In accordance with Rule 18.8 of the Insolvency (England & Wales) Rules 2016.

WU07

Notice of progress report in a winding-up by the court

Companies House

TUESDAY

A8YK79HT
A09 11/02/2020 #227
COMPANIES HOUSE

1 Company details

Company number	0 7 9 6 0 2 8 0
Company name in full	Stanley House Distribution Limited

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

2 Liquidator's name

Full forename(s)	Arvindar Jit
Surname	Singh

3 Liquidator's address

Building name/number	FRP Advisory LLP
Street	2nd Floor
Post town	170 Edmund Street
County/Region	Birmingham
Postcode	B 3 2 H B
Country	

4 Liquidator's name ❶

Full forename(s)	Paul
Surname	Atkinson

❶ **Other liquidator**
Use this section to tell us about another liquidator.

5 Liquidator's address ❷

Building name/number	Jupiter House
Street	Warley Hill Business Park
Post town	The Drive
County/Region	Brentwood
Postcode	C M 1 3 3 B E
Country	

❷ **Other liquidator**
Use this section to tell us about another liquidator.

WU07
Notice of progress report in a winding-up by the court

6 Period of progress report

From date	14 12 2018
To date	13 12 2019

7 Progress report

☑ The progress report is attached

8 Sign and date

Liquidator's signature	Signature X Anindar. J. Singh. X
Signature date	07 02 2020

WU07

Notice of progress report in a winding-up by the court

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	Arvindar Jit Singh
Company name	FRP Advisory LLP
Address	2nd Floor
	170 Edmund Street
Post town	Birmingham
County/Region	
Postcode	B 3 2 H B
Country	
DX	cp.birmingham@frpadvisory.com
Telephone	0121 710 1680

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

FRP

Stanley House Distribution Limited - In Liquidation ("the Company")

The Liquidators' Progress Report for the period 14 December 2018 – 13 December 2019 pursuant to section 104A of the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016

7 February 2020

1. Progress of the liquidation

FRP

Section	Content
1.	Progress of the liquidation
2.	Estimated outcome for the creditors
3.	Liquidators' remuneration, disbursements and expenses

Appendix	Content
A.	Statutory information about the Company and the liquidation
B.	Liquidators' receipts & payments account for the Period
C.	A schedule of work
D	Details of the Liquidators' time costs and disbursements for the Period
E.	Liquidators' revised fee estimates
F.	Statement of expenses incurred in the Period

The following abbreviations may be used in this report:

BG	Betterware Global Limited
Clark Wilmott	Clark Wilmott LLP
The Company	Stanley House Distribution Limited - in liquidation
FRP	FRP Advisory LLP
Hilco	Hilco Valuation Services Limited
HMRC	HM Revenue & Customs
The Insolvency Rules	The Insolvency (England and Wales) Rules 2016
IPO	Intellectual Property Office
The Liquidators	Arvindar Jit Singh and Paul Atkinson of FRP Advisory LLP
Maple Accountants	Maple Accountancy Group Ltd
OR	Official Receiver
The Period	The reporting period 14 December 2018 to 13 December 2019
PSWL	Print and Sign World Limited
RICS	Royal Institute of Chartered Surveyors
RFA	Royalty Fee Agreement
The Shareholder	JRjr33 Inc
Sydney Mitchell	Sydney Mitchell Solicitors
VAT	Value added tax

1. Progress of the liquidation

Work undertaken during the Period and work yet to be completed

We attach at **Appendix C** a schedule of work undertaken during the Period together with a summary of work still to be completed. Please also refer to the schedule of work provided within my initial report to creditors dated 4 January 2019.

Key elements of the work undertaken during the Period include:

- Investigating the pre-appointment sale of the Company's trademarks to PSWL;
- Making enquiries into the RFA granted to PSWL by the Company's Shareholder in relation to the Company's trademarks prior to appointment;
- Agreeing and entering into an assignment of the Company's trademarks to PSWL by the Liquidators for the benefit of the Liquidation estate;
- Recovering any credit balances held in the Company's pre-appointment bank account(s);
- Conducting a reconciliation of the Company's outstanding debtors' ledger and pursing the Company's only outstanding book debt;
- Making enquiries into the shares held by the Company in an unconnected third-party corporate in order to ascertain whether the shares held any value for the benefit of the liquidation;
- Ensuring all statutory and compliance matters are attended to; and
- Paying administration expenses.

