

AM03

Notice of administrator's proposals



Companies House

TUESDAY



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COMPANIES HOUSE

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1 Company details

Company number 08050525

Company name in full Shoon (Trading) Limited

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

2 Administrator's name

Full forename(s) Neil Andrew

Surname Bennett

3 Administrator's address

Building name/number Leonard Curtis

Street 5th Floor

Grove House

Post town 248a Marylebone Road

County/Region London

Postcode NW1 6BB

Country

4 Administrator's name ①

Full forename(s) Alex David

Surname Cadwallader

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

5 Administrator's address ②

Building name/number Leonard Curtis

Street 5th Floor

Grove House

Post town 248a Marylebone Road


County/Region London

Postcode NW1 6BB

Country

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

AM03
Notice of Administrator's Proposals

6		Statement of proposals	
		<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
7		Sign and date	
Administrator's Signature	<div>Signature</div> <div>✕</div> <div></div> <div>✕</div>		
Signature date	<div><div>d</div><div>0</div><div>8</div></div> <div><div>m</div><div>1</div><div>2</div></div> <div><div>y</div><div>2</div><div>0</div><div>y</div><div>1</div><div>y</div><div>7</div></div>		



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**SHOON (TRADING) LIMITED
(IN ADMINISTRATION)**

Registered Number: 08050525

Court Ref: CR-2017-008769

High Court of Justice, Business And Property Courts of England and Wales

**Joint Administrators' Report and Statement of Proposals in accordance
with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule
3.35 of the Insolvency (England and Wales) Rules 2016**

Report date: 8 December 2017

Date report deemed to be delivered to creditors: 8 December 2017

Leonard Curtis contact details:

5th Floor, Grove House, 248a Marylebone Road,
London NW1 6BB

Tel: 020 7535 7000 Fax: 020 7723 6059

General email: creditors@leonardcurtis.co.uk

Email for requests for a physical meeting: LONDON.meetingreq@leonardcurtis.co.uk

Ref: L/18/DH/SSHO05/1040

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TO: THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL EMPLOYEES
ALL MEMBERS

1 INTRODUCTION

General information

- 1.1 I refer to the appointment of A D Cadwallader and I as Joint Administrators ("the Joint Administrators") of Shoon (Trading) Limited ("the Company") on 24 November 2017 and now write to present the Joint Administrators' proposals ("the Proposals") (a summary of which can be found at Appendix A) for the Company pursuant to the Insolvency Act 1986 ("the Act").
- 1.2 Paragraph 3 of Schedule B1 to the Act requires the Joint Administrators to perform their functions with the objective of:
- Rescuing the Company as a going concern; or
 - Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration); or
 - Realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.3 Paragraph 51(1) of Schedule B1 to the Act ordinarily requires the Joint Administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. However, this does not apply where the Joint Administrators state that they think:
- That the Company has sufficient property to enable each creditor of the Company to be paid in full; or
 - That the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of a distribution of the prescribed part fund; or
 - That neither of the objectives specified in 1.2(a) and 1.2(b) above can be achieved.
- 1.4 I can confirm that in this case the Joint Administrators are of the opinion that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of a distribution of the prescribed part fund. A dividend is, however, expected to be paid to secured and preferential creditors. As a result, there is no requirement to seek a decision from the Company's general body of creditors as to whether they approve the Proposals.
- 1.5 Creditors whose debts amount to at least 10% of the total debts of the Company may, however, request the Joint Administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. Such a request must be delivered to the Joint Administrators within 8 business days of the date on which this report was delivered and comprise the following:
- A statement of the purpose of the proposed decision; and either:
 - A statement of the requesting creditor's claim, together with:
 - A list of the creditors concurring with the request and the amount of their respective claims; and
 - Confirmation of concurrence from each creditor concurring. Or
 - A statement of the requesting creditor's debt and that alone is sufficient without the concurrence of other creditors.

The deemed date of delivery of this report is given on the front page of this report. Please note that security must be given for the costs of convening the requisitioned decision.

- 1.6 In the event that no such request is received, the Proposals will be deemed to have been approved in accordance with Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 ("the Rules"). Where this is the case, notification of the date on which the Proposals were deemed to have been approved will be given to creditors as soon as reasonably practicable after the expiry of the period for requisitioning a decision referred to in 1.5 above.

2 STATUTORY INFORMATION

- 2.1 The Administration proceedings are under the jurisdiction of the High Court of Justice, Business and Property Courts of England and Wales under Court reference CR-2017-008769.
- 2.2 During the period in which the Administration Order is in force, any act or function required or authorised to be done by the Joint Administrators may be exercised by both or either of them.
- 2.3 The Company's registered office is Mendip Court, Bath Road, Wells, Somerset BA5 3DG. A notice changing this to 5th Floor, Grove House, 248a Marylebone Road, London NW1 6BB has been sent to Companies House but has not yet been processed. The registered number is 08050525. The Company traded as its registered name.
- 2.4 The Company operated from 10 sites, comprising its head office, five stores and three concessions.

- Wells Head Office, Mendip Court, Bath Road, Wells, Somerset BA5 3DG
- Bath Silvershoon Store, 11 Upper Borough Walls, Bath, Somerset BA1 1RG
- Salisbury Store, 29 New Canal, Salisbury, Wiltshire SP1 2AA
- Guildford Store, 5 White Lion Walk, Guildford GU1 3DN
- Leamington Spa Store, No. 20 The Parade, Leamington Spa, Warwickshire CV32 4DW
- St Albans Store, Unit 46, The Maltings Shopping Centre, St Albans, Hertfordshire AL1 3HL
- Winchester Store, 23-24 High Street, Winchester, Hampshire SO23 9JX
- Windsor Concession, Daniel Department Store, 120 – 124 Peascod Street, Windsor SL4 1DP
- Northwich Concession, Bratt & Evan, 2-6 Witton Street, Northwich CW9 5AP
- Nantwich Concession, Bratt & Evan, 2-4 Pepper Street, Nantwich CW5 5AB

- 2.5 The Company's directors and secretary are:

Name	Role	Date Appointed
Mark Pinnock	Company Secretary	17 February 2015
Mark Pinnock	Director	17 February 2015

- 2.6 The Company's authorised share capital is 40,000 £1 Ordinary A shares and 50,000 £1 Ordinary B shares, all of which has been issued. The Company's sole shareholder is PGP Holdings Limited.

- 2.7 According to the information registered at Companies House, the Company has the following registered charges:

- A debenture dated 4 May 2012 in favour of GA Europe Investments 600 Limited ("GAE") securing all liabilities due or to become due to GAE by way of fixed and floating charges over the assets of the Company. This security was assigned to Peter John Philips ("Mr Philips") by a deed of assignment dated 21 January 2014, which was subsequently assigned to Kenneth Bartle ("Mr Bartle") by a deed of assignment dated 9 February 2015 and then to TNUI Asset Finance Limited ("TNUI") under a deed of assignment dated 17 February 2017.
- A debenture dated 22 August 2013 in favour of GAE securing all liabilities due or to become due to GAE by way of fixed and floating charges over the assets of the Company. This security was assigned to Mr Philips by a deed of assignment dated 21 January 2014, which was subsequently assigned to Mr Bartle by a deed of assignment dated 9 February 2015 and then to TNUI under a deed of assignment dated 17 February 2015.
- A debenture dated 21 January 2014 in favour of Mr Philips securing all liabilities due or to become due to Mr Philips by way of fixed and floating charges over the assets of the Company. This security was assigned to Mr Bartle by a deed of assignment dated 9 February 2015 and subsequently to TNUI under a deed of assignment dated 17 February 2015.

- A debenture dated 23 March 2015 in favour of TNUI securing all liabilities due or to become due to TNUI by way of fixed and floating charges over the assets of the Company.
- A debenture dated 14 June 2016 in favour of TNUI securing all liabilities due or to become due to TNUI by way of fixed and floating charges over the assets of the Company.

2.8 The EC Regulation on Insolvency Proceedings 2015 applies to this Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

3 HISTORICAL BACKGROUND AND EVENTS LEADING UP TO ADMINISTRATION

3.1 The Company was incorporated on 30 April 2012.

3.2 The Company's principal business activity is that of footwear retailers.

3.3 The Company commenced trading following the going concern acquisition of the business and trade related assets of Shoon Limited – In Administration ("SL") on 4 May 2012. Leonard Curtis were not involved in this Administration. The Company began as a joint venture between four former directors of SL. The Company began trading from 11 sites throughout the South and West of England.

3.4 The Company's initial trading was successful and it recorded profits of £752,120 in its first nine months of trading to 26 January 2013.

3.5 The Company began experiencing financial difficulties in the year ended 1 February 2014 as a result of increasing overhead costs and falling turnover, as a consequence of the high levels of competition in the footwear sector. The Company reported a loss of £1,077,714 in this period. During this period the Company went through a change of management resulting in the appointment of Mr Pinnock as sole director.

3.6 The Company's financial performance continued to deteriorate in the financial year ended 1 February 2015, with a pre-tax loss of £1,385,760 being reported. A financial review of the Company was undertaken and it was identified that several of the stores were significantly loss making as a result of increasing levels of rent and non-domestic rates, as well as increased employee costs.

3.7 On 22 May 2015 the Company agreed a CVA with its creditors, which was successfully implemented later that year. The CVA incorporated the vacation of a number of the Company's loss making stores and staff redundancies that the Company would not otherwise have had sufficient capital reserves to fund.

3.8 Since then, the business continued to suffer from ongoing discounting on the high street in the shoe retailing sector along with, and more significantly, the dramatic fall in sales and uncertainty created following the Brexit vote. This resulted into the Company having further excessive head office and infrastructure costs and a number of additional retail units became loss making.

3.9 The Company's management attempted to deal with these stores by making closures when the terms of the lease came to an end. The cost of redundancy following these store closures put additional financial strain on the business.

3.10 The Company opened a number of stores during 2015 in areas where the Company's management felt that there was demand for a high street footwear retailer. A number of these stores incurred significant refit and initial staffing costs, and the stores ultimately did not yield the returns anticipated.

3.11 A second CVA was agreed with creditors in April 2017 in a further attempt to restructure the business and reduce overhead costs to an acceptable level. The CVA was again successfully implemented and the terms of a number of the Company's leases varied to return these units to viability.

- 3.12 The CVA in April 2017 did not have the desired effect on the Company's profitability and the business once again began to accumulate debts. The Company's secured creditor was asked to commit additional working capital funding, but confirmed that it was not in a position to do so due to ongoing concerns over the viability of the business.
- 3.13 The director was referred to Leonard Curtis by the secured creditor in October 2017 and an initial meeting was held on 2 November 2017. Following this meeting a review of the Company's financial position was undertaken and advice given confirming that the Company was insolvent within the definitions of both Section 123 (a) and 123 (b) of the Act.
- 3.14 Leonard Curtis were instructed on 6 November 2017 to assist the director with commencing Administration proceedings. Axia Valuation Services ("Axia") were subsequently instructed to carry out a valuation of the Company's assets and provide recommendations in respect of the optimum disposal strategy to maximise the value held in the Company's assets.
- 3.15 The director filed a Notice of Intention to appoint Administrators ("NIA") in respect of the Company on 7 November 2017, which expired on 14 November 2017, to ensure that the Company's assets were protected whilst its options were explored.
- 3.16 The initial advice received from Axia confirmed that a going concern sale of business was likely to offer the best outcome as it would preserve the value held in the Company's intellectual property assets and maximise the realisable value of the Company's stock. An accelerated M&A exercise was carried out by Axia to identify any third party interest in acquiring the business and assets of the Company as a going concern.
- 3.17 A further NIA was filed on 15 November 2017 whilst the Company continued to explore a prospective going concern sale of the business. A purchaser was ultimately identified and a going concern sale of the Company's business and assets, including two stores and two concessions, was concluded shortly following the Joint Administrators' appointment on 24 November 2017.
- 3.18 Further information concerning the going concern sale of the Company's business and assets can be found at Appendix J.

4 RECENT TRADING RESULTS AND CURRENT FINANCIAL POSITION

- 4.1 The Company's trading results for the insert periods available are detailed below:

	Management 30/09/17 £	Filed 31/01/16 £	Filed 31/01/15 £
Turnover	2,347,600	6,771,238	8,541,362
Costs of Sales	(1,461,800)	(3,914,549)	(5,068,718)
Gross Profit	885,800	2,856,689	3,472,644
Gross Profit %	37.7	42.2	40.7
Administrative expenses	(1,763,900)	(3,896,073)	(4,738,056)
Operating Profit/(Loss)	(878,100)	575,402	(1,265,412)
Interest and charges	(1,000)	(260,707)	(114,902)
Profit/(Loss) before tax	(878,200)	314,695	(1,380,314)
Taxation	-	(1,217)	(19,446)
Profit for the year	(878,200)	315,912	(1,399,760)
Dividends	-	-	-
Retained profit	(878,200)	315,912	(1,399,760)

4.2 The balance sheets as at insert dates available are detailed below:

	Management 30/09/17 £	Filed 31/01/16 £	Filed 31/01/15 £
Fixed Assets			
Intangible Assets	-	5,728	-
Tangible Assets	328,200	178,543	241,208
	<u>328,200</u>	<u>184,271</u>	<u>241,208</u>
Current Assets			
Stocks	464,700	964,837	978,432
Debtors	298,900	270,534	303,427
Cash	53,000	95,059	140,463
Prepayments	(36,200)	-	-
	<u>780,400</u>	<u>1,330,430</u>	<u>1,422,322</u>
Creditors: Amounts Falling due within one year	<u>(1,233,800)</u>	<u>(927,183)</u>	<u>(1,779,438)</u>
Net Current Assets/(Liabilities)	<u>(453,400)</u>	<u>403,247</u>	<u>(357,116)</u>
Total Assets less Current Liabilities	(125,200)	587,518	(115,908)
Creditors: Amounts falling due after more than year	(2,029,900)	(1,906,960)	(1,519,446)
Net Assets	<u>(2,155,100)</u>	<u>(1,319,442)</u>	<u>(1,635,354)</u>
Represented by			
Called up share capital (£100)	90,000	90,000	90,000
Profit and Loss account	(2,245,100)	(1,409,442)	(1,725,354)
Shareholders' Funds	<u>(2,155,100)</u>	<u>(1,319,442)</u>	<u>(1,635,354)</u>

4.3 Statement of Affairs

The director is required to lodge a statement of affairs as at 24 November 2017, which has to be filed with the Registrar of Companies. Although the document has not yet been received, I understand that it is in the course of preparation and will be submitted shortly. In the meantime, an estimate of the financial position as at the date of the Joint Administrators' appointment is enclosed at Appendix B, together with a list of creditors including their names, addresses and details of their debts, including any security held.

Please note that no provision has been made in the Estimated Financial Position for costs and expenses of realisation, the costs of the Administration and any corporation tax which may be payable. The following comments are considered to be relevant and should be borne in mind when reading the figures:

4.4 Secured Creditor

TNUI is the Company's sole secured creditor, having taken assignment of all securities registered against the Company at Companies House. The balance outstanding to TNUI at the date of Administration was £6.2 million. Whilst it is anticipated that there will be sufficient funds to enable a distribution to TNUI under its fixed charge, it is anticipated that there will be a significant shortfall to TNUI in the Administration.

4.5 Prescribed Part

The Act provides that, where a company has created a floating charge after 15 September 2003, the Joint Administrators must make a prescribed part of the Company's net property available to the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims.

Based upon the information currently available, it is not anticipated that the net property in this case will reach the prescribed minimum and we consider that the cost of making a distribution of the prescribed part funds in this case to be disproportionate to the benefits. Accordingly, we do not intend to set aside a prescribed part in this case, although this position may change if there are additional floating charge realisations in the Administration.

4.6 Preferential Claims

The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay. Following the Administration four of the Company's stores and one of the concessions were closed, together with its head office. The staff employed at these stores were made redundant with effect from the date of Administration. Insol, a firm of specialist ERA advisors, have been instructed to assist with employee claims and they have estimated that there will be preferential claims of £27,274, although this figure is subject to revision.

4.7 Unsecured Claims

At present, it is considered unlikely that there will be sufficient funds available to enable any form of distribution to unsecured creditors. This statement is being made in accordance with paragraph 52(1)(b) of Schedule B1 to the Act. Creditors should however continue to submit details of their claims using the proof of debt form attached at Appendix I. These claims will be collated and passed to any subsequently appointed Liquidator, should the position change.

4.8 Receipts and Payments

A receipts and payments account for the period of Administration to date is enclosed at Appendix C.

5 EVENTS FOLLOWING THE JOINT ADMINISTRATORS' APPOINTMENT

5.1 Sale of Business

Prior to the appointment, and based on professional advice received from Axia, the Joint Administrators investigated the possibility of concluding a sale of what remained of the business and assets as a going concern, as it was considered that such a sale would allow the following:

- Enhanced asset values;
- Minimisation of preferential employee claims; and
- Mitigation of employee and landlord claims.

A sale of the business and assets of the Company was completed on 24 November 2017 as part of a single transaction to The Shoot Shoe Company Ltd, Company number 11080210. The assets sold include the intellectual property, the Company's website, all stock and the fixtures and fittings at the transferring stores (details of which are provided below). The consideration received in respect of the sale was £140,000, which was payable on completion.

Following the completion of the pre-packaged sale of the Company's business and assets, the Joint Administrators sent a letter to creditors on 1 December 2017 to provide further information on the sale pursuant

to the requirements of Statement of Insolvency Practice 16. A copy of the information provided is attached at Appendix J.

5.2 Cash In Hand

The Company had cash in hand of £989 at the date of Administration. This has been recovered into the Administration estate account.

5.3 Balance at Bank

The Company had cash at bank of £4,500 at the date of Administration. The Joint Administrators have written to the Company's bankers requesting the closure of the account and remittance of the closing balance to the Administration estate account, although these funds have yet to be received.

5.4 Other Debtors

The Company's management accounts for the period ended 30 September 2017 show other debtors of £298,900. These debts primarily relate to intercompany balances due to connected parties. These debts are subject to set off against intercompany payable balances and need to be reconciled to the date of Administration. The Joint Administrators are currently collating the information required to reconcile the account and will subsequently recover any balances that remain outstanding.

5.5 Professional Advisors Used

On this assignment the Joint Administrators have used the professional advisors listed below.

Name of Professional Advisor	Service Provided	Basis of Fees
Gateley Plc	Legal advice	Time costs
Axia Valuation Services	Asset valuation advice	Time costs
Insol	Handling of employee claims	Fixed fee based on number of staff

Whilst the handling of employee claims could have been dealt with by the Joint Administrators, Insol were instructed to deal with employee claims as they have greater experience in this area and, as a result of their fee structure, can undertake this work in a more cost effective manner than the Joint Administrators.

Details of this firm's policy regarding the choice of advisors and the basis for their fees are given in Appendix H.

6 ACHIEVING THE PURPOSE OF ADMINISTRATION

6.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:

- (a) rescuing the Company as a going concern, or (if this cannot be achieved);
- (b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or (if (a) and (b) cannot be achieved); or
- (c) realising property in order to make a distribution to one or more secured or preferential creditors.

6.2 The first objective is not capable of being achieved given the extent of historic liabilities and the lack of short term working capital funding.

- 6.3 The second objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in Administration). It is considered that this objective has been achieved due to the enhancement of asset values as a result of the going concern sale of business, and mitigation of employee and landlord claims.
- 6.4 The third objective is to realise property in order to make a distribution to secured and / or preferential creditors. Whilst the Joint Administrators do not have to rely on this purpose, it is anticipated that this objective is also likely to be achieved as it is anticipated that there will be sufficient funds to enable a distribution to TNUI under its fixed charge security.

7 JOINT ADMINISTRATORS' PROPOSALS AND EXIT ROUTE

- 7.1 The Joint Administrators' Proposals for achieving the objective of Administration are attached at Appendix A.
- 7.2 Ordinarily the Joint Administrators would seek a decision from the Company's creditors as to whether they approve the Proposals. However, in this case, as there is little likelihood of a dividend being available for unsecured creditors, there is no requirement to seek such a decision from creditors.
- 7.3 Creditors whose debts amount to at least 10% of the total debts of the Company may, however, request the Joint Administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. Such a request must be delivered to the Joint Administrators within 8 business days of the date on which this report was delivered. The deemed date of delivery of this report is given on the front page of this report. Please note that security must be given for the costs of convening the requisitioned decision.
- 7.4 If such a decision is requisitioned, creditors will be invited to consider the appointment of a Creditors' Committee and to vote on the Joint Administrators' Proposals as set out at Appendix A.
- 7.5 In the event that no such request is received, the Proposals will be deemed to have been approved in accordance with Rule 3.38(4) of the Rules. Where this is the case, notification of the date on which the Proposals were deemed to have been approved will be given to creditors as soon as reasonably practicable after the expiry of the period for requisitioning a decision referred to in 1.5 above.
- 7.6 Once approved, the affairs of the Company will be managed in accordance with the Proposals and financed out of asset realisations.
- 7.7 Once the Administration has been finalised, and if there are insufficient funds available to allow a distribution to unsecured creditors, the Joint Administrators will file a Notice with the Registrar of Companies that the Company be dissolved. Alternatively, if there are assets still to be realised or investigations concluded but there will be no return to unsecured creditors, the Company may be placed into Compulsory Liquidation.

8 EXTENSION OF ADMINISTRATION

- 8.1 The appointment of Administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.
- 8.2 In certain circumstances it may be necessary to extend the Administrators' term of office. In the circumstances of this case, this may be done for a specified period not exceeding twelve months with the consent of each secured creditor of the Company.
- 8.3 We do not believe that an extension to the Administration will be necessary in this case.

9 PRE-ADMINISTRATION COSTS

9.1 Pre-administration costs are defined as:

- Fees charged; and
- Expenses incurred;

by the Joint Administrators, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so). "Unpaid pre-Administration costs" are pre-Administration costs which had not been paid when the company entered Administration.

9.2 Time charged and expenses incurred by the Joint Administrators and their agents and solicitors in the period prior to their appointment are summarised below:

Charged by	Services provided	Total amount charged £	Amount paid £	Amount unpaid £
Leonard Curtis	Meeting with the director, assessing that Administration was the appropriate route, assisting with marketing of the company and negotiation of the sale to the Purchaser	16,085	Nil	16,085
Axia Valuation Services	Valuation of plant & machinery, assistance with Marketing of the Company, assistance with negotiation of the terms of the sale and providing a recommendation in respect of the offers received	10,000	Nil	10,000
Gateley Plc	Dealing with sale contract and appointment documentation, providing general legal advice	10,000	Nil	10,000
	Total	36,085	Nil	36,085

9.3 Enclosed at Appendix D is an analysis of the Joint Administrators' pre-administration costs. The analysis shows that total pre-administration time costs of £16,085 have been incurred which represents 50.2 hours at a rate of £320.42 per hour.

9.4 The above fees and charges were incurred in accordance with the terms of Leonard Curtis' letter of engagement, which was signed by the Company's director on 6 November 2017. The instruction of Axia and Gateley was also carried out in accordance with terms agreed by the director under the terms of our engagement.

9.5 A detailed summary of the work undertaken by Leonard Curtis prior to the Administration is also provided at Appendix B.

9.6 It was necessary to incur the above costs prior to the Administration to facilitate the going concern sale of the Company's business and assets immediately following the Administration, which has ultimately resulted in enhanced asset realisations in the Administration and mitigation of employee and landlord claims.

9.7 The payment of unpaid pre-administration costs (set out above) as an expense of the Administration is subject to the approval of the appropriate class of creditors, separately to the approval of the Joint Administrators' Proposals. In this case, the Joint Administrators are required to seek the approval of the secured creditor to this resolution.

10 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

10.1 General

The basis of the Joint Administrators' remuneration may be fixed either as a percentage of the value with which they have to deal ('a percentage basis'), as a set amount, or by reference to the time properly given by the Joint Administrators and their staff in attending to matters as set out in a Fees Estimate. A combination of these bases may be fixed, with different bases being fixed in respect of different things done by the Joint Administrators. Additionally, where a percentage basis is fixed, different percentages may be fixed in respect of different things done by the Joint Administrators.

10.2 Approval by appropriate body

The Joint Administrators think that the Company has insufficient property to enable a distribution to be made to unsecured creditors. In such circumstances, responsibility for approving the basis of the Joint Administrators' remuneration lies with the Creditors' Committee (if there is one); or if none (or the Committee does not make the requisite determination): each secured creditor of the Company; or where the Joint Administrators intend to make a distribution to preferential creditors: each secured creditor of the Company and a decision of the preferential creditors.

10.3 In the absence of a Creditors' Committee being established in this case, approval will be sought from the secured creditor and the outcome will be reported to all creditors in due course.

10.4 Information to be given to creditors

The Joint Administrators wish, in this case, to seek the secured creditor's agreement to their remuneration being fixed by reference to the time properly given by them and their staff in attending to matters as set out in a Fees Estimate. Prior to seeking approval of this basis, the Joint Administrators are required to provide all known creditors with their Fees Estimate and details of the expenses that they consider will be, or are likely to be, incurred during the Administration ("Statement of Likely Expenses").

10.5 The Fees Estimate

The Joint Administrators' Fees Estimate for the whole of the Administration is set out at Appendix E. It includes the following:

- Details of the work that the Joint Administrators and their staff propose to undertake;
- The hourly rate or rates that the Joint Administrators and their staff propose to use; and
- The time that the Joint Administrators anticipate that each part of the work will take.

Details of the Joint Administrators' time costs to date have also been included for comparison purposes. In summary, time costs of £4,801 have been incurred to date which represents 19.4 hours at an average rate of £247.47 per hour.

10.6 The total amount of time costs as set out in the Fees Estimate is £53,746. Once approved by the appropriate body of creditors, the remuneration drawn by the Joint Administrators must not exceed this total amount without prior approval. It should be noted that in some instances payment of these costs will be limited to the amount of realisations available in the Administration.

10.7 The Fees Estimate is based upon information currently available to the Joint Administrators. Based upon this information, the Joint Administrators do not anticipate that the Fees Estimate will be exceeded. However should information come to light during the course of the Administration which means that the Joint Administrators will be required to undertake work not envisaged at the time that the Fees Estimate was provided, it may be necessary for the Joint Administrators to revert to the secured creditor for further approval.

10.8 Details of the firm's charge-out rates and policy regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix H.

10.9 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded using the following link:

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

If you would prefer this to be sent to you in hard copy please email recovery@leonardcurtis.co.uk or contact Dane O'Hara of this office on 020 7535 7000.

10.10 Statement of Likely Expenses

The Joint Administrators' Statement of Likely Expenses is set out for creditor information at Appendix F. To assist creditors' understanding of this information, it has been separated into the following categories:

- (i) Standard Expenses: this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.
- (ii) Case Specific Expenses: this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in this particular case. Also included within this category are costs that are directly referable to the administration but are not paid to an independent third party (and which may include an element of allocated costs). These are known as "Category 2 disbursements" and they may not be drawn without the approval of the secured creditor in the same way as fees and the secured creditor will be contacted directly in this respect. The basis of the calculation of their recharge is detailed in Appendix H.

10.11 Further Updates

The Joint Administrators will provide creditors with an indication of whether the remuneration anticipated to be charged by them is likely to exceed the Fees Estimate, and if so the reasons for this, in their subsequent reports. Information will also be provided in subsequent reports on whether the expenditure detailed in the Statement of Likely Expenses has been or is likely to be exceeded and the reasons why.

11 ESTIMATED OUTCOME FOR CREDITORS

11.1 In order to assist the various classes of creditors in assessing the quantum of any dividend which may or may not be payable to them, we have produced an Estimated Outcome Statement. This is attached at Appendix G.

11.2 The Estimated Outcome Statement assumes the following:

- a) That asset realisations are in line with those estimated at Appendix B;
- b) That the Joint Administrators' Fees Estimate (as detailed at Appendix E) is approved and is not exceeded; and
- c) That the expenses of the Administration are as set out in the Statement of Likely Expenses at Appendix F and are not exceeded.

11.3 In summary:

- Secured creditor – will receive a fixed charge distribution from the Administration but will ultimately suffer a significant shortfall.
- Preferential creditors – may receive a distribution from floating charge asset realisations, however, the specific quantum of any such distribution currently remains uncertain.
- Unsecured creditors – are not anticipated to receive a return from the Administration.

12 RELEASE OF ADMINISTRATORS FROM LIABILITY

- 12.1 As soon as all outstanding matters in the Administration have been attended to it is anticipated that we will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically to dissolution.
- 12.2 The appointment of the Joint Administrators will cease as soon as this notice is issued.
- 12.3 It is ordinarily for the creditors to fix the date upon which the Joint Administrators are discharged from liability in respect of any action of theirs during the Administration. However, as it is considered that there is little prospect of a dividend to unsecured creditors in this case, we are required to obtain approval to this resolution from the secured creditor. The appropriate class of creditor will be contacted directly in this respect.

13 CONCLUSION

- 13.1 It is important that you give careful attention to this report and its Appendices.
- 13.2 Creditors will be notified of the outcome of voting in due course.

Should you have any queries or require any further clarification please contact Dane O'Hara at my office, in writing. Electronic communications should also include a full postal address.

for and on behalf of
SHOON (TRADING) LIMITED



N A BENNETT
JOINT ADMINISTRATOR

N A Bennett is authorised to act as an insolvency practitioner in the UK by the Insolvency Practitioners Association under office holder number 9083 and A D Cadwallader is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 9501

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS

It is proposed that:

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration.
2. If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company.
3. If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation. It is further proposed that N A Bennett and/or A D Cadwallader be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
4. Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65 (3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration.
5. In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
6. The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
7. The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that N A Bennett and/or A D Cadwallader be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
8. The Joint Administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they consider desirable or expedient to achieve the statutory purpose of the Administration.

APPENDIX B

ESTIMATED FINANCIAL POSITION AS AT 24 NOVEMBER 2017

	Notes	Book value £	In Administration £
Assets specifically pledged			
Intellectual Property and Goodwill	1	Nil	110,000
Leasehold Improvements	2	305,300	Nil
less: TNUI Asset Finance Limited	3	(6,229,683)	(6,229,683)
Shortfall to TNUI Asset Finance Limited c/d		(5,924,383)	(6,119,683)
Assets not specifically pledged			
Cash in Hand	3	989	989
Balance at Bank	4	4,500	4,500
Office Furniture & Equipment	5	24,400	5,000
Stock	6	464,700	25,000
Other Debtors	7	298,900	Uncertain
		812,789	35,489
Preferential creditors	8	N/a	(29,274)
Net property available for prescribed part		812,789	6,215
Prescribed part calculation			
50% of first £10,000	9	N/a	Nil
20% of balance		N/a	Nil
Total prescribed part fund available		N/a	Nil
Available for floating charge creditor		812,789	6,215
Shortfall to TNUI Asset Finance Limited b/d	10	(5,924,383)	(6,119,683)
Shortfall as regards floating charge holder		5,111,594	6,113,468
Add back prescribed part	9	Nil	Nil
Available for unsecured creditors		Nil	Nil
Unsecured creditors			
H M Revenue & Customs – PAYE / NI	11	(46,664)	(46,664)
H M Revenue & Customs - VAT	12	(209,012)	(209,012)
Trade and expense creditors	13	(1,106,753)	(1,106,753)
Employee Claims	14	(56,362)	(56,362)
Connected Party Loans	15	(197,887)	(197,887)
Total value of unsecured creditors		(1,616,678)	(1,616,678)
Estimated deficiency as regards unsecured creditors		(1,616,678)	(1,616,678)

NOTES TO THE ESTIMATED STATEMENT OF AFFAIRS / ESTIMATED FINANCIAL POSITION

1. Intellectual Property and Goodwill

The Company held intellectual property in the form of its trading name, website domain name and content, customer and supplier lists and goodwill. The Company's intellectual property was not capitalised on its balance sheet and consequently has no book value.

The Company's intellectual property and goodwill were sold as part of the going concern sale of the Company's business and assets to The Shoot Shoe Trading Company ("the Purchaser") on 24 November 2017 for consideration of £110,000.

2. Leasehold Improvements

The Company's management accounts for the period ended 30 September 2017 show leasehold improvements with an amortised book value of £305,300. Valuation advice received from Axia Valuation Services ("Axia") has confirmed that there is no value held in the Company's leasehold improvements.

3. TNUI Asset Finance Limited ("TNUI")

The Company has one secured creditor, TNUI, with an outstanding balance of £6,229,683. The liability due to TNUI is secured by way of a fixed charge over the Company's intellectual property, goodwill, leasehold premises and improvements and a floating charge over all other assets of the Company.

4. Cash In Hand

The Company had cash in hand of £989 at the date of Administration. This balance has been recovered in full.

5. Balance at Bank

The Company had cash at bank of £4,500 at the date of Administration. It is anticipated that this balance will be recovered in full.

6. Office Furniture & Equipment

The Company's management accounts for the period ended 30 September 2017 showed office furniture and equipment with a depreciated book value of £24,500. The office furniture and equipment comprised a limited number of desktop computers, desks, chairs and presentation stands from the Company's numerous stores. A valuation provided by Axia confirmed that the office furniture and equipment would be of negligible value if sold on a forced sale basis due to their age and condition.

The Company's office furniture and equipment was sold as part of the going concern sale of the Company's business and assets to the Purchaser on 24 November 2017 for a consideration of £5,000.

7. Stock

The Company's management accounts for the period ended 30 September 2017 showed stock with a book value of £464,700. The majority of the Company's stock is subject to reservation of title claims and there were significant liabilities due to all of the Company's suppliers. Consequently, the value held in the stock was subject to significant erosion.

The Company's stock was sold as part of the going concern sale of the Company's business and assets to the Purchaser on 24 November 2017 for a consideration of £25,000.

8. Other Debtors

The Company's management accounts for the period ended 30 September 2017 show other debtors of £298,900. These debts primarily relate to intercompany balances due to connected parties. These debts are subject to set off against intercompany payable balances and need to be reconciled to the date of Administration. Realisations in respect of the other debtors therefore remain uncertain.

9. Preferential Creditors

Preferential claims comprise unpaid salary and accrued holiday pay due to employees, subject to statutory limits. The preferential claims in the Administration are estimated at £29,274.

10. Prescribed Part

The Provisions of 176A of the Insolvency Act 1986, concerning the setting aside of a prescribed part of floating charge realisations for the benefit of unsecured creditors, apply in respect of the Company. However, it is not anticipated that there will be sufficient funds available in the prescribed part to reach the prescribed minimum of £10,000.

11. H M Revenue & Customs – PAYE / NI

The Company had outstanding PAYE/NI of £46,664 at the date of Administration.

12. H M Revenue & Customs – VAT

The Company had outstanding VAT of £209,012 at the date of Administration.

13. Trade and expense creditors

The Company's aged creditor analysis shows outstanding trade and expense creditors equating to £1,106,753.

14. Unsecured Employee Claims

The Company has outstanding unsecured liabilities due to employees in respect of unpaid statutory notice pay, redundancy and salary arrears in addition to the statutory limit on preferential claims. The unsecured employee liabilities have been estimated at £56,362.

15. Connected Party Loans

The Company's management accounts as at 30 September 2017 show connected party liabilities of £197,887. These are subject to set off against intercompany balances due to these parties and will need to be reconciled up until the date of Administration.

APPENDIX B (CONTINUED)

CREDITORS LIST FOR THE ESTIMATED FINANCIAL POSITION

APPENDIX B (continued)

CREDITORS LIST FOR ESTIMATED FINANCIAL POSITION			£
Trade and Expense Creditors	Address-		
4 Office Ltd	Birmingham		
Alexander Daniels Limited	11 St. Paul's Square	Birmingham	BS23 3HF
Alma S.p.a	Via Tangenziale	14/16	B3 1RB
Amazon Services Europe S.a.r.l	Luxembourg	L-2338	Italy
AmeriBag UK Ltd	90 De Beauvoir Road	London	N1 4EN
Antoni Pons, S.A	Can Brol 32	Pi Mas Xirgu	17005
Apex Ecommerce	Monmouth Drive	Sutton Coldfield	B1 3HS
Ara Shoes AG	19 Burrough Court	Mellon Mowbray	LE14 2QS
Arthur J Gallagher	Magdon Park	Green Meadow	CF72 8XT
Azor La Mode	Resimor Way	Hackbridge Road	SN6 7AH
B3983 - Gardiner Bros & Co Ltd	Units F & G	Quedgley West Business Park	GL2 4PH
B4003 Gardiner Bros & Co Ltd	Unit F&G	Quedgley West Business Park	GL2 4PH
Bath & N.E. Somerset D.C	Guildhall	High Street	BA1 5AW
Bath Tourism Plus Limited	Abbey Church Yard	Bath	BA1 1LY
Boulbee LDN	117 George St	Marylebone	W1H 7HF
Bristol Wessex Billing Services	1 Clevedon Walk	Nailsea	BS48 1WA
British Gas Business	PO BOX 254	Camberley	GU15 3WA
British Telecommunications PLC	BT Correspondence Centre	Providence Row	DH98 1BT
BT Finance	Aztec West	Almondsbury	BS32 4TE
BUPA Insurance Ltd	Salford Quays	Manchester	M50 3KL
Caltzature LAMICA di M.Lami & C	Via Tabellata 68	56022 Castelfranco Di Sotto	Italy
Caltzaturificio Effetre Srl	Via Piave	N.C. 6 Volpaga Del Montello	Treviso 31040
Caltzaturificio Marian S.P.A	Via Staffali 14	37062 Dossobuana Di Villafraanca	Verona
Caprice GmbH & Co KG	Detmold	NRW	Germany
Caput Magnum Designs Halfinger	66 Church End	Cambridge	
Casthand Ltd	55 Calverley Road	Turbridge Wells	CB1 3LB
Change Recruitment	Pastures Avenue, ST Georges	Weston-Super-Mare	TN1 2TU
Chartwell Press Ltd	Hamilton Business Park	Leicester	BS22 7SA
Christie Infruder Alarms Ltd	212/218 London Road	Waterlooville	LE5 1TL
Chubb Fire & Security Limited	400 Dallow Rd	Luton	PO7 7AJ
Churches Fire Security Ltd	Mayflower Close	Chandlers Ford	LUI 1UR
CIA Fire & Security Ltd	82C Chesterton Lane	Cirencester	SO63 4AR
Cinch Technologies	22 Park Street	Croydon	GL7 1YD
Ciuttons LLP	Meridian House	42 Upper Berkeley Street	CR0 1YE
Companies House	Companies House	Crown Way	W1H 5QJ
		Cardiff	CF14 3UZ
			750 00

Shoon (Trading) Limited - In Administration

Corpus - E	Senfelderstrasse 8	70178 Stuttgart	Germany	235.27
Cnleo Ltd	London			6,327.36
Crocs Europe B V	2583 CM	Den Haag	Netherlands	8,810.72
Cushman & Wakefield	43/45 Portman Square	London		4,500.00
CV Wow Ltd	Cumberland Business Centre	Northumberland Road	Portsmouth	478.80
Debury Investment & Management	London			146.12
Drop and Collect Ltd	49 Clarendon Road	Watford	Hertfordshire	13.18
DTZ	1 Colmore Square	Birmingham		4,313.69
E J Nest	Easton Hill	Easton Somerset	Wells	52.50
E & S Cleave	Anderton	Norwich		66.00
Ecco	Hurricane Court	Hurricane Close	Stafford	29,990.04
Emu Australia Europe Ltd	The Copperworks	London		0.21
E-ON	Phoenix Centre	Colliers Way	Nottingham	324.85
Euroleathers Shoe Care Ltd	Ferrolfields, Scaldwell Road	Brixworth		9,174.18
Fifllop Ltd	210 New Kings Road	London		10,541.80
Fortunato O. Frederico Cia Lda	Rua 24 De Junho	453 Penselo	Portugal	590.26
Front Co	Restmor Way	Hackbridge	Surrey	756.16
Gardiner Bros & Co Ltd	Units F&G, Queedgley West Bus	Gloucester		17,566.08
Google Ireland Limited	Barrow Street	Dublin	Ireland	825.17
Green Acre Recycling	Fishponds	Bristol		39.00
Hartnell Taylor Cook LLP	18 Canynge Road	Clifton	Bristol	27,978.04
HB Shoes Ltd	19 Burrough Court	Burrough on the Hill	Merion Mowbray	22,069.92
HOGSL shoe fashion GmbH	Bahnhofstr 20	Taufkirchen/Pram	Austria	23,277.69
Interlink Express Parcels Ltd	Castlemead	Lower Castle Street	Bristol	484.23
International Footcare Ltd	Emerald Way	Stone Business Park	Stone	10,704.33
J Barbour & Sons Ltd	Simonside	South Shields	Tyne and Wear	20,496.40
J Moreira sa	Felgueiras	Portugal		8,911.55
Jon Newton	Maldenbrook Farm	Taunton	Somerset	600.00
Josef Seibel Schuhfabrik GmbH	Seibel House	7 Meridian Way	Norwich	89,558.76
Keenpac UK Ltd	Meridian Business Park	Leicester		0.41
Lazy Dogz	Regency House	45-51 Chorley New Road	Bolton	826.69
Legero Schuhfabrik GmbH	Graz	Siermark	Austria	14,885.84
Madasco Ltd	2 A C Court	High Street	Thames Ditton	53,354.40
Marrum Distribution	Scaldwell Road	Brixworth, Northants		8,078.60
Maria Jonsson	42 Gorst Road	London		210.82
Maybury Manufacturing Ltd	Woodgate	Swanton Morley	Norfolk	14,608.44
Mendip Court	South Horrington	Wells		2,472.74
Morplan	Temple Bank	Harrow		7,338.15
Norberto Costa LDA	Bloco A ZDT	Felgueiras	Portugal	243.34

Shoon (Trading) Limited - In Administration

Nordika S.L.	C/. Severo Ochoa	12-14 Apdo. Correos	Spain	SN15 5LH	30,044.74
Orