocolates Limited, Montezuma's Direct Limited and Montezuma's Limited
CVA	Company Voluntary Arrangement
CVL	Creditors' Voluntary Liquidation
the Directors	Michael Atkinson, Helen Pattinson, Simon Pattinson, Paul Skipworth and Michael Taylor
Eurovals	Ensco 1078 Ltd, t/a European Valuations or Eurovals
Firm / Grant Thornton	Grant Thornton UK LLP
GBCG or Purchaser	Great British Confectionary Group Limited
HMRC	HM Revenue & Customs
Joint Administrators / we / us / our	Philip Stephenson Kevin J Coates
LTO	Licence to Occupy agreement
MCL	Montezuma's Chocolates Limited
MDL	Montezuma's Direct Limited
ML	Montezuma's Limited
PAYE	Pay As You Earn
Period	The reporting period from 1 June 2023 to 30 November 2023
Proposals	The Joint Administrators' proposals dated 8 June 2023
RBS	RBS Invoice Finance Ltd
RPS	Redundancy Payments Service
Rules	the Insolvency (England and Wales) Rules 2016
SIP	Statement of Insolvency Practice
SPA	Sale and purchase agreement between the Joint Administrators and GBCG dated 1 June 2023
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
UK	United Kingdom
VAT	Value added tax

1 Executive summary

- This progress report for the Companies' administrations covers the Period.
- Our Proposals were deemed approved on 22 June 2023 in accordance with rule 3.38(4) of the Rules.
- The key work done in the Period is:
 - Completed the sale of the trade and assets to GBCG on 1 June 2023;
 - Negotiated and entered into LTOs for the Birdham manufacturing site and other retail leases;
 - Settled outstanding administration expenses such as rental liabilities for the period of the various LTOs;
 - Consulted HMRC on outstanding tax matters, including unsubmitted pre-appointment and post-appointment VAT returns;
 - Invited creditors to submit their proof of debts;
 - Monitored debtor collections undertaken by GBCG pursuant to the SPA in the event funds are available for the administration estate of MCL; and
 - Distributed net fixed charge realisations to the Bank.
- The administrations are currently due to end on 31 May 2024.
- It is unlikely that there will be sufficient funds to make a distribution to unsecured creditors of the Companies and therefore it is intended to exit the administrations and move to dissolution. In respect to MCL only, we do however anticipate a return to preferential creditors (HMRC).

PS Step

Philip Stephenson
Joint Administrator

21 December 2023

2 Progress

2.1 Strategy and progress in the Period

The Joint Administrators have outlined the key terms relating to the sale of the business and assets within their joint SIP16 report and Proposals dated 8 June 2023. Parties are encouraged to read the Proposals for more information on this matter and to assist with understanding this report.

The Joint Administrators have continued to deliver on their future strategy, as set out in the Proposals. This includes:

- liaising with the landlords of the premises including in respect to the LTOs
- the payment of administration expenses in respect of the period of the LTOs and other services required for the Joint Administrators to fulfil their role
- liaising with GBCG in respect to the ongoing reporting of debtor collections and potential recoveries for the administration estate of MCL
- liaising with HMRC in respect of the tax affairs for the Companies, to assist with the completion of outstanding corporation tax and VAT returns
- complying with statutory and regulatory obligations
- paying the Bank a distribution under its fixed charge.

2.2 Trading

As the business and assets were sold on appointment, no trading activity has taken place during the Period. Please see the Proposals for more details on the sale.

2.3 Realisation of assets

We attach as Appendix C accounts of our receipts and payments for the Period in respect to the Companies.

As referenced above, the businesses and certain assets were realised via a pre-packaged sale on 1 June 2023. Please see the Proposals for more details on the assets included.

2.4 Additional assets

Certain assets were excluded from the sale. These were:

- Cash at bank on appointment for MCL (£550) and MDL (£1,292) – These relate to pre-appointment sales which had not been received into the bank account until after the appointment and after NatWest swept funds pursuant to its security (refer below)
- Petty cash and rates refunds – These funds have been recovered by the Joint Administrators and are to be treated as floating charge realisations:
 - MCL – £1,940 (rates refund)
 - ML – £6,055 (rates refunds £4,855 and petty cash £1,200)

Pursuant to the terms of the security held by NatWest, it was permitted to sweep cash held at the bank on appointment (as outlined below) to reduce its indebtedness in respect to the CBILs facility. This was not a distribution made by the Joint Administrators however it did result in the amount owing under the CBILs facility reducing commensurately. The funds recorded in the attached receipts and payments for cash at bank on appointment are as outlined above and not reflected in the below amounts which NatWest received:

- MCL – £16,803
- MDL – £22,201
- ML – £97,085

2.5 Assets remaining to be realised

The only asset remaining to be realised is any pre-appointment debtors.

RBS provided MCL with invoice financing facilities and, therefore, owned the trade debts due to MCL. In addition, RBS held fixed charge security over the debtors' ledger. In accordance with the SPA with GBCG, RBS was repaid £399,542 (RBS's outstanding liability on the invoice finance facility). This allowed the debtors to be firstly assigned to MCL and then to be sold to GBCG.

As outlined in our Proposals, an agreement was reached between the Administrators of MCL and GBCG whereby the:

- first £399,542 of debtor collections are to be retained by GBCG as this was the amount paid to RBS on completion;
- next £50,000 plus a 5% collection fee (i.e. £52,500) to be retained by GBCG; and
- the balance of collections thereafter (and after a 5% collection fee) to be shared equally between GBCG and the administration estate of MCL.

At this stage we are unsure whether debtor realisations will meet the above threshold to enable a return to the administration estate.

3 Investigations into the affairs of the Companies

3.1 Statutory investigations

We undertook investigations into the Companies' affairs to establish whether there were any potential asset recoveries, or conduct matters that required further investigation, taking into account the public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved.

Also, within three months of our appointment as Joint Administrators, as required by the Companies Directors Disqualification Act 1986, we reported to the Secretary of State the required facts about the Companies' business and the conduct of its directors (including those acting within the past three years).

Based on the outcome of our investigations into the affairs of the Companies to date, there are no matters identified that need to be reported to the creditors. However, we would be pleased to receive from any creditor any useful information concerning the Companies, its dealing or conduct which may assist us.

4 Creditors and dividends

4.1 Secured creditor

NatWest was granted a fixed and floating charge debenture over MCL's assets on 27 May 2020 and MDL's and ML's assets on 26 June 2020. At the date of the administrations the balance due, secured by this debenture, was £633,333.

Burges Salmon LLP was engaged to advise the Joint Administrators on the validity of the security. No issues were identified.

Since the administrations commenced, distributions of £23,314 (MCL: £17,760, MDL: £3,500 and ML: £2,054) net of costs have been made to NatWest under its fixed charge security. In addition to this, NatWest invoked the right of set-off in relation to the funds held in the Group's bank accounts as at the date of appointment, these amounts are as follows:

- MCL – £16,803
- MDL – £22,201
- ML – £97,085

Due to the level of preferential creditors who have a priority over floating charge assets, there is estimated to be a shortfall to NatWest under its floating charge.

RBS was granted a debenture over MCL's assets on 7 January 2022 which secured lending provided by RBS against the book debts of MCL. To facilitate the sale, sufficient funds (£399,542) were paid to RBS upon completion, in full satisfaction of its lending against the book debts, and in exchange for the release of its debenture over MCL's debtors.

4.2 Preferential creditors

Ordinary preferential creditors

These include employee claims for wages and salary up to £800 per person and accrued holiday pay, and employee contributions to occupational pension schemes deducted in the four months before the insolvency.

There were 84 employees of MCL and 70 employees of ML at the date of appointment, all of whom transferred with the sale of the business and assets. There were no employees of MDL.

In our previous report the Joint Administrators had set out that there were unpaid pension contributions at the date of appointment. It was understood that these had been deducted from salary, meaning that they would be ordinary preferential creditor claims. However, and due to the type of pension fund, we can advise that all unpaid pension payments will be classified as unsecured creditor claims.

Based on the above information, we do not expect to receive any ordinary preferential creditor claims in respect of any of the Companies.

Secondary preferential creditors

These include HMRC claims for arrears of VAT and for sums deducted in respect of PAYE, employees' national insurance contributions and student loan repayments, and construction industry scheme deductions, as applicable.

We have not received a claim to date, however, the Directors have advised that this is estimated to total £555,000. Due to the Companies being registered in a VAT Group, each of MCL, ML and MDL are joint and severally liable in respect of VAT amounts owing to HMRC by all entities.

At the current position, the Joint Administrators anticipate a return to the secondary preferential creditor from MCL only of c.£233,000.

4.3 Unsecured creditors

MCL

The statement of affairs, prepared by the directors, details 176 unsecured creditors totaling £1.1 million plus an additional balance of £4.7 million relating to intercompany loans.

MDL

The statement of affairs, prepared by the directors, details six unsecured creditors totaling £12,851.

ML

The statement of affairs, prepared by the directors, details 38 unsecured creditors totaling £181,191, plus accruals estimated at £175,137 and an additional balance of £2.3 million relating to intercompany loans.

Prescribed part

In accordance with section 176A of the Act, a prescribed part is to be set aside from the floating charge assets and made available to the unsecured creditors of the Companies. The prescribed part calculation is applied to the net property available and is calculated at 50% of the first £10,000 of net realisations and 20% of all further amounts, up to a maximum prescribed part of £600,000, or, if the floating charge was created on or after 6 April 2020, £800,000.

Based on current information, the net property is estimated to be a deficiency and so no funds will be available to make a prescribed part distribution to unsecured creditors of any of the Companies within the Group.

Sanctioned creditors

Any distributions to be made to creditors, in any class, who are designated under the UK sanctions regime (and the United States (US), European Union (EU) and other applicable sanctions regimes) (Sanctioned Creditors) will be frozen to comply with our legal obligations and will not be made available to Sanctioned Creditors unless, in very limited circumstances, the payment of the distribution is permitted by licenses issued by all applicable sanctions authorities.

Dividend prospects

At present there is unlikely to be a dividend payable to this class of creditor from any of the Companies.

5 Joint Administrators' remuneration and expenses

5.1 Overview

Our remuneration basis has not yet been fixed. We propose that our remuneration be fixed on a time costs basis based on the time properly spent by the Joint Administrators and their staff in relation to matters arising in the administration.

MCL

We have charged remuneration and incurred expenses in the Period amounting to £238,979 and £35,905, of which £nil and £4,762 has been paid from the estate.

In addition to the above remuneration and expenses, we estimate an additional £66,988 in time costs and £2,649 in expenses to deal with the remaining matters as detailed in this report and to close the administration.

This brings our total estimated time costs to £305,967, as detailed in the fees estimate at Appendix D.

MDL

We have charged remuneration and incurred expenses in the Period amounting to £65,372 and £2,722, of which £nil and £430 has been paid from the estate.

In addition to the above remuneration and expenses, we estimate an additional £23,080 in time costs and £1,243 in expenses to deal with the remaining matters as detailed in this report and to close the administration.

This brings our total estimated time costs to £88,452, as detailed in the fees estimate at Appendix D.

ML

We have charged remuneration and incurred expenses in the Period amounting to £74,445 and £3,532, of which £nil and £1,234 has been paid from the estate.

In addition to the above remuneration and expenses, we estimate an additional £30,908 in time costs and £1,778 in expenses to deal with the remaining matters as detailed in this report and to close the administration.

This brings our total estimated time costs to £105,353, as detailed in the fees estimate at Appendix D.

All Companies

The Joint Administrators will engage with the relevant creditors to discuss and seek approval for remuneration in respect of all Companies shortly.

6 Future strategy

6.1 Future conduct of the administrations

We will continue to manage the affairs, business and property of the Companies in order to achieve the purpose of the administrations. This will include but not be limited to:

- monitor the debtor collections to determine whether there will be sufficient collections to enable a return to the administration estate of MCL
- payment of the administrations expenses and pre-appointment costs, including our remuneration
- finalisation of the Companies' tax affairs, including completion of corporation tax and VAT returns and settlement of any liabilities
- the finalisation of our investigations into the affairs of the Companies
- complying with statutory and compliance obligations
- agreeing the claims of the preferential creditor and payment of a dividend.

6.2 Extension of the administrations

The duration of an administration is restricted to 12 months from the date of commencement unless it is extended with the permission of the creditors or the court.

The Joint Administrators do not believe an extension of the administrations will be necessary. The administrations are currently due to end on 31 May 2024.

6.3 Exit from the administrations

As detailed in our Proposals, we do not consider it likely that we will have sufficient funds to make a distribution to unsecured creditors and therefore intend to exit the administrations and move to dissolution.

6.4 Discharge from liability

At the conclusion of the administrations we require discharge from liability.

As there are insufficient funds to make a distribution to creditors other than by virtue of the prescribed part, we will seek consent from each secured creditor and a decision of the preferential creditors in order to obtain our discharge from liability.

6.5 Data protection

Any personal information held by the Companies will continue to be processed for the purposes of the administrations of the Companies and in accordance with the requirements of data protection. Our privacy notice on our website (www.grantthornton.co.uk/en/privacy) contains further details as to how we may use, process and store personal data.

6.6 Contact from third parties

Please be aware that fraudsters have been known to masquerade as legitimate Administrators. Fraudsters may contact creditors asking for an upfront fee or tax to release an investment or to enable payment of a dividend / the release of money payable to the creditor. An Administrator would never ask for such a payment nor instruct a third party to make such a request.

6.7 Future reporting

Our next report to creditors will be issued no later than 30 June 2024, or earlier if the administrations have been completed by that date.

A Notice about this report

This report has been prepared solely to comply with the Joint Administrators' statutory duty to report to creditors under the Rules on the progress of the administrations, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Companies.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under the Rules do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note that we are both authorised by the Insolvency Practitioners Association to act as insolvency practitioners.

The Joint Administrators are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agents for the Companies and contract without personal liability. The appointment of the Joint Administrators is personal to them and to the fullest extent permitted by law, Grant Thornton does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administrations.

Please note you should read this progress report in conjunction with the Joint Administrators' previous progress reports and the Proposals issued to the Companies' creditors, which can be found on the Grant Thornton portal (<https://www.grantthornton.co.uk/portal/>). Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT. For definitions of abbreviations please refer to the 'Definitions' table at the start of this progress report.

B Statutory information

Company information

Company name	Montezuma's Chocolates Limited
Date of incorporation	14 March 2000
Company registration number	03946858
Former registered and trading address	Allman House Birdham Business Park Birdham Road Chichester West Sussex PO20 7BT
Present registered office	11th Floor, Landmark St Peter's Square 1 Oxford St Manchester M1 4PB

The administrations information

The administrations appointment	The administrations appointment granted in the High Court of Justice Business & Property Courts of England & Wales Insolvency & Companies List, 002811 of 2023
Appointor	the directors
Date of appointment	1 June 2023
Joint Administrators' names	Philip Stephenson Kevin J Coates
Joint Administrators' address	30 Finsbury Square, London, EC2A 1AG
Purpose of the administration	Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up
Estimated value of the net property and confirmation of the prescribed part cap	The company's net property is estimated to be nil. The prescribed part is capped at the statutory maximum of £600,000, or, if the floating charge was created on or after 6 April 2020, £800,000
Prescribed part distribution	The Joint Administrators do not intend to apply to court to obtain an order that the prescribed part shall not apply
Functions	In accordance with paragraph 100(2) of Schedule B1 to the Act, the functions of the administrators are to be exercised by either or both of them
Current administrations expiry date	31 May 2024

Company information

Company name	Montezuma's Direct Limited
Date of incorporation	28 November 2008
Company registration number	06761487
Former trading address	Birdham Business Park Birdham Road Chichester, West Sussex PO20 7BT
Present registered office	11th Floor, Landmark St Peter's Square 1 Oxford St Manchester M1 4PB

Administration information

Administration appointment	The administration appointment granted in the High Court of Justice Business & Property Courts of England & Wales Insolvency & Companies List, 002810 of 2023
Appointor	the directors
Date of appointment	1 June 2023
Joint Administrator's names	Philip Stephenson Kevin J Coates
Joint Administrator's addresses	30 Finsbury Square, London, EC2A 1AG
Purpose of the administration	Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up
Estimated value of the net property and confirmation of the prescribed part cap	The Company's net property is estimated to be £nil. The prescribed part is capped at the statutory maximum of £600,000, or, if the floating charge was created on or after 6 April 2020, £800,000
Prescribed part distribution	The Joint Administrators do not intend to apply to court to obtain an order that the prescribed part shall not apply
Functions	In accordance with paragraph 100(2) of Schedule B1 to the Act, the functions of the administrators are to be exercised by either or both of them.
Current administration expiry date	31 May 2024

Company information

Company name	Montezuma's Limited
Date of incorporation	29 August 1997
Company registration number	03426319
Former trading address	Birdham Business Park, Birdham Road, Chichester, West Sussex PO20 7BT
Present registered office	11th Floor, Landmark, St Peter's Square 1 Oxford St, Manchester, M1 4PB

Administration information

Administration appointment	The administration appointment granted in the High Court of Justice Business & Property Courts of England & Wales Insolvency & Companies List, 002809 of 2023
Appointor	the directors
Date of appointment	1 June 2023
Joint Administrator's names	Philip Stephenson Kevin J Coates
Joint Administrator's addresses	30 Finsbury Square, London, EC2A 1AG
Purpose of the administration	Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up
Estimated value of the net property and confirmation of the prescribed part cap	The Company's net property is estimated to be £nil. The prescribed part is capped at the statutory maximum of £600,000, or, if the floating charge was created on or after 6 April 2020, £800,000
Prescribed part distribution	The Joint Administrators do not intend to apply to court to obtain an order that the prescribed part shall not apply
Functions	In accordance with paragraph 100(2) of Schedule B1 to the Act, the functions of the administrators are to be exercised by either or both of them.
Current administration expiry date	31 May 2024

Montezuma's Chocolates Limited
(In Administration)

C

Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 01/06/2023 To 30/11/2023 £	From 01/06/2023 To 30/11/2023 £
	SECURED ASSETS		
25,000.00	Goodwill/IP	25,000.00	25,000.00
586,542.00	Book Debts	399,541.79	399,541.79
732,745.00	Trade Creditors	NIL	NIL
		424,541.79	424,541.79
	SECURED CREDITORS		
(399,542.00)	Chargeholder (1)	399,541.79	399,541.79
(633,333.00)	Chargeholder (2)	17,760.00	17,760.00
		(417,301.79)	(417,301.79)
	ASSET REALISATIONS		
	Bank/ISA InterestGross	1,858.26	1,858.26
400,000.00	Capital Assets	400,000.00	400,000.00
	Cash at Bank	550.62	550.62
5,549.00	Credit Card	NIL	NIL
	LTO Rental Receipts	80,002.78	80,002.78
	Rates Refund	1,940.74	1,940.74
320,901.00	Stock	185,000.00	185,000.00
333,203.00	Surplus Trade Debtors	NIL	NIL
		669,352.40	669,352.40
	COST OF REALISATIONS		
	Bank Charges	1.80	1.80
	Insurance of Assets	7,340.00	7,340.00
	IT Support Costs	2,551.44	2,551.44
	Legal Fees (1)	3,374.40	3,374.40
	LTO Rental Payments	85,237.42	85,237.42
	Professional Fees	436.67	436.67
	Rents Payable	61,589.00	61,589.00
	Statutory Advertising	93.50	93.50
		(160,624.23)	(160,624.23)
	UNSECURED CREDITORS		
(5,869,055.00)	Unsecured Creditors (All)	NIL	NIL
		NIL	NIL
	PREFERENTIAL CREDITORS		
(9,215.00)	Preferential Creditors (All)	NIL	NIL
		NIL	NIL
	SECONDARY PREFERENTIAL CREDITORS		
(515,888.00)	HMRC	NIL	NIL
		NIL	NIL
(5,023,093.00)		515,968.17	515,968.17
	REPRESENTED BY		
	Fixed Current Account IB		7,240.00
	Floating Current Account IB		489,764.40
	VAT on Purchases		18,963.77
			515,968.17

Montezuma's Direct Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 01/06/2023 To 30/11/2023 £	From 01/06/2023 To 30/11/2023 £
	SECURED ASSETS		
25,000.00	Goodwill and IP	25,000.00	25,000.00
21,650.00	Cash Offset (NatWest)	NIL	NIL
		25,000.00	25,000.00
	SECURED CREDITORS		
(633,333.00)	Chargeholder (1)	NIL	NIL
	Chargeholder (2)	3,500.00	3,500.00
		(3,500.00)	(3,500.00)
	ASSET REALISATIONS		
	Bank/ISA InterestGross	80.10	80.10
	Cash at Bank	1,291.50	1,291.50
8,540.00	Stock	NIL	NIL
		1,371.60	1,371.60
	COST OF REALISATIONS		
	Bank Charges	0.45	0.45
	Insurance of Assets	336.00	336.00
	Statutory Advertising	93.50	93.50
		(429.95)	(429.95)
	UNSECURED CREDITORS		
(12,851.20)	Unsecured Creditors (All)	NIL	NIL
		NIL	NIL
	SECONDARY PREFERENTIAL CREDITORS		
(515,888.00)	HMRC	NIL	NIL
		NIL	NIL
(1,106,882.20)		22,441.65	22,441.65
	REPRESENTED BY		
	Fixed Current Account IB		21,500.00
	Floating Current Account IB		922.95
	VAT on Purchases		18.70
			22,441.65

Montezuma's Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 01/06/2023 To 30/11/2023 £	From 01/06/2023 To 30/11/2023 £
	SECURED ASSETS		
30,000.00	Goodwill and IP	30,000.00	30,000.00
107,847.00	Cash Offset (NatWest)	NIL	NIL
		30,000.00	30,000.00
	SECURED CREDITORS		
(633,333.00)	Chargeholder (1)	NIL	NIL
	Chargeholder (2)	2,054.00	2,054.00
		(2,054.00)	(2,054.00)
	ASSET REALISATIONS		
	Bank/ISA InterestGross	239.11	239.11
30,000.00	Capital Assets	NIL	NIL
	LTO Rental Receipts	61,725.47	61,725.47
	Misc Float Receipts	1,200.00	1,200.00
	Plant & Machinery	8,000.00	8,000.00
	Rates Refund	4,854.59	4,854.59
30,384.00	Stock	NIL	NIL
		76,019.17	76,019.17
	COST OF REALISATIONS		
	Bank Charges	0.45	0.45
	Insurance of Assets	756.00	756.00
	LTO Rental Payments	8,440.79	8,440.79
	Money held on account for MCL	18,146.44	18,146.44
	Professional Fees	383.94	383.94
	Statutory Advertising	93.50	93.50
		(27,821.12)	(27,821.12)
	UNSECURED CREDITORS		
(2,657,856.00)	Unsecured Creditors (All)	NIL	NIL
		NIL	NIL
	PREFERENTIAL CREDITORS		
(11,177.00)	Preferential Creditors (All)	NIL	NIL
		NIL	NIL
	SECONDARY PREFERENTIAL CREDITORS		
(515,888.00)	HMRC	NIL	NIL
		NIL	NIL
(3,620,023.00)		76,144.05	76,144.05
	REPRESENTED BY		
	Fixed Current Account IB		27,946.00
	Floating Current Account IB		48,102.56
	VAT on Purchases		95.49
			76,144.05

D Payments to the Joint Administrators and their associates

MCL (the Company)

SIP9 disclosure

This appendix has been prepared in accordance with the requirements of the Act, the Rules and SIP9. In summary, it covers:

- pre-appointment costs
- remuneration basis
- work done by the Joint Administrators and their team during the Period
- statement of expenses incurred in the Period
- payments to associates
- relationships requiring disclosure
- sub-contracted work
- information for creditors (rights, remuneration, committees).

Pre-appointment costs

Pre-administration costs are fees charged and expenses incurred by the Joint Administrators, or other qualified insolvency practitioners, before the company entered administration but with a view to it doing so. To the extent they remain unpaid when the company entered administration and payment is sought, approval is required from the appropriate body of creditors as to whether they should be paid from the estate.

Prior to the appointment of the Joint Administrators, Grant Thornton was engaged by the Directors of Revenge Holdings Limited, the parent entity of Montezuma's Chocolates Limited pursuant to an engagement letter dated 11 April 2023 (the First Agreement). The fee basis of the First Agreement was £15,000 (plus VAT) per week and lasted two weeks, with fees totalling £30,000 (plus VAT). These fees were paid in accordance with the terms of the letter.

Grant Thornton was also engaged by the Directors of Montezuma's Limited pursuant to an engagement letter dated 4 May 2023 (the Second Agreement), under which the fee basis was £3,750 (plus expenses and VAT) per week. Grant Thornton was paid £3,750 (plus expenses of £408) pre-administration in relation to the services provided under this agreement. Over the three-week period immediately prior to the appointment, Grant Thornton incurred additional time and expenses, with total fees across the three weeks being capped at £11,250 (plus expenses and VAT). Creditor approval for payment of these costs will be sought from the relevant creditors shortly.

Details of the pre-administration costs are provided below (all amounts below exclude VAT):

Cost	Work done	Why the work was necessary pre-appointment and how it furthered the achievement of an objective of administration	Incurred and authorisation requested				Paid	Unpaid
			Grade	Hrs	£	Name of payer and relationship to estate	Pre/post administration	£
Grant Thornton fees	• Pre-packaged sale	• To confirm that an objective of administration could be achieved and that administration, therefore, was an option for MCL.	Partner	34.8	31,146	Montezuma's Chocolates Limited	£3,750 (plus expenses of £408)	£11,250
	- To explore an accelerated solvent or insolvent sale for the Group or its business and assets, run alongside a separate solvent sales process conducted by the Directors;	• To assist management with gathering and preparing information with the purpose of securing a sale, including but not limited to:	Manager	41.3	24,426			
			Total	76.1	55,572			
			Capped	4 weeks	£15,000 (plus expenses)			
			Authorisation		£11,250			
	- In the event of being unable to achieve a solvent sale, assist the Directors and management in exploring whether a "pre-packaged sale" of the business and assets of the Company (and Group) could be achieved following the Company being placed into administration;	- Obtaining a valuation;						
		- Identification of and introduction to potential acquirers;						
		- Liaising with, responding to and providing information to potential acquirers;						
	- Failing a solvent sale, to begin planning for a potential sale to an acquirer of the business and assets of the Group via an accelerated	- Negotiations with potential acquirers; and						

	<ul style="list-style-type: none"> process and implement a strategy to do so; and - Assist the Directors in taking steps to place each company in administration. • Pre-appointment practicalities. 	<ul style="list-style-type: none"> - Reviewing and negotiating a sale contract for execution as Administrators on appointment • Assist management in liaising with key stakeholders and to advise the Directors (as a board) of their general responsibilities with regard to insolvency. 				
Eurovals	<ul style="list-style-type: none"> • Valuation services 	<ul style="list-style-type: none"> • A valuation was required to consider the offers received for the sale of the business 	£6,500	Montezuma's Chocolates Limited	£6,500	£0
Burges Salmon LLP	<ul style="list-style-type: none"> • Liaising on marketing of the business and offers • Reviewing and advising on terms of offers • Advising on TUPE matters with respect to the potential transfer • Drafting and finalisation of documentation for the sale of the business • Liaising with purchaser's solicitor in relation to the sale contract • Preparing appointment documents, including Notice of Appointment, Board Minutes, Consents to Act and Summary of Prior Professional relationships • Liaising with Directors on the appointment documents and organising swearing of Notice of Appointment • Filing Notice of Appointment at Court and serving sealed Notice of Appointment on the Company and the Joint Administrators 	<ul style="list-style-type: none"> • Legal advice and assistance were required to place MCL into administration and to draft and finalise a contract of sale for a successful purchaser. 	£59,564	Montezuma's Chocolates Limited		£59,564

Notes:

- Partner includes director
- Manager includes associate directors and managers
- Executive includes assistant managers and executives

Post-appointment costs

Remuneration basis of the Joint Administrators

As at the date of this report the remuneration basis has not been set.

We propose that the remuneration of the Joint Administrators be fixed on the basis of the time properly given by the office-holder and the office-holder's staff in attending to matters arising in the administration.

During the Period remuneration has been charged, based on time costs incurred, totalling £238,979 represented by 439 hrs at an average of 544 £/hr (as shown in the 'Work done' section below). A description of the work done in the Period is provided in the respective section below.

As at Period end, no payment from the estate has been made towards our remuneration. The Joint Administrators anticipate that total time costs to complete the administration will be £305,967, as set out in the fees estimate below. Please note that the total anticipated time costs does not limit the amount of remuneration that the Joint Administrators can draw from the estate, only the fees estimate has such effect. In this case the total anticipated time costs and fees estimate is the same. This is based on current information and is subject to change.

At present we do not expect to seek approval to draw remuneration in excess of our fees estimate, however we reserve our right to do so in the future.

Proposed remuneration basis

The Joint Administrators' statement of proposals dated 8 June 2023 stated that the Joint Administrators are of the view that MCL has insufficient property to enable a distribution to be made to unsecured creditors.

A consequence of this statement is that rule 18.18(4) of the Rules provides that the basis of the Joint Administrators' remuneration shall be fixed, if, as in this case, there is no creditors committee, by (a) the consent of each of the secured creditors; or (b) if the Joint Administrators have made or intends to make a distribution to preferential creditors (i) the consent of each of the secured creditors, and (ii) a decision of the preferential creditors in a decision procedure.

Although the unsecured creditors are not involved in fixing the basis of the Joint Administrators' remuneration, rule 18.16(4) nevertheless requires that where the proposed basis of remuneration is by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration, the Joint Administrators must, prior to the determination of the basis, deliver to the creditors (a) a fees estimate and (b) details of the expenses which will be or are likely to be incurred.

As time costs form the proposed remuneration basis we provide, below, a fees estimate and details of the expenses that will be, or are likely to be, incurred - please see the 'fees estimate' section.

Likely return to creditors

We do not anticipate being in a position to pay a dividend to the unsecured creditors at the date of this SIP9 disclosure.

Fees estimate and work done in the Period

A fees estimate comprises the work anticipated to be undertaken and the estimated respective time cost (remuneration chargeable) – the remuneration eventually paid may be more or less than the fees estimate depending on the complexity of the case as it progresses and the value of asset recoveries or successful claims, for example. The fees estimate below is based on all of the information available to us as at Period end. We have considered and accounted for the different levels of expertise that we anticipate will be required to do the work we anticipate necessary to complete the administration, in calculating the time and cost included in the fees estimate table provided below. The table below also includes narrative details of the work done in the Period (numerical analysis of the work done is in the subsequent table and details of expenses incurred in the Period are provided in the 'Expenses' section further below). A more detailed numerical break down of the fees estimate is included in the SIP9 time costs analysis table further below.

Note that the fees estimate is also based on the following assumptions:

- the administration will last for only 12 months
- the collection of the debtor monies by the Purchaser occurs within 6 to 9 months from the date of the Administration
- a dividend is to be paid to the secured and preferential creditors (HMRC) only

Unless otherwise stated, both the work done in the Period and the work anticipated is to comply with legislation and/or best practice requirements and, where applicable, to secure, manage and realise assets/recover claims to help generate financial value for the benefit of the estate and for distributions to creditors to be made (should sufficient funds become available). The work adds value to the insolvency process, if not financial value to the estate, and helps facilitate efficient case management.

Work done and why it was necessary	Anticipated work and why it is necessary	Fees estimate	
Assets Estimated expenses: Insurance - £3,360, Legal costs relating to assets - £22,665		131 hrs	£85,184 648 £/hr
Property			
<ul style="list-style-type: none"> • Arrangement of extension of LTO with Purchaser • Review leases to determine value and correspond with landlords, offering a surrender of the lease where deemed appropriate • Review of LTO arrangement with Purchaser to assess ongoing requirement for use 	<ul style="list-style-type: none"> • Contact landlords and settle remaining invoices for the period of LTO arrangement 		
Debtors			
<ul style="list-style-type: none"> • Obtaining and analysing debtor book to assess recoverability • Review debtor recoveries by Purchaser • Investigating non-recovered amounts 	<ul style="list-style-type: none"> • Tracking progress of Purchaser debt recovery in line with SPA agreement • Collecting funds relating to over recovery of debtor book • Finalising debtor recoveries prior to administration ending 		
Sale of business			
<ul style="list-style-type: none"> • Instructing and liaising with solicitors to complete the sale, assessing and approving related documentation 	<ul style="list-style-type: none"> • No work anticipated to be undertaken 		
Other assets			
<ul style="list-style-type: none"> • Completing assessments of insurance requirements and liaising with the broker to obtain appropriate best value insurance for the assets • Liaising with third parties to arrange the return and collection of leased items • Undertaking a stock count to confirm stock levels and valuation upon appointment • Liaising with the pre-appointment bank to secure any available balances and arrange a transfer of funds to the case account • Liaising with Purchaser to arrange cut-off of sales amount • Transfer of funds collected since administration date into Joint Administrators bank account 	<ul style="list-style-type: none"> • Periodical review of insurance to ensure cover is relevant and current 		

- Collection of petty cash sales

Investigations**31 hrs****£11,995****391 £/hr**

Estimated expenses: IT storage and recovery costs for data access - £8,786, Destruction of books and records: £1,000

Debtor / directors / senior employees

- Issuing questionnaires to directors regarding the conduct of the Company, assessing responses and following up on any matters as appropriate to help assess the conduct of the Company's directors
- Considering available Company information, and relevant third-party information, to help assess the conduct of the Company's directors
- Prepare and submit a report to the Insolvency Service on the conduct of the Company's directors
- No work anticipated to be undertaken

Books & records

- Locating, securing, preparing an inventory, assessing and analysing books and records to facilitate investigations in accordance with SIP2, legislation and regulatory requirements
- Writing to solicitors/accountants and other third parties and reviewing records received
- Communicating with third party outsourcing companies who host financial record system and company IT systems to gain access and secure records
- Receive and store hard drives from IT supplier to ensure records are kept securely

Bank statements & analysis

- Request bank statements from pre-administration bank account provider
- Obtain and analyse pre-appointment bank statements to identify any potential transactions for investigation and recovery
- Seek further information to better understand transactions identified for investigation
- No work anticipated to be undertaken

Creditors**41 hrs****£17,097****421 £/hr**

Estimated expenses: none

Secured

- Obtaining copies of charge documentation, confirming outstanding balance and details of any security held
- Assessing validity of security and liaising with solicitors to verify basis for any potential return on security
- Responding to correspondence received and providing ad hoc case updates
- Provide up to date communication and liaise with secured creditor as required

Employees & pensions

- Responding to ad hoc queries and correspondence received
- Dealing with pension related queries raised by employees
- Identifying unpaid pension contributions and confirming applicability with pensions specialists
- Deal with pension related queries raised by employees
- Liaising with HMRC in respect to its claim
- Paying a dividend from floating charge realisations

Unsecured

- Issuing communication to unsecured creditors
- Attending to unsecured creditor queries as required

- Attending to unsecured creditor queries as required

Retention of title

- Addressing ROT creditor questions in ad hoc manner and redirecting matters to the Purchaser

- Addressing ROT creditor questions in ad hoc manner and redirecting matters to the Purchaser

Administration**348 hrs £191,692 551 £/hr**

Estimated expenses: Statutory advertising - £500, IP Bonding Cost - £410, Legal costs relating to appointment - £1,833

Appointment formalities

- Checking the presence, validity and filing of all formal appointment documents, instructing and obtaining respective legal advice
- Preparing, circulating, advertising and filing notice of appointment
- Preparing and filing change of registered office

- No work anticipated to be undertaken

Case set-up

- Setting-up and maintaining a case record on the Insolvency Practitioners System, including inputting company/debtor and appointment details, setting the appropriate reporting diary to facilitate compliance with statutory requirements
- Calculating, completing and submitting the bordereau notification to protect the insolvency estate
- Collating and assessing information regarding data collection, storage, processing and destruction to comply with data protection regulations; implementing and maintaining any necessary data protection strategies, reporting any known issues

- No work anticipated to be undertaken

Case management

- Calculating and maintaining an estimated outcome statement, monitoring progress and using the statement to help inform decisions and strategy
- Preparing and assessing case file reviews (including anti-money laundering, ethics and data protection matters) to ensure efficient and effective case progress
- Ongoing strategy development

- Assessing if an extension of the administration must be sought (either by creditor consent or by court application)
- Obtain relevant clearances and make final submissions to HMRC and The Pensions Regulator
- Conduct final case review and reconciliation to ensure all matters are concluded, liabilities and dividends paid
- Prepare, issue and file final report to creditors and other required statutory notices
- Arrange continued storage (following closure of the case) and subsequent secure destruction of records in accordance with regulations
- Close bank accounts
- Prepare and submit bordereau release

Reports to creditors, notices & decisions

- Assessing and reporting on the pre-packaged sale of the Company's business and assets in compliance with SIP16

- Drafting, circulating and filing of reports to creditors regarding case progress and any significant matters

<ul style="list-style-type: none"> Drafting, circulating and filing the Joint Administrators' statement of proposals for achieving the purpose of the administration 	<ul style="list-style-type: none"> Preparing and issuing notice of deemed consent or decision procedures (as appropriate) and related documentation, regarding fixing the basis of the office holders' remuneration, forming a committee and any other necessary decisions Monitoring deemed consent / decision procedures, reviewing submissions, establishing the decision outcomes, assessing validity and reporting as appropriate
Statement of affairs <ul style="list-style-type: none"> Preparing and issuing notice requiring submission of a statement of affairs for the Company to the Joint Administrators; liaising with the notified person(s) accordingly, obtaining statement of concurrence as appropriate, and filing the statement of affair Approving extension for Director's submission of statement of affairs Reviewing and assessing the statement of affairs to identify and seek explanation of any differences regarding expected realisations, following up related queries appropriately 	<ul style="list-style-type: none"> No work anticipated to be undertaken
Treasury, billing & funding	
<ul style="list-style-type: none"> Setting-up bank accounts as appropriate Assessing and processing invoices and remittances, preparing journals and cashbook entries as necessary 	<ul style="list-style-type: none"> Prepare and assess bank reconciliations, at least quarterly Prepare, assess and process billing requests
Tax	
<ul style="list-style-type: none"> Notifying tax team of appointment, collating and assessing tax information, continuing liaison as appropriate for the benefit of the case Notifying HMRC of appointment Liaising with HMRC regarding tax status, preparing and submitting required tax forms Review previous filings, check for corporation tax liabilities, any tax paid and write to HMRC CTS to notify of appointment and request most recent filing and chase response to the same VAT considerations of properties within the group (including option to tax considerations) 	<ul style="list-style-type: none"> Check all realisations per sale agreements and otherwise and draft returns for 1-day cessation of trade period for each company and final return Draft letters to HMRC CTS dealing with the outstanding pre-appointment periods and submitting the above Reviewing the VAT profile of the Group and submission of amendments to the VAT group to HMRC Preparation of post-appointment VAT returns Consider if any recoveries can be made from HMRC in respect of VAT
Pensions	
<ul style="list-style-type: none"> Notifying pensions team of appointment, collating and assessing pensions information, continuing liaison as appropriate for the benefit of the case Preparing and filing statutory filings as required 	<ul style="list-style-type: none"> No work anticipated to be undertaken
Total fees estimate	551 hrs £305,967 555 £/hr
Total expense estimate	£38,554

Detailed SIP9 time cost analysis for the Period and fees estimate variance analysis as at Period end

Period from 01/06/2023 to 30/11/2023

Area of work	Partner		Manager		Executive		Administrator		Period total			Fees estimate			Variance	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	£/hr	Hrs	£	£/hr	Hrs	£
Realisation of Assets:									116.48	73,808.50	633.66	131.48	85,183.50	647.88	15.00	11,375.00
Property	2.68	2,605.00	0.25	75.00	1.00	245.00	-	-	3.93	2,925.00	744.27	8.93	6,880.00	770.44	5.00	3,955.00
Debtors	-	-	0.25	75.00	-	-	-	-	0.25	75.00	300.00	7.25	5,220.00	720.00	7.00	5,145.00
Sale of business	13.30	11,903.50	-	-	-	-	-	-	13.30	11,903.50	895.00	13.30	11,903.50	895.00	-	-
Other assets	-	-	99.00	58,905.00	-	-	-	-	99.00	58,905.00	595.00	102.00	61,180.00	599.80	3.00	2,275.00
Investigations:									30.65	11,995.00	391.35	30.65	11,995.00	391.35	-	-
Debtor / director / senior employees	3.00	2,685.00	0.40	120.00	2.40	588.00	0.50	90.00	6.30	3,483.00	552.86	6.30	3,483.00	552.86	-	-
Books & records	-	-	8.50	5,057.50	0.30	73.50	-	-	8.80	5,131.00	583.07	8.80	5,131.00	583.07	-	-
Bank statements & analysis	-	-	0.15	45.00	14.10	3,102.00	1.30	234.00	15.55	3,381.00	217.43	15.55	3,381.00	217.43	-	-
Creditors:									26.60	8,156.75	306.64	40.60	17,096.75	421.10	14.00	8,940.00
Secured	1.90	1,645.50	-	-	-	-	-	-	1.90	1,645.50	866.05	5.90	4,630.50	784.83	4.00	2,985.00
Employees & pensions	-	-	2.95	2,221.50	0.45	110.25	-	-	3.40	2,331.75	685.81	10.40	6,801.75	654.01	7.00	4,470.00
Unsecured	-	-	1.75	525.00	0.95	246.50	18.10	3,258.00	20.80	4,029.50	193.73	23.80	5,514.50	231.70	3.00	1,485.00
Retention of title	-	-	0.50	150.00	-	-	-	-	0.50	150.00	300.00	0.50	150.00	300.00	-	-
Administration:									265.69	144,254.05	542.94	348.19	191,691.55	550.54	82.50	47,437.50
Take-on	0.30	268.50	-	-	-	-	-	-	0.30	268.50	895.00	0.30	268.50	895.00	-	-
Appointment formalities	1.00	975.00	6.80	2,282.00	0.50	122.50	-	-	8.30	3,379.50	407.17	8.30	3,379.50	407.17	-	-
Case set-up	-	-	0.25	75.00	21.25	10,168.75	-	-	21.50	10,243.75	476.45	21.50	10,243.75	476.45	-	-
Case management	23.05	20,624.75	51.75	28,983.75	42.29	19,900.55	5.00	900.00	122.09	70,409.05	576.70	162.59	91,856.55	564.96	40.50	21,447.50
Reports to creditors, notices & decisions	16.60	14,837.00	23.00	12,645.00	6.35	2,298.25	1.85	333.00	47.80	30,113.25	629.98	71.80	45,043.25	627.34	24.00	14,930.00
Shareholders / debtor / director communications	0.50	447.50	0.10	30.00	-	-	-	-	0.60	477.50	795.83	6.60	4,502.50	682.20	6.00	4,025.00
Statement of affairs	-	-	0.50	160.00	0.85	208.25	-	-	1.35	368.25	272.78	1.35	368.25	272.78	-	-
Treasury, billing & funding	-	-	10.95	4,141.00	10.35	2,359.50	9.40	1,692.00	30.70	8,192.50	266.86	42.70	15,227.50	356.62	12.00	7,035.00
Tax	6.25	5,593.75	12.70	7,556.50	0.30	73.50	6.80	2,313.00	26.05	15,536.75	596.42	26.05	15,536.75	596.42	-	-
Pensions	-	-	6.00	4,770.00	1.00	495.00	-	-	7.00	5,265.00	752.14	7.00	5,265.00	752.14	-	-
Total	68.58	62,350.50	225.80	127,817.25	102.09	39,991.55	42.95	8,820.00	439.42	238,979.30	543.85	550.92	305,966.80	555.37	111.50	66,987.50

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Adverse variances are presented in brackets
- Total time costs paid to date: £0
- Please note that the actual time incurred in the Period may slightly differ to that reported in the table above. This is due to lags between time being recorded on our internal system by staff and then being posted to the case. We do not expect any differences to be material and any such discrepancies will be noted in our next report.

Statement of expenses incurred in the Period

This table provides details of expenses incurred in the Period in connection with the work done by the Joint Administrators, description of which is provided in the "Work done" section above.

Category	Incurred in the Period (£)	Of which paid by the estate as at Period end (£)
Category 1 expenses		
Insolvency Practitioner's Bond	410	0
Insurance of Assets	1,680	1,680
IT Support	8,786	2,551
Legal Fees		
Burges Salmon LLP	24,498	0
Professional Fees		
Consultiam Property Limited T/A CAPA UK	437	437
Statutory Advertising	94	94
Total expenses	35,905	4,762

Expenses are any payments from the estate which are neither the Joint Administrators' remuneration nor a distribution to a creditor or member, but they may include disbursements which are payments first met by and then reimbursed to the Joint Administrators from the estate. Expenses fall into two categories:

Category 1 expenses

These are also known as 'out of pocket expenses' and are payments to third parties not associated with the Joint Administrators where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval from creditors.

Category 2 expenses

These are expenses directly referable to the insolvent estate but payments that are either to an associate, or that include shared or allocated costs that may be incurred by the Joint Administrators or their firm and that can be allocated to the appointment on a proper and reasonable basis. Category 2 expenses require approval in the same manner as the Joint Administrators' remuneration.

Payments to associates

We confirm that, in the Period, we have not enlisted services from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has an association.

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the Joint Administrators' fee basis.

Sub-contracted work

We confirm that, in the Period, we have not sub-contracted any work that could otherwise have been carried out by us or our team.

Information for creditors and members

Information to help creditors and members to understand their rights in insolvency and regarding officeholders' (ie administrators or liquidators) remuneration, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.grantthornton.co.uk/portal>

Alternatively, we will supply this information by post, free of charge, on request.

D Payments to the Joint Administrators and their associates

MDL (the Company)

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Pre-administration costs are fees charged and expenses incurred by the Joint Administrators, or other qualified insolvency practitioners, before the company entered administration but with a view to it doing so. To the extent they remain unpaid when the company entered administration and payment is sought, approval is required from the appropriate body of creditors as to whether they should be paid from the estate.

Prior to the appointment of the Joint Administrators, Grant Thornton was engaged by the Directors of Revenge Holdings Limited, the parent entity of Montezuma's Direct Limited pursuant to an engagement letter dated 11 April 2023 (the First Agreement). The fee basis of the First Agreement was £15,000 (plus VAT) per week and lasted for two weeks, with fees totalling £30,000 (plus VAT). These fees were paid in accordance with the terms of the letter.

Grant Thornton was also engaged by the Directors of Montezuma's Limited pursuant to an engagement letter dated 4 May 2023 (the Second Agreement), under which the fee basis was £3,750 (plus expenses and VAT) per week. Grant Thornton was paid £3,863 (including expenses of £113) pre-administration in relation to the services provided under this agreement. Over the three-week period immediately prior to the appointment, Grant Thornton incurred additional time and expenses, with total fees across the three weeks being capped at £11,250 (plus expenses and VAT). Creditor approval for payment of these costs will be sought from the relevant creditors shortly.

Details of the pre-administration costs are provided below (all amounts below exclude VAT):

Cost	Work done	Why the work was necessary pre-appointment and how it furthered the achievement of an objective of administration	Incurred and authorisation requested				Paid	Unpaid
			Grade	Hrs	£	Name of payer and relationship to estate	Pre/post administration	£
Grant Thornton fees	• Pre-packaged sale	• To confirm that an objective of administration could be achieved and that administration, therefore, was an option for the company.	Partner	16.9	15,081	MDL	£3,750 (plus expenses of £113)	£11,250
	- To explore an accelerated solvent or insolvent sale for the Group or its business and assets, run alongside a separate solvent sales process conducted by the Directors;	• To assist management with gathering and preparing information with the purpose of securing a sale, including but not limited to:	Manager	20.6	12,227			
	- In the event of being unable to achieve a solvent sale, assist the Directors and management in exploring whether a "pre-packaged sale" of the business and assets of the company (and Group) could be achieved following the company being placed into administration;	- Obtaining a valuation;	Total	37.5	27,308			
	- Failing a solvent sale, to begin planning for a potential sale to an acquirer of the business and	- Identification of and introduction to potential acquirers;	Capped	4 weeks	£15,000 (plus expenses)			
		- Liaising with, responding to and providing information to potential acquirers;	Authorisation		£11,250			
		- Negotiations with potential acquirers; and						

	assets of the Group via an accelerated process and implement a strategy to do so; and	- Reviewing and negotiating a sale contract for execution as Administrators on appointment.			
	- Assist the Directors in taking steps to place each company in administration.	• Assist management in liaising with key stakeholders and to advise Directors (as a board) of their general responsibilities with regard to insolvency.			
	• Pre-appointment practicalities				
Burges Salmon LLP	<ul style="list-style-type: none"> • Liaising on marketing of the business and offers • Reviewing and advising on terms of offers • Advising on TUPE matters with respect to the potential transfer • Drafting and finalisation of documentation for the sale of the business • Liaising with purchaser's solicitor in relation to the sale contract • Preparing appointment documents, including Notice of Appointment, Board Minutes, Consents to Act and Summary of Prior Professional relationships • Liaising with Directors on appointment documents and organising swearing of Notice of Appointment • Filing Notice of Appointment at Court and serving sealed Notice of Appointment on the Company and the Joint Administrators 	<ul style="list-style-type: none"> • Legal advice and assistance were required to place the company into administration and to draft and finalise contract of sale for a successful purchaser 	£120	MDL	£120

Notes:

- Partner includes director
- Manager includes associate directors and managers
- Executive includes assistant managers and executives

Post-appointment costs

Remuneration basis of the Joint Administrators

As at the date of this report the remuneration basis has not been set.

We propose that the remuneration of the Joint Administrators be fixed on the basis of the time properly given by the office-holder and the office-holder's staff in attending to matters arising in the administration.

During the Period remuneration has been charged, based on time costs incurred, totalling £65,372 represented by 142 hrs at an average of 462 £/hr (as shown in the 'Work done' section below). A description of the work done in the Period is provided in the respective section below.

As at the Period end, no payment from the estate has been made towards our remuneration. The Joint Administrators anticipate that total time costs to complete the administration will be £88,452, as set out in the fees estimate below. Please note that the total anticipated time costs does not limit the amount of remuneration that the Joint Administrators can draw from the estate, only the fees estimate has such effect. In this case the total anticipated time costs and fees estimate is the same. This is based on current information and is subject to change.

At present we do not expect to seek approval to draw remuneration in excess of our fees estimate, however we reserve our right to do so in the future.

Proposed remuneration basis

The Joint Administrators' statement of proposals dated 8 June 2023 stated that the Joint Administrators are of the view that the company has insufficient property to enable a distribution to be made to unsecured creditors.

A consequence of this statement is that rule 18.18(4) of the Rules provides that the basis of the Joint Administrators' remuneration shall be fixed, if, as in this case, there is no creditors committee, by (a) the consent of each of the secured creditors; or (b) if the Joint Administrators have made or intends to make a distribution to preferential creditors (i) the consent of each of the secured creditors, and (ii) a decision of the preferential creditors in a decision procedure.

Although the unsecured creditors are not involved in fixing the basis of the Joint Administrators' remuneration, rule 18.16(4) nevertheless requires that where the proposed basis of remuneration is by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration, the Joint Administrators must, prior to the determination of the basis, deliver to the creditors (a) a fees estimate and (b) details of the expenses which will be or are likely to be incurred.

As time costs form the proposed remuneration basis we provide, below, a fees estimate and details of the expenses that will be, or are likely to be, incurred - please see the 'fees estimate' section.

Likely return to creditors

We do not anticipate being in a position to pay a dividend to the unsecured creditors at the date of this SIP9 disclosure.

Fees estimate/ Revised fees estimate /Anticipated work and work done in the Period

A fees estimate comprises the work anticipated to be undertaken and the estimated respective time cost (remuneration chargeable) – the remuneration eventually paid may be more or less than the fees estimate depending on the complexity of the case as it progresses and the value of asset recoveries or successful claims, for example. The fees estimate below is based on all of the information available to us as at the Period end. We have considered and accounted for the different levels of expertise that we anticipate will be required to do the work we anticipate necessary to complete the administration, in calculating the time and cost included in the fees estimate table provided below. The table below also includes narrative details of the work done in the Period (numerical analysis of the work done is in the subsequent table and details of expenses incurred in the Period are provided in the 'Expenses' section further below). A more detailed numerical break down of the fees estimate is included in the SIP9 time costs analysis table further below.

Note that the fees estimate is also based on the following assumptions:

- the administration will last for only 12 months
- a dividend is to be paid to the secured creditor only.

Unless otherwise stated, both the work done in the Period and the work anticipated is to comply with legislation and/or best practice requirements and, where applicable, to secure, manage and realise assets/recover claims to help generate financial value for the benefit of the estate and for distributions to creditors to be made (should sufficient funds become available). The work adds value to the insolvency process, if not financial value to the estate, and helps facilitate efficient case management.

Work done and why it was necessary	Anticipated work and why it is necessary	Fees estimate		
Assets		12 hrs	£7,409	605 £/hr
Estimated expenses: Insurance - £672, Legal costs relating to assets £440				
Sale of business				
<ul style="list-style-type: none"> • Instructing and liaising with solicitors to complete the sale, assessing and approving related documentation 	<ul style="list-style-type: none"> • No work anticipated to be undertaken 			
Other assets				
<ul style="list-style-type: none"> • Completing assessments of insurance requirements and liaising with the broker to obtain appropriate best value insurance for the assets • Liaising with third parties to arrange the return and collection of leased items • Undertaking a stock count to confirm stock levels and valuation upon appointment • Liaising with the pre-appointment bank to secure any available balances and arrange a transfer of funds to the case account 	<ul style="list-style-type: none"> • Periodical review of insurance to ensure cover is relevant and current 			
Investigations		16 hrs	£5,932	380 £/hr
Estimated expenses: Destruction of books and records: £500				
Debtor / directors / senior employees				
<ul style="list-style-type: none"> • Issuing questionnaires to directors regarding the conduct of the Company, assessing responses and following up on any matters as appropriate to help assess the conduct of the Company's directors • Considering available Company information, and relevant third-party information, to help assess the conduct of the Company's directors • Prepare and submit a report to the Insolvency Service on the conduct of the Company's directors 	<ul style="list-style-type: none"> • No work anticipated to be undertaken 			
Books & records				
<ul style="list-style-type: none"> • Locating, securing, inventorying, assessing and analysing books and records to facilitate investigations and in accordance with SIP2, legislation and regulatory requirements • Writing to solicitors/accountants and other third parties and reviewing records received 	<ul style="list-style-type: none"> • Receive and store hard drives from IT supplier to ensure records are kept securely 			

- Communicating with third party outsourcing companies who host financial record system and company IT systems to gain access and secure records

Bank statements & analysis

- Request bank statements from pre-administration bank account provider
- Obtain and analyse pre-appointment bank statements to identify any potential transactions for investigation and recovery
- Seek further information to better understand transactions identified for investigation

- No work anticipated to be undertaken

Claims

- Investigating potential claim matters

- No work anticipated to be undertaken

Creditors

Estimated expenses: none

12 hrs £3,572 307 £/hr**Secured**

- Obtaining copies of charge documentation, confirming outstanding balance and details of any security held
- Assessing validity of security and liaising with solicitors to verify basis for any potential return on security
- Responding to correspondence received and providing ad hoc case updates

- Provide up to date communication and liaise with secured creditor as required

Unsecured

- Issuing communication to unsecured creditors
- Attending to unsecured creditor queries as required

- Attending to unsecured creditor queries as required

Administration

Estimated expenses: Statutory advertising - £500, IP Bonding Cost - £20, Legal costs relating to appointment - £1,833

147 hrs £71,540 488 £/hr**Appointment formalities**

- Checking the presence, validity and filing of all formal appointment documents, instructing and obtaining respective legal advice
- Preparing, circulating, advertising and filing notice of appointment
- Preparing and filing change of registered office

- No work anticipated to be undertaken

Case set-up

- Setting-up and maintaining a case record on the Insolvency Practitioners System, including inputting company/debtor and appointment details, setting the appropriate reporting diary to facilitate compliance with statutory requirements
- Calculating, completing and submitting the bordereau notification to protect the insolvency estate

- No work anticipated to be undertaken

<ul style="list-style-type: none"> Collating and assessing information regarding data collection, storage, processing and destruction to comply with data protection regulations; implementing and maintaining any necessary data protection strategies, reporting any known issues 	
Case management	
<ul style="list-style-type: none"> Calculating and maintaining an estimated outcome statement, monitoring progress and using the statement to help inform decisions and strategy Preparing and assessing case file reviews (including anti-money laundering, ethics and data protection matters) to ensure efficient and effective case progress Ongoing strategy development 	<ul style="list-style-type: none"> Assessing if an extension of the administration must be sought (either by creditor consent or by court application) Obtain relevant clearances and make final submissions to HMRC and The Pensions Regulator Conduct final case review and reconciliation to ensure all matters are concluded, liabilities and dividends paid Prepare, issue and file final report to creditors and other required statutory notices Arrange continued storage (following closure of the case) and subsequent secure destruction of records in accordance with regulations Close bank accounts Prepare and submit bordereau release
Reports to creditors, notices & decisions	
<ul style="list-style-type: none"> Assessing and reporting on the pre-packaged sale of the Company's business and assets in compliance with SIP16 Drafting, circulating and filing the Joint Administrators' statement of proposals for achieving the purpose of the administration 	<ul style="list-style-type: none"> Drafting, circulating and filing of reports to creditors regarding case progress and any significant matters Preparing and issuing notice of deemed consent or decision procedures (as appropriate) and related documentation, regarding fixing the basis of the office holders' remuneration, forming a committee and any other necessary decisions Monitoring deemed consent / decision procedures, reviewing submissions, establishing the decision outcomes, assessing validity and reporting as appropriate
Statement of affairs	
<ul style="list-style-type: none"> Preparing and issuing notice requiring submission of a statement of affairs for the Company to the Joint Administrators; liaising with the notified person(s) accordingly, obtaining statement of concurrence as appropriate, and filing the statement of affair Approving extension for Directors' submission of statement of affairs Reviewing and assessing the statement of affairs to identify and seek explanation of any differences regarding expected realisations, following up related queries appropriately 	<ul style="list-style-type: none"> No work anticipated to be undertaken
Treasury, billing & funding	
<ul style="list-style-type: none"> Setting-up bank accounts as appropriate Assessing and processing invoices and remittances, preparing journals and cashbook entries as necessary 	<ul style="list-style-type: none"> Prepare and assess bank reconciliations, at least quarterly Prepare, assess and process billing requests

Tax			
<ul style="list-style-type: none">• Notifying tax team of appointment, collating and assessing tax information, continuing liaison as appropriate for the benefit of the case• Notifying HMRC of appointment• Liaising with HMRC regarding tax status, preparing and submitting required tax forms• Review previous filings, check for corporation tax liabilities, any tax paid and write to HMRC CTS to notify of appointment and request most recent filing and chase response to the same		<ul style="list-style-type: none">• Check all realisations per sale agreements and otherwise and draft returns for 1-day cessation of trade period for each company and final return• Draft letters to HMRC CTS dealing with the outstanding pre-appointment periods and submitting the above• Reviewing the VAT profile of the Group and submission of amendments to the VAT group to HMRC• Preparation of post-appointment VAT returns• Consider if any recoveries can be made from HMRC in respect of VAT	
Pensions			
<ul style="list-style-type: none">• Notifying pensions team of appointment, collating and assessing pensions information, continuing liaison as appropriate for the benefit of the case• Preparing and filing statutory filings as required		<ul style="list-style-type: none">• No work anticipated to be undertaken	
Total fees estimate		186 hrs	£88,452 475 £/hr
Total expense estimate		£3,965	

Detailed SIP9 time cost analysis for the Period and fees estimate variance analysis as at Period end

Period from 01/06/2023 to 30/11/2023

Area of work	Partner		Manager		Executive		Administrator		Period total			Fees estimate			Variance	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	£/hr	Hrs	£	£/hr	Hrs	£
Realisation of Assets:									12.25	7,408.75	604.80	12.25	7,408.75	604.80	-	-
Sale of business	0.40	358.00	-	-	-	-	-	-	0.40	358.00	895.00	0.4	358.00	895	-	-
Other assets	-	-	11.85	7,050.75	-	-	-	-	11.85	7,050.75	595.00	11.9	7,050.75	595	-	-
Investigations:									15.60	5,931.50	380.22	15.60	5,931.50	380.22	-	-
Debtor / director / senior employees	0.60	537.00	0.40	120.00	2.20	539.00	0.30	54.00	3.50	1,250.00	357.14	3.5	1,250.00	357	-	-
Books & records	-	-	4.25	2,528.75	0.30	73.50	-	-	4.55	2,602.25	571.92	4.6	2,602.25	572	-	-
Bank statements & analysis	-	-	-	-	3.10	682.00	3.70	666.00	6.80	1,348.00	198.24	6.8	1,348.00	198	-	-
Claims	0.75	731.25	-	-	-	-	-	-	0.75	731.25	975.00	0.8	731.25	975	-	-
Creditors:									2.15	631.50	293.72	11.65	3,571.50	306.57	9.50	2,940.00
Secured	0.30	268.50	-	-	-	-	-	-	0.30	268.50	895.00	5.3	3,208.50	605	5.00	2,940.00
Unsecured	-	-	-	-	0.25	75.00	1.60	288.00	1.85	363.00	196.22	6.4	363.00	57	4.50	-
Administration:									111.65	51,264.85	459.16	146.65	71,539.85	487.83	35.00	20,275.00
Appointment formalities	-	-	6.80	2,282.00	0.50	122.50	-	-	7.30	2,404.50	329.38	7.3	2,404.50	329	-	-
Case set-up	-	-	0.25	75.00	13.60	6,382.00	-	-	13.85	6,457.00	466.21	13.9	6,457.00	466	-	-
Case management	2.47	2,224.25	11.45	5,089.00	13.83	6,408.35	4.60	828.00	32.35	14,549.60	449.76	46.4	21,869.60	472	14.00	7,320.00
Reports to creditors, notices & decisions	7.85	7,110.75	9.50	4,612.50	4.65	1,631.75	1.90	342.00	23.90	13,697.00	573.10	33.9	19,727.00	582	10.00	6,030.00
Shareholders / debtor / director communications	0.50	447.50	0.10	30.00	-	-	-	-	0.60	477.50	795.83	4.6	3,122.50	679	4.00	2,645.00
Statement of affairs	-	-	0.50	160.00	0.85	208.25	-	-	1.35	368.25	272.78	1.4	368.25	273	-	-
Treasury, billing & funding	-	-	7.40	2,792.00	6.35	1,440.75	2.40	432.00	16.15	4,664.75	288.84	23.2	8,944.75	386	7.00	4,280.00
Tax	1.85	1,655.75	5.60	3,332.00	0.30	73.50	6.80	2,313.00	14.55	7,374.25	506.82	14.6	7,374.25	507	-	-
Pensions	-	-	1.60	1,272.00	-	-	-	-	1.60	1,272.00	795.00	1.6	1,272.00	795	-	-
Total	14.72	13,468.00	59.70	29,344.00	45.93	17,636.60	21.30	4,923.00	141.65	65,371.60	461.50	186.15	88,451.60	475.16	44.50	23,080.00

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Total time costs paid to date: £0
- Please note that the actual time incurred in the Period may slightly differ to that reported in the table above. This is due to lags between time being recorded on our internal system by staff and then being posted to the case. We do not expect any differences to be material and any such discrepancies will be noted in our next report.

Statement of expenses incurred in the Period

This table provides details of expenses incurred in the Period in connection with the work done by the Joint Administrators, description of which is provided in the 'Work done' section above.

Category	Incurred in the Period (£)	Of which paid by the estate as at Period end (£)
Category 1 expenses		
Insolvency Bond	20	-
Insurance of Assets	336	336
Solicitors fees		
Burges Salmon LLP	2,273	-
Statutory Advertising	94	94
Total expenses	2,722	430

Expenses are any payments from the estate which are neither the Joint Administrators' remuneration nor a distribution to a creditor or member, but they may include disbursements which are payments first met by and then reimbursed to the Joint Administrators from the estate. Expenses fall into two categories:

Category 1 expenses

These are also known as 'out of pocket expenses' and are payments to third parties not associated with the Joint Administrators where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval from creditors.

Category 2 expenses

These are expenses directly referable to the insolvent estate but payments that are either to an associate, or that include shared or allocated costs that may be incurred by the Joint Administrators or their firm and that can be allocated to the appointment on a proper and reasonable basis. Category 2 expenses require approval in the same manner as the Joint Administrators' remuneration.

Payments to associates

We confirm that, in the Period, we have not enlisted services from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has an association.

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the Joint Administrators' fee basis.

Sub-contracted work

We confirm that, in the Period, we have not sub-contracted any work that could otherwise have been carried out by us or our team.

Information for creditors and members

Information to help creditors and members to understand their rights in insolvency and regarding officeholders' (ie administrators or liquidators) remuneration, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.grantthornton.co.uk/portal>

Alternatively, we will supply this information by post, free of charge, on request.

D Payments to the Joint Administrators and their associates

ML (the Company)

SIP9 disclosure

This appendix has been prepared in accordance with the requirements of the Act, the Rules and SIP9. In summary, it covers:

- pre-appointment costs
- remuneration basis
- work done by the Joint Administrators and their team during the Period
- statement of expenses incurred in the Period
- payments to associates
- relationships requiring disclosure
- sub-contracted work
- information for creditors (rights, remuneration, committees).

Pre-appointment costs

Pre-administration costs are fees charged and expenses incurred by the Joint Administrators, or other qualified insolvency practitioners, before the company entered administration but with a view to it doing so. To the extent they remain unpaid when the company entered administration and payment is sought, approval is required from the appropriate body of creditors as to whether they should be paid from the estate.

Prior to appointment of the Joint Administrators, Grant Thornton was engaged by the Directors of Revenge Holdings Limited, the parent entity of Montezuma's Limited pursuant to an engagement letter dated 11 April 2023 (the First Agreement). The fee basis of the First Agreement was £15,000 (plus VAT) per week and lasted two weeks, with fees totalling £30,000 (plus VAT). These fees were paid in accordance with the terms of the letter.

Grant Thornton was also engaged by the Directors of Montezuma's Limited pursuant to an engagement letter dated 4 May 2023 (the Second Agreement), under which the fee basis was £3,750 (plus expenses and VAT) per week. Grant Thornton was paid £3,863 (including expenses of £113) pre-administration in relation to the services provided under this agreement. Over the three-week period immediately prior to the appointment, Grant Thornton UK LLP incurred additional time and expenses, with total fees across the three weeks being capped at £11,250 (plus expenses and VAT). Creditor approval for payment of these costs will be sought from the relevant creditors shortly.

Details of the pre-administration costs are provided below (all amounts below exclude VAT):

Cost	Work done	Why the work was necessary pre-appointment and how it furthered the achievement of an objective of administration	Incurred and authorisation requested				Paid	Unpaid
			Grade	Hrs	£	Name of payer and relationship to estate	Pre/post administration	£
Grant Thornton fees	• Pre-packaged sale	• To confirm that an objective of administration could be achieved and that administration, therefore, was an option for ML	Partner	16.7	14,991	ML	£3,750 (plus expenses of £113)	£11,250
	- To explore an accelerated solvent or insolvent sale for the Group or its business and assets, run alongside a separate solvent sales process conducted by the Directors;	• To assist management with gathering and preparing information with the purpose of securing a sale, including but not limited to:	Manager	21.0	12,495			
	In the event of being unable to achieve a solvent sale, assist the Directors and management in exploring whether a "pre-packaged sale" of the business and assets of the Company (and Group) could be achieved following the Company being placed into administration;	- Obtaining a valuation;	Total	57.7	£27,486			
	- Failing a solvent sale, to begin planning for a potential sale to an acquirer of the business and	- Identification of and introduction to potential acquirers;	Capped	4 weeks	£15,000 (plus expenses)			
		- Liaising with, responding to and providing information to potential acquirers;	Authorisation		£11,250 plus expenses			
		- Negotiations with potential acquirers; and						
		- Reviewing and negotiating a sale contract for execution as Administrators on appointment						
		• Assist management in liaising with key stakeholders and to advise directors (as a board) of their general responsibilities with regard to insolvency.						

assets of the Group via an accelerated process and implement a strategy to do so; and

- Assist the Directors in taking steps to place each company in administration.

- Pre-appointment practicalities

- Liaising on marketing of the business and offers

- Reviewing and advising on terms of offers

- Advising on TUPE matters with respect to the potential transfer

- Liaising with purchaser's solicitor in relation to the sale contract

- Preparing appointment documents, including Notice of Appointment, Board Minutes, Consents to Act and Summary of Prior Professional relationships;

- Liaising with Directors on appointment documents and organising swearing of Notice of Appointment

- Filing Notice of Appointment at Court and serving sealed Notice of Appointment on Company and Joint Administrators

• Legal advice and assistance were required to place the Company into administration and to draft and finalise contract of sale for a successful purchaser.

£811

Montezuma's Limited

£811

Notes:

- Partner includes director
- Manager includes associate directors and managers
- Executive includes assistant managers and executives

Post-appointment costs

Remuneration basis of the Joint Administrators

As at the date of this report the remuneration basis has not been set. We propose that the remuneration of the Joint Administrators be fixed on the basis of the time properly given by the office-holder and the office-holder's staff in attending to matters arising in the administration.

During the Period remuneration has been charged, based on time costs incurred, totalling £74,445 represented by 162 hrs at an average of 460 £/hr (as shown in the 'Work done' section below). A description of the work done in the Period is provided in the respective section below.

As at the Period end, no payment from the estate has been made towards our remuneration. The Joint Administrators anticipate that total time costs to complete the administration will be £105,353, as set out in the fees estimate below. Please note that the total anticipated time costs does not limit the amount of remuneration that the Joint Administrators can draw from the estate, only the fees estimate has such effect. In this case the total anticipated time costs and fees estimate is the same. This is based on current information and is subject to change.

At present we do not expect to seek approval to draw remuneration in excess of our fees estimate, however we reserve our right to do so in the future.

Proposed remuneration basis

The Joint Administrators' statement of proposals dated 8 June 2023 stated that the Joint Administrators are of the view that the Company has insufficient property to enable a distribution to be made to unsecured creditors.

A consequence of this statement is that rule 18.18(4) of the Rules provides that the basis of the Joint Administrators' remuneration shall be fixed, if, as in this case, there is no creditors committee, by (a) the consent of each of the secured creditors; or (b) if the Joint Administrators have made or intends to make a distribution to preferential creditors (i) the consent of each of the secured creditors, and (ii) a decision of the preferential creditors in a decision procedure.

Although the unsecured creditors are not involved in fixing the basis of the Joint Administrators' remuneration, rule 18.16(4) nevertheless requires that where the proposed basis of remuneration is by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration, the Joint Administrators must, prior to the determination of the basis, deliver to the creditors (a) a fees estimate and (b) details of the expenses which will be or are likely to be incurred.

As time costs form the proposed remuneration basis we provide, below, a fees estimate and details of the expenses that will be, or are likely to be, incurred – please see the 'fees estimate' section.

Likely return to creditors

We do not anticipate being in a position to pay a dividend to the unsecured creditors at the date of this SIP9 disclosure.

Fees estimate/ Revised fees estimate /Anticipated work and work done in the Period

A fees estimate comprises the work anticipated to be undertaken and the estimated respective time cost (remuneration chargeable) – the remuneration eventually paid may be more or less than the fees estimate depending on the complexity of the case as it progresses and the value of asset recoveries or successful claims, for example. The fees estimate below is based on all of the information available to us as at the Period end. We have considered and accounted for the different levels of expertise that we anticipate will be required to do the work we anticipate necessary to complete the administration, in calculating the time and cost included in the fees estimate table provided below. The table below also includes narrative details of the work done in the Period (numerical analysis of the work done is in the subsequent table and details of expenses incurred in the Period are provided in the 'Expenses' section further below). A more detailed numerical break down of the fees estimate is included in the SIP9 time costs analysis table further below.

Note that the fees estimate is also based on the following assumptions:

- the administration will last for only 12 months
- a dividend is to be paid to the secured creditor only

Unless otherwise stated, both the work done in the Period and the work anticipated is to comply with legislation and/or best practice requirements and, where applicable, to secure, manage and realise assets/recover claims to help generate financial value for the benefit of the estate and for distributions to creditors to be made (should sufficient funds become available). The work adds value to the insolvency process, if not financial value to the estate, and helps facilitate efficient case management.

Work done and why it was necessary	Anticipated work and why it is necessary	Fees estimate		
Assets		15hrs	£8,971	605 £/hr
Estimated expenses: Insurance - £1,512, Legal costs relating to assets - £441				
Property				
<ul style="list-style-type: none"> • Arrangement of extension of LTO with Purchaser • Review leases to determine value and correspond with landlords, offering a surrender of the lease where deemed appropriate • Review of LTO arrangement with Purchaser to assess ongoing requirement for use 	<ul style="list-style-type: none"> • Contact landlords and settle remaining invoices for the period of LTO arrangement 			
Sale of business				
<ul style="list-style-type: none"> • Instructing and liaising with solicitors to complete the sale, assessing and approving related documentation 	<ul style="list-style-type: none"> • No work anticipated to be undertaken 			
Other assets				
<ul style="list-style-type: none"> • Completing assessments of insurance requirements and liaising with the broker to obtain appropriate best value insurance for the assets • Liaising with third parties to arrange the return and collection of leased items • Undertaking a stock count to confirm stock levels and valuation upon appointment • Liaising with the pre-appointment bank to secure any available balances and arrange a transfer of funds to the case account 	<ul style="list-style-type: none"> • Periodical review of insurance to ensure cover is relevant and current 			
Investigations		15hrs	£4,939	320 £/hr
Estimated expenses: Destruction of books and records: £1,000				
Debtor / directors / senior employees				
<ul style="list-style-type: none"> • Issuing questionnaires to directors regarding the conduct of the Company, assessing responses and following up on any matters as appropriate to help assess the conduct of the Company's directors • Considering available Company information, and relevant third-party information, to help assess the conduct of the Company's directors 	<ul style="list-style-type: none"> • No work anticipated to be undertaken 			

- Prepare and submit a report to the Insolvency Service on the conduct of the Company's directors

Books & records

- Locating, securing, preparing an inventory, assessing and analysing books and records to facilitate investigations in accordance with SIP2, legislation and regulatory requirements
- Writing to solicitors / accountants and other third parties and reviewing records received
- Communicating with third party outsourcing companies who host financial record systems and Company IT systems to gain access and secure records

- Receive and store hard drives from IT supplier to ensure records are kept securely

Bank statements & analysis

- Request bank statements from pre-administration bank account provider
- Obtain and analyse pre-appointment bank statements to identify any potential transactions for investigation and recovery
- Seek further information to better understand transactions identified for investigation

- No work anticipated to be undertaken

Creditors 25 hrs £13,978 572 £/hr
Estimated expenses: none

Secured

- Obtaining copies of charge documentation, confirming outstanding balance and details of any security held
- Assessing validity of security and liaising with solicitors to verify basis for any potential return on security
- Responding to correspondence received and providing ad hoc case updates

- Provide up to date communication and liaise with secured creditor as required

Employees & pensions

- Responding to ad hoc queries and correspondence received
- Dealing with pension related queries raised by employees
- Identifying unpaid pension contributions and confirming applicability with pensions' specialists

- Deal with pension related queries raised by employees
- Liaising with HMRC in respect to its claim
- Paying a dividend from floating charge realisations

Unsecured

- Issuing communication to unsecured creditors
- Attending to unsecured creditor queries as required

- Attending to unsecured creditor queries as required

Administration 159 hrs £77,465 488 £/hr

Estimated expenses: Statutory advertising - £500, IP Bonding Cost - £25, Legal costs relating to appointment - £1,832

Appointment formalities

- Checking the presence, validity and filing of all formal appointment documents, instructing and obtaining respective legal advice
- Preparing, circulating, advertising and filing notice of appointment

- No work anticipated to be undertaken

- Preparing and filing change of registered office

Case set-up

- Setting-up and maintaining a case record on the Insolvency Practitioners System, including inputting Company / debtor and appointment details, setting the appropriate reporting diary to facilitate compliance with statutory requirements
- Calculating, completing and submitting the bordereau notification to protect the insolvency estate
- Collating and assessing information regarding data collection, storage, processing and destruction to comply with data protection regulations; implementing and maintaining any necessary data protection strategies, reporting any known issues
- No work anticipated to be undertaken

Case management

- Calculating and maintaining an estimated outcome statement, monitoring progress and using the statement to help inform decisions and strategy
- Preparing and assessing case file reviews (including anti-money laundering, ethics and data protection matters) to ensure efficient and effective case progress
- Ongoing strategy development
- Assessing if an extension of the administration must be sought (either by creditor consent or by court application)
- Obtain relevant clearances and make final submissions to HMRC and The Pensions Regulator
- Conduct final case review and reconciliation to ensure all matters are concluded, liabilities and dividends paid
- Prepare, issue and file final report to creditors and other required statutory notices
- Arrange continued storage (following closure of the case) and subsequent secure destruction of records in accordance with regulations
- Close bank accounts
- Prepare and submit bordereau release

Reports to creditors, notices & decisions

- Assessing and reporting on the pre-packaged sale of the Company's business and assets in compliance with SIP16
- Drafting, circulating and filing the Joint Administrators' statement of proposals for achieving the purpose of the administration
- Drafting, circulating and filing of reports to creditors regarding case progress and any significant matters
- Preparing and issuing notice of deemed consent or decision procedures (as appropriate) and related documentation, regarding fixing the basis of the office holders' remuneration, forming a committee and any other necessary decisions
- Monitoring deemed consent / decision procedures, reviewing submissions, establishing the decision outcomes, assessing validity and reporting as appropriate

Statement of affairs

- Preparing and issuing notice requiring submission of a statement of affairs for the Company to the Joint Administrators; liaising with the notified person(s) accordingly, obtaining statement of concurrence as appropriate, and filing the statement of affair
- Approving extension for Director's submission of statement of affairs
- Reviewing and assessing the statement of affairs to identify and seek explanation of any differences regarding expected realisations, following up related queries appropriately
- No work anticipated to be undertaken

Treasury, billing & funding		
<ul style="list-style-type: none"> Setting-up bank accounts as appropriate Assessing and processing invoices and remittances, preparing journals and cashbook entries as necessary 	<ul style="list-style-type: none"> Prepare and assess bank reconciliations, at least quarterly Prepare, assess and process billing requests 	
Tax		
<ul style="list-style-type: none"> Notifying tax team of appointment, collating and assessing tax information, continuing liaison as appropriate for the benefit of the case Notifying HMRC of appointment Liaising with HMRC regarding tax status, preparing and submitting required tax forms VAT considerations of properties within the Group (including option to tax considerations) 	<ul style="list-style-type: none"> Review previous filings, check for corporation tax liabilities, any tax paid and write to HMRC CTS to notify of appointment and request most recent filing and chase response to the same Check all realisations per sale agreements and otherwise and draft returns for 1-day cessation of trade period for each company and final return Draft letters to HMRC CTS dealing with the outstanding pre-appointment periods and submitting the above Reviewing the VAT profile of the Group and submission of amendments to the VAT group to HMRC Preparation of post-appointment VAT returns Consider if any recoveries can be made from HMRC in respect of VAT 	
Pensions		
<ul style="list-style-type: none"> Notifying pensions team of appointment, collating and assessing pensions information, continuing liaison as appropriate for the benefit of the case Preparing and filing statutory filings as required 	<ul style="list-style-type: none"> No work anticipated to be undertaken 	
Total fees estimate		214 hrs £105,353 494 £/hr
Total expense estimate		£5,310

Commercial in confidence

Detailed SIP9 time cost analysis for the Period and fees estimate variance analysis as at Period end

Period from 01/06/2023 to 30/11/2023

Area of work	Partner		Manager		Executive		Administrator		Period total			Fees estimate			Variance	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	£/hr	Hrs	£	£/hr	Hrs	£
Realisation of Assets:									14.82	8,971.25	605.35	14.82	8,971.25	605.35	-	-
Property	1.27	1,230.25	0.25	75.00	1.05	257.25	-	-	2.57	1,562.50	607.98	2.57	1,562.5	607.98	-	-
Sale of business	0.40	358.00	-	-	-	-	-	-	0.40	358.00	895.00	0.40	358.0	895.00	-	-
Other assets	-	-	11.85	7,050.75	-	-	-	-	11.85	7,050.75	595.00	11.85	7,050.8	595.00	-	-
Investigations:									15.45	4,938.75	319.66	15.45	4,938.75	319.66	-	-
Debtor / director / senior employees	0.10	89.50	0.40	120.00	1.40	343.00	0.30	54.00	2.20	606.50	275.68	2.20	606.5	275.68	-	-
Books & records	-	-	4.25	2,528.75	0.30	73.50	-	-	4.55	2,602.25	571.92	4.55	2,602.3	571.92	-	-
Bank statements & analysis	-	-	-	-	4.10	902.00	4.60	828.00	8.70	1,730.00	198.85	8.70	1,730.0	198.85	-	-
Creditors:									7.95	3,210.75	403.87	24.45	13,978.25	571.71	16.50	10,767.50
Secured	0.30	268.50	-	-	-	-	-	-	0.30	268.50	895.00	8.80	5,971.0	678.52	8.50	5,702.50
Employees & pensions	-	-	2.65	1,983.00	0.45	110.25	-	-	3.10	2,093.25	675.24	10.10	6,638.3	657.25	7.00	4,545.00
Unsecured	-	-	-	-	0.25	75.00	4.30	774.00	4.55	849.00	186.59	5.55	1,369.0	246.67	1.00	520.00
Administration:									123.61	57,189.55	462.66	158.61	77,464.55	488.40	35.00	20,275.00
Appointment formalities	-	-	6.80	2,282.00	0.50	122.50	-	-	7.30	2,404.50	329.38	7.30	2,404.5	329.38	-	-
Case set-up	-	-	0.25	75.00	19.09	9,049.55	-	-	19.34	9,124.55	471.80	19.34	9,124.6	471.80	-	-
Case management	3.37	3,029.75	11.65	5,271.75	9.90	4,438.00	3.80	684.00	28.72	13,423.50	467.39	28.72	13,423.5	467.39	-	-
Reports to creditors, notices & decisions	7.05	6,314.75	9.50	4,612.50	5.90	2,000.50	3.00	540.00	25.45	13,467.75	529.18	44.45	24,592.8	553.27	19.00	11,125.00
Shareholders / debtor / director communications	0.50	447.50	0.10	30.00	-	-	-	-	0.60	477.50	795.83	8.10	4,830.0	596.30	7.50	4,352.50
Statement of affairs	-	-	0.50	160.00	0.85	208.25	-	-	1.35	368.25	272.78	1.35	368.3	272.78	-	-
Treasury, billing & funding	-	-	9.25	3,495.00	7.10	1,614.50	3.90	702.00	20.25	5,811.50	286.99	28.75	10,609.0	369.01	8.50	4,797.50
Tax	1.95	1,745.25	5.10	3,034.50	0.20	49.00	5.40	1,830.00	12.65	6,658.75	526.38	12.65	6,658.8	526.38	-	-
Pensions	-	-	5.90	4,690.50	1.25	618.75	0.80	144.00	7.95	5,453.25	685.94	7.95	5,453.3	685.94	-	-
Total	14.94	13,618.50	68.45	35,408.75	52.34	19,862.05	26.10	5,556.00	161.83	74,445.30	460.02	213.33	105,352.80	493.85	51.50	30,907.50

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Total time costs paid to date: £0
- Please note that the actual time incurred in the Period may slightly differ to that reported in the table above. This is due to lags between time being recorded on our internal system by staff and then being posted to the case. We do not expect any differences to be material and any such discrepancies will be noted in our next report.

Statement of expenses incurred in the Period

This table provides details of expenses incurred in the Period in connection with the work done by the Joint Administrators, description of which is provided in the 'Work done' section above.

Category	Incurred in the Period (£)	Of which paid by the estate as at Period end (£)
Category 1 expenses		
Insolvency Bond	25	-
Insurance of Assets	756	756
Solicitors fees		
Burges Salmon LLP	2,273	-
Professional Fees		
Consultiam Property Limited T/A CAPA	384	384
Statutory Advertising	94	94
Total expenses	3,532	1,234

Expenses are any payments from the estate which are neither the Joint Administrators' remuneration nor a distribution to a creditor or member, but they may include disbursements which are payments first met by and then reimbursed to the Joint Administrators from the estate. Expenses fall into two categories:

Category 1 expenses

These are also known as 'out of pocket expenses' and are payments to third parties not associated with the Joint Administrators where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval from creditors.

Category 2 expenses

These are expenses directly referable to the insolvent estate but payments that are either to an associate, or that include shared or allocated costs that may be incurred by the Joint Administrators or their firm and that can be allocated to the appointment on a proper and reasonable basis. Category 2 expenses require approval in the same manner as the Joint Administrators' remuneration.

Payments to associates

We confirm that, in the Period, we have not enlisted services from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has an association.

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the Joint Administrators' fee basis.

Sub-contracted work

We confirm that, in the Period, we have not sub-contracted any work that could otherwise have been carried out by us or our team.

Information for creditors and members

Information to help creditors and members to understand their rights in insolvency and regarding officeholders' (ie administrators or liquidators) remuneration, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.grantthornton.co.uk/portal>

Alternatively, we will supply this information by post, free of charge, on request.