Trademarks

Upon appointment, I became aware that the Company had previously owned 3 trademarks ("the Trademarks") relating to the name of Betterware but that these had been assigned to PSWL prior to the winding up order.

Following receipt of advice from the Liquidators' appointed solicitors, Sydney Mitchell, it was found that the assignment and RFA were void on the basis that at the time of the purported "assignment" a winding up petition had been presented against the Company. In accordance with section 127 of the Insolvency Act 1986 any disposition of a company's property made after the commencement of the winding up (being the 13 June 2018) is, unless the court otherwise orders, void. Further, the Liquidators considered that the Shareholder, had no legal right to enter into the RFA as the Trademarks remained assets of the Company.

However, according to information lodged with the IPO the Company had assigned the Trademarks to PSWL on the 19 June 2018 and PSWL appear to have been "granted" the right to use the Trademarks in September 2018; this "right to use" had been granted via an RFA by the Company's Shareholder.

Following communication with PSWL's solicitors, PSWL acknowledged that the Trademarks were to be held on trust for the Company in Liquidation whilst the Liquidators considered a further assignment of the Trademarks with PSWL or another third party.

Valuations

In light of the Liquidators' duty to maximise realisations, it was in the best interest of the Company's creditors for the Liquidators to obtain an independent professional valuation from agents experienced in valuing such trademarks.

I subsequently instructed, Hilco, independent agents to value the Company's Trademarks. The appraisers were Jack Gillespie and Thomas Wood. Hilco confirmed its independence and that it holds the requisite professional indemnity insurance. Hilco is regulated by RICS.

As at 22 April 2019	£
Trademarks	57,000 - 75,000
Total	**57,000 - 75,000**

Note(s) to the valuation:

- *The basis of the valuation is on a liquidation value basis and assumes a forced sale within an insolvency scenario with a shortened market period.*
- *Intangible assets do not have a ready market value and valuing intangible assets is not an exact science.*
- *Hilco advised that a royalty fee of 2% of gross monthly revenue was a reasonable royalty rate based on the historic trading performance of the Betterware brand.*

Offers

An offer for the assignment of the Trademarks was subsequently received from PSWL in the sum of £85,000. As part of the offer, PSWL also agreed to enter into a new RFA with the Liquidators, the terms of which included payment of a percentage of the turnover generated by PSWL and BG (a connected company of PSWL) to the liquidation estate, while trading using the Trademarks.

During our negotiations with PSWL, another offer was received from a third party unconnected to both the Company and PSWL in the sum of £65,000. This offer was rejected as was below the offer made by PSWL.

The assignment

On the 18 November 2019, the Liquidators entered into an agreement to assign the Company's Trademarks to PSWL and BG for a period of 6 years ("the Agreement").

On entering into this Agreement, the Liquidators also granted to PSWL an exclusive licence to use the Trademarks, subject to certain conditions ("the Licence").

Both PSWL and BGL have no connection to the Company, its directors or Shareholder.

As part of the Agreement, PSWL shall pay the liquidators the following Total Consideration:

1. The sum of £85,000 ("the Initial Consideration"); and
2. A monthly fee (details of which are provided below).

In respect of the Initial Consideration, a sum of £60,000 was to be paid to the liquidation in instalments as follows:

- £30,000 on 22 August 2019;
- £20,000 on 5 September 2019; and
- £10,000 on 19 September 2019.

I can confirm that the aforementioned sums were received in full during the Period in accordance with the terms of the Agreement.

The remaining balance of the Initial Consideration in the sum of £25,000 was to be paid in 3 equal instalments of £8,333.33 per month.

The first instalment was due and payable 28 days following the date of the Agreement (18 November 2019) and the second and third instalments were payable on or before the last business day in each month of the two months thereafter.

As at the date of this report, two of the deferred instalments have been received. As both of the instalments were received by Sydney Mitchell and one was received after the Period of this report, they are not reflected within the receipts and payments account at **Appendix B.** The third and final instalment is due for payment at the end of February 2020.

RFA

As part of the Agreement it was also agreed that a royalty fee of 2% of the turnover generated by PSWL and BG while trading using the Trademarks is to be paid to the liquidation estate each month for a period of 6 years ("the Monthly Fee").

A total of £376 has been received in respect of the Monthly Fee during the Period. This amount is held by Sydney Mitchell and is therefore not reflected within the period of receipts and payments account at **Appendix B**. Since the Period end Sydney Mitchell have received a further £378 in relation to the Monthly Fee. These sums will be remitted to the liquidation estate account shortly.

PSWL are to provide the Liquidators with a reconciliation of the Monthly Fees, on a quarterly basis, in order that they can be verified for accuracy by the Liquidators with the assistance of their appointed accountants, Maple Accountants. Beneficial ownership of the Trademarks remains with the Company until completion of the Agreement at the end of the 6 years term, at which stage PSWL acquire ownership of the Trademarks.

If PSWL do not comply with the terms of the Agreement the Liquidators have the right to terminate the Agreement.

Shareholdings

The Company holds 50 shares in a third party company. From information provided from Clark Wilmott, who previously acted on behalf of the OR, it appears that this company may have ceased to trade. The Liquidators await formal evidence of the company's current trading position in order to determine whether there is any value in the shareholdings held by the Company.

Book debts

The company in which the Company owns shares also owed the Company the sum of £5,000 at the date of appointment. The Liquidators await evidence that the company has ceased to trade before considering any further action to further pursue settlement of the debt.

Cash at Bank

Prior to the Liquidators' appointment, the OR had recovered the credit balance held in the Company's pre-appointment bank account in the sum of £38.

Receipts and payments account

Attached at **Appendix B** is a receipts and payments account detailing transactions for the Period since the appointment as Liquidators.

Please note that a sum of £210 plus VAT was paid to Sydney Mitchell by PSWL to discharge their fees in relation to the Agreement and is reflected as a 'Contribution to costs' for the purposes of the receipts and payment account at **Appendix B.**

Investigations

Part of the Liquidators duties include carrying out proportionate investigations into what assets the Company has, including any potential claims that could be brought by the Company or by us in our capacity as Liquidators against any party which could result in a benefit to the estate. We have reviewed the Company's books and records and accounting information, requested further information from the directors, and invited creditors to provide information on any concerns they have concerning the way in which the Company's business has been conducted.

Further details of the conduct of our investigations are set out in the schedule of work attached at **Appendix C.**

As reported above, the investigations carried out into the ownership of the Company's Trademarks resulted in the Liquidators successfully reversing the assignment of the Company's Trademarks and the RFA to PSWL, by the Shareholder prior to the appointment.

On 18 November 2019, the Liquidators were able to secure a new agreement with PSWL for the assignment of the Trademark.

1. Progress of the liquidation

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We can confirm that no further investigations or actions are required in relation to this matter and our enquiries have now been finalised.

2. Estimated outcome for the creditors

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The estimated outcome for creditors was included in correspondence previously circulated by us.

Based upon the information at the date of my initial report to creditors on 4 January 2019, it was expected that there would not be sufficient funds available to make a distribution to the unsecured creditors.

[illegible]

According to Companies House, the Company has no registered outstanding charges or secured creditors.

[illegible]

There are no known preferential creditors in this matter.

[illegible]

According to the Company's books and records and the information provided by the OR, the Company has two unsecured creditors owed circa £125,261.

To date, we have received claims totalling £125,261 from the unsecured creditors in these proceedings.

Claims received have not been agreed to date

Based upon current indications, the unsecured creditors may receive a distribution under the liquidation. However, this is solely dependent on the turnover generated by PSWL and BGL during the term of the Agreement and finalising the costs of the liquidation and may be subject to change.

[illegible]

In accordance with the Insolvency Act 1986, the prescribed part is an element of net realisations due to the floating charge holder which is made available for unsecured creditors (subject to the floating charge post-dating 15 September 2003).

As there is no outstanding floating charge the prescribed part does not apply in this instance.

3. Liquidators' remuneration, disbursements and expenses

FRP

[illegible]

As advised in previous correspondence, the creditors passed a resolution on 28 January 2019, that the Liquidators' remuneration should be calculated on a time cost basis subject to a fees estimate of £29,186 plus VAT.

A breakdown of our firm's time costs incurred during the Period is attached at **Appendix D.** To date fees of £18,356 plus VAT have been drawn from the funds available.

The time costs incurred by the Liquidators based on time costs, has exceeded the sum provided in the fees estimate previously circulated to creditors.

Key elements of further work, not originally foreseen when preparing the initial fee estimate, are detailed below:

- Investigatory work undertaken in relation to the assignment of the Trademarks and the RFA which took place prior to appointment;
- Protracted correspondence with PSWL and it's appointed solicitors in relation to validity of the pre-appointment transfer of the Trademarks and the RFA following the advice of our solicitors, Sydney Mitchell;
- Obtaining a valuation of the Company's Trademarks and advice in relation to the commercial aspects of entering into the aforementioned RFA; and
- Protracted negotiations with PSWL with regard to the terms of the Agreement including the RFA and Licence.

The Liquidators are unable to draw fees based on time costs exceeding the total amount set out in the fees estimate circulated on 4 January 2019, without further approval of the creditors.

As a result of the increase in the Liquidators' time costs, further fee approval is being sought from the unsecured creditors for the time costs incurred up to the date of this report (7 January 2020).

Given the 6 year term of the Agreement entered into by the Liquidators and the uncertainty surrounding the level of sums anticipated under the RFA, the Liquidators are also seeking further approval from the unsecured creditors to draw remuneration on a time cost basis based upon the revised charge out rates from 8 February 2020 to the anticipated closure of the case.

In this regard I have placed onto the website http://creditors.frpadvisory.com the following documents for your consideration:

- A revised fees estimate for the time costs to be incurred up to the date of this report in the sum of £64,170 plus VAT (**Appendix E**);
- A separate fees estimate for the time costs incurred from 8 February 2020 to the anticipated closure of the liquidation based on revised charge out rates in the sum of £118,745 plus VAT **(Appendix E)**;
- A schedule of work to support the fees estimates (in addition to the update provided within the main body of this report); and
- Notice of decision by correspondence.

Recovery of the Liquidators fee's will be dependent upon the realisations generated under the RFA.

Liquidators' disbursements

The Liquidators' disbursements are a recharge of actual costs incurred by them in dealing with this matter. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursements incurred during the Period are set out in **Appendix D**.

3. Liquidators' remuneration, disbursements and expenses

FRP

An estimate of the Liquidators' expenses was set out in the information previously circulated to creditors. We attach at **Appendix E** a statement of expenses that have been incurred during the Period.

It is currently expected that certain expenses incurred or anticipated to be incurred, are likely to exceed the details previously provided.

The following individual expenses are higher than originally estimated:

- Sydney Mitchell have incurred legal fees advising the Liquidators in relation to the pre-appointment assignment of the Company's Trademarks. They also provided advice regarding the legal aspects of the Agreement entered into by the Liquidators, which was not anticipated at the commencement of the liquidation;
- It was also necessary to obtain a valuation of the Company's Trademarks prior to entering into the Agreement with PSWL which also was not initially anticipated. Due to the complexities of valuing intangible assets, Hilco charged a fixed fee of £7,500 plus VAT for undertaking a valuation.

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

Appendix A

Statutory information about the Company and the liquidation

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COMPANY INFORMATION:

Other trading names:	N/A
Date of incorporation:	22 February 2012
Company number:	07960280
Registered office:	FRP Advisory LLP 2nd Floor 170 Edmund Street Birmingham B3 2HB
Previous registered office:	Unit 2 Hurricane Park Heartlands Parkway Birmingham B7 5PJ
Business address:	Unit 2 Hurricane Park Heartlands Parkway Birmingham B7 5PJ

LIQUIDATION DETAILS:

Liquidator(s):	Arvindar Jit Singh & Paul Atkinson
Address of Liquidator(s):	FRP Advisory LLP 2nd Floor 170 Edmund Street Birmingham B3 2HB
Date of appointment of Liquidator(s):	14 December 2018
Court in which Liquidation proceedings were brought:	The High Court of Justice Chancery Division Birmingham
Court reference number:	6220 of 2018

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Liquidators' receipts & payments account for the Period

Stanley House Distribution Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 14/12/2018 To 13/12/2019 £	From 14/12/2018 To 13/12/2019 £
	ASSET REALISATIONS		
1.00	Trademarks	60,000.00	60,000.00
5,000.00	Book Debts	NIL	NIL
	Contribution to costs	252.00	252.00
1.00	Shares	NIL	NIL
38.08	Cash at Bank	38.08	38.08
		60,290.08	60,290.08
	COST OF REALISATIONS		
	O.R Remuneration	5,000.00	5,000.00
	Sec of State Fees	6,005.71	6,005.71
	Petitioners Deposit	(1,600.00)	(1,600.00)
	Joint Liquidators' Remuneration	18,356.44	18,356.44
	Joint Liquidators' Disbursements	143.56	143.56
	Legal Fees (1)	18,543.33	18,543.33
	Bank Charges	88.00	88.00
		(46,537.04)	(46,537.04)
	UNSECURED CREDITORS		
(125,260.00)	Unsecured Creditors	NIL	NIL
		NIL	NIL
(120,219.92)		**13,753.04**	**13,753.04**
	REPRESENTED BY		
	Vat Recoverable Floating		7,408.67
	ISA Main A/C		6,344.37
			13,753.04

Appendix C

A Schedule of Work

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The table below sets out a detailed summary of the work undertaken by the office holder to date and details of the work it is anticipated will be undertaken by the office holder throughout the duration of this assignment. Details of assumptions made in compiling this table are set out below. The fee basis for the different categories or work are set out in this table together with an estimate of the estimated fee for each category of work where this can be estimated.

Where the fee basis proposed is time costs, further details of the estimated time costs to be incurred are set out in the fee estimate accompanying this schedule.

Where work undertaken results in the realisation of funds (from the sale of assets and recoveries from successful actions taken against third parties), there may be a financial benefit to creditors should there be sufficient funds available to make a distribution to one or more class of creditor. In this case, work undertaken will include the scrutiny and agreement of creditor claims.

A proportion of the work undertaken by an Insolvency Practitioner is required by statute, including ensuring the appointment is valid, notifications of the appointment to third parties, regular reporting on the progress, notifying statutory bodies where required in relation to the conduct of the directors, complying with relevant legislation and regulatory matters. This may not have a direct financial benefit to creditors but is substantially there to protect creditors and other stakeholders and ensuring they are kept informed of developments.

GENERAL ASSUMPTIONS IN COMPILING THIS SCHEDULE OF WORK
• The records received are complete and up to date; • There are matters to investigate and/or pursue; • No financial irregularities are identified; • A committee of creditors is not appointed; • There are no exceptional queries from stakeholders; • Full co-operation of the directors and other relevant parties is received as required by legislation; • There are no health and safety or environmental issues to be dealt with; and • The case will be closed within 12 months.

Appendix C

A Schedule of Work

Note	Category		
1	**ADMINISTRATION AND PLANNING** **Work undertaken to date**		**ADMINISTRATION AND PLANNING** **Future work to be undertaken**
	Regulatory requirements		**General matters**
	I have completed the money laundering risk assessment procedures and 'Know Your Client' checks in accordance with the Money Laundering Regulations. I have completed take on procedures which include consideration of professional and ethical matters and other statutory legislation such as the Bribery Act and Data Protection Act.		I will continue to consider Money Laundering Regulations as appropriate.
	Case management requirements		
	I have determined the case strategy and documented this on file accordingly. I have monitored the liquidation estate bank account throughout the duration of the case. I have compiled a forecast of the work that has been or is anticipated will be undertaken throughout the duration of the case, circulating this to creditors together with other such documentation as required to enable the relevant approving creditors to assess and vote on the fee bases proposed. I have liaised with the Company's former accountants to request information to assist in general enquiries.		I will review the case strategy at regular intervals and update as required. I will continue to monitor the liquidation bank account periodically to ensure all receipts and payments are accounted for. I will send correspondence to the former advisors of the Company requesting third party information to assist in general enquiries if required.

2	**ASSET REALISATION** **Work undertake to date**		**ASSET REALISATION** **Future work to be undertaken**
	One of the main purposes of an insolvency process is to realise the insolvency assets and to ensure a fair distribution of the proceeds to the creditors in the correct order of priority as set out by legislation. I arranged insurance to ensure that the available assets are protected until such time as they are realised. I cancelled insurance cover in respect of assets as they are realised to minimise insurance costs. **Trademarks** Please see the main body of the report for further details. **Shareholdings** Please see the main body of the report for further details. **Book debt** Please see the main body of the report for further details. **Cash at bank** *Please see the main body of the report for further details.*		**Trademarks** I will continue to monitor compliance with the general terms of the Agreement. I will monitor receipt of the third and final instalment of the Consideration. I will continue to monitor, review and verify the royalty fees received from PSWL and BG under the terms of the Agreement. I will monitor compliance with the terms of the Licence as part of the Agreement. If PSWL breeches the Agreement before it is completed, I will terminate the Agreement forthwith in line with the terms of termination clauses. **Book debt** I will continue to pursue the outstanding debt due to the Company, if cost efficient to do so

3	**STATUTORY COMPLIANCE AND REPORTING** **Work undertaken to date**	**STATUTORY COMPLIANCE AND REPORTING** **Future work to be undertaken**
	I have sent notices to creditors requesting approval for the basis on which the liquidation fees will be calculated. I have made enquiries into whether the Company has a pension scheme. I have dealt with any post appointment tax returns and VAT issues as required.	I will produce statutory reports to various stakeholders at regular intervals and manage any queries arising therefrom. Copies of these reports are required to be filed at Registrar of Companies. I will place legal advertisements as required by statute which may include formal meetings of creditors and notices to submit claims (if necessary). I will deal with post appointment tax returns as required. When all matters have been attended to, I will bring the case to a close and obtain my release from office; this includes producing a final report to creditors and allowing them to object to my release. Following this, I will file the relevant documentation with the Registrar of Companies.
4	**TRADING** **Work undertaken to date**	**TRADING** **Future work to be undertaken**
	The Liquidators have not traded the business following appointment.	
5	**INVESTIGATIONS** **Work undertaken to date**	**INVESTIGATIONS** **Future work to be undertaken**

	I have obtained certain financial books and records from the OR. I have reviewed the Company's bank statements for the two years prior to my appointment. I have requested that the directors of the Company complete a questionnaire to assist the Liquidators in their investigations. I have also requested that the directors provide me with any other information they consider relevant to my appointment. Following my initial investigations, I have considered any potential action that could be taken to increase the assets available in the estate.		I will identify and conduct a review of the available books and records of the Company and other information available to identify any potential assets to realise for the benefit of the insolvency estate. I will conduct enquiries into the conduct of the Company and if appropriate associated parties. I shall also consider whether any matters require notification to the Secretary of State or National Crime Agency.
6	**CREDITORS** **Work undertaken to date**		**CREDITORS** **Future work to be undertaken**
	Secured creditors The Company does not have any registered charges outstanding or secured creditors. **Preferential creditors** There are no known preferential creditors in this matter. **Unsecured creditors** I have responded to all creditor correspondence and queries as and when received.		**Unsecured creditors** Based upon current information it is expected that there may be sufficient funds available to make a distribution to the unsecured creditors. However, this may be subject to change and is dependent on asset realisations and finalising the costs of the liquidation. If sufficient funds are available to make a distribution to the unsecured creditors the Liquidators will write to all known creditors to notify them of the possibility of a distribution and request the submission of claims. As required the Liquidators will advertise for claims and adjudicate on them, either agreeing or rejecting, in full or in part. There is a statutory time limit to enable creditors whose claims have been rejected to appeal,

			once this time limit has passed the office holder will make a distribution to creditors. **HMRC claims** I will liaise with HMRC to establish their claim and seek tax advice to minimise claims and maximise returns to creditors where appropriate.
7	**LEGAL AND LITIGATION** **Work undertaken to date**		**LEGAL AND LITIGATION** **Future work to be undertaken**
	I instructed my solicitors, Sydney Mitchell to review and to advise on the validity of the assignment of the Trademarks and the original RFA which took place prior to my appointment. They subsequently assisted with the preparation of the Agreement including the RFA and the Licence following my appointment as referred to in the main body of the report.		I do not envisage that I will require any further legal advice in relation to the Trademarks at this stage. This will be subject to adherence to the terms of the Agreement by PSWL.

Appendix D

FRP

Details of the Liquidators' time costs and disbursements for the Period

Time charged for the period 14 December 2013 to 13 December 2019

	Appointment Takers / Partners	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	Total Cost £	Average Hrly Rate £
- Administration and Planning	**16.85**	**0.20**	**17.40**	**6.50**	**40.95**	**12,873.00**	**314.36**
Admin & Planning				3 00	3 00	300.00	100 00
Case Accounting			1 10	0 20	1 30	250 00	192.31
Case Control and Review	16 85		5 40	2 90	25 15	9,713 00	386.20
General Administration		0 20	0 10		0 30	86.00	286.67
Insurance			0 40	0 40	0 80	132.00	165.00
Strategy and Planning			10 40		10 40	2,392.00	230.00
- Asset Realisation	**54.55**	**0.80**	**35.80**		**91.15**	**34,729.25**	**381.01**
Asset Realisation	50 25	0 80	32 90		83 95	31,999.00	381.17
Debt Collection			0 80		0 80	184.00	230.00
Legal-asset Realisation	4 30		2 10		6 40	2,546.25	397 85
- Creditors			**1.70**	**0.40**	**2.10**	**431.00**	**205.24**
Unsecured Creditors			1 70	0 40	2 10	431.00	205.24
- Investigation			**14.70**	**2.00**	**16.70**	**3,473.00**	**207.96**
Investigatory Work			13 20	1 40	14 60	3,088.00	211 51
CDDA Enquiries			0 50	0 60	1 10	165.00	150.00
Legal - Investigations			1 00		1 00	220.00	220.00
Statutory Compliance	**1.90**	**0.25**	**7.30**	**12.00**	**21.45**	**3,806.25**	**177.45**
Statutory Compliance - General	1 75		4 90	5 90	12 55	2,491.00	198.49
Appointment Formalities		0 25	1 00		1 25	311.25	249 00
Bonding/ Statutory Advertising				2 70	2 70	270 00	100.00
Tax/VAT - Post appointment	0 15		1 40	2 20	3 75	614.00	163.73
Pensions- Other				1 20	1 20	120.00	100 00
Total Hours	73.30	1.25	76.90	20.90	172.35	55,312.50	320.93

FRP Charge out rates

Grade	From 1st May 2016	1st May 2019
Appointment taker / Partner	370-450	370-495
Managers / Directors	280-370	280-370
Other Professional	165-230	165-230
Junior Professional & Support	80-110	80-110

Disbursements for the period
14 December 2018 to 13 December 2019

	Value £
-Category 1	
Advertising	69 93
Prof. Services	49.93
Bonding	20.00
Mobile Telephone	3.70
Grand Total	**143.56**

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

Appendix E

Liquidators' revised fees estimates

FRP

Stanley House Distribution Limited - in liquidation
Joint Liquidators' fee estimate up to 07 February 2020

	Initial fee estimate Total		Increase requested Total		Revised fee estimate Total		Average hourly rate
Activity	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	£
ADMINISTRATION	22 1	5,683	22.0	8,398	44.1	14,080	320
ASSET REALISATION	26 9	7 309	65 2	27,627	92.0	34 936	380
STATUTORY COMPLIANCE AND REPORTING	42.0	10,850	-	-	42.0	10,850	-
TRADING	-	-	-	-	-	-	-
INVESTIGATION	14.4	3,804	-	-	14.4	3,804	264
CREDITORS	6 1	1,541	- 3 7	- 1,041	2.4	500	208
LEGAL AND LITIGATION	-	-	-	-	-	-	-
TOTAL	111.4	29,186	83 5	34,984	194.9	64,170	

The above fees estaimte is based on the assumptions contained in the accompanying schedule of work

FRP Charge out rates

Grade	From 1st May 2016	1st May 2019
Appointment taker / Partner	370-450	370-495
Managers / Directors	280-370	280-370
Other Professional	165-230	165-230
Junior Professional & Support	80-110	80-110

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

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

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

Appendix E

Liquidators' revised fees estimates

FRP

Stanley House Distribution Limited - in liquidation
Joint Liquidators' fees estimate from 8 February 2020 to the anticipated closure of the case

Activity	Total Hours	Cost (£)	Average hourly rate £
ADMINISTRATION	110.0	45,050	410
ASSET REALISATION	40.0	18,700	468
STATUTORY COMPLIANCE AND REPORTING	85.0	37,825	445
TRADING	-	-	-
INVESTIGATION	-	-	-
CREDITORS	40.0	17,170	429
LEGAL AND LITIGATION	-	-	-
TOTAL	275.0	118,745	

Hourly Charge out rates:	£
Appt taker/partner	495-595
Managers/directors	385-495
Other professional	225-340
Junior Professional/support	150-195

The above fee estimate is based on the assumptions contained in the accompanying schedule of work.

The office holder anticipates that it will be necessary to seek further approval. The reasons it may be necessary to seek further approval are set out in the documentation accompanying this estimate.

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

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

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

Appendix F

Statement of expenses incurred in the Period

FRP

Statement of Expenses

Professional Advisors	Basis of fee arrangement	Nature of work	Original expense estimate £	Total costs incurred in the period £	Costs paid in Period £	Outstanding at Period end £
Solicitors' fees and disbursements	Time costs	Sydney Mitchell provided legal advice in respect of the Company's Trademarks. They also provided legal assistance in relation to the preparation of the Agreement including a RFA and Licence.	-	24,979.00	18,543.33	6,435.67
Agents' fees	Fixed costs	Hilco was instructed to prepare a valuation of the Company's Trademarks and to advise on the commercial aspects of the RFA.	-	7,500.00	-	7,500.00
Accountants Fees	Fixed costs	These fees relate to the advice received in relation to the Agreement.	-	5,625.00	-	5,625.00
Liquidators' fees	Time costs	Liquidators' time costs.	29,186.00	55,312.50	18,356.44	36,956.06
Administrators' disbursements	Fixed costs	A breakdown of the Liquidators' disbursements incurred in the Period are detailed at **Appendix D** of the report.	1,000.00	143.56	143.56	-
Total			**30,186.00**	**93,560.06**	**37,043.33**	**56,516.73**

Additional costs and disbursements	Original expense estimate £	Total costs incurred during the Period £	Costs paid in the period £	Outstanding at Period end £
Storage & archiving	500.00	-	-	-
Statutory advertising - note 1	-	69.93	69.93	-
Bank charges	10.00	-	-	-
Secretary of State quarterly charges	110.00	88.00	88.00	-
Professional services - note 1	-	49.93	49.93	-
Bonding - note 1	-	20.00	20.00	-
Mobile telephone - note 1	-	3.70	3.70	-
Petitioners' fee	3,698.00	3,698.00	-	3,698.00
OR Remuneration / administration fee	5,000.00	5,000.00	5,000.00	-
Secretary of State fees/ OR's general fee	6,000.00	6,005.71	6,005.71	-
Total	**15,318.00**	**14,935.27**	**11,237.27**	**3,698.00**

Notes

1. These payments were paid in the Period. These were previously detailed under the Liquidators' disbursements figure within the estimated outcome statement circulated to creditors on 4 January 2019.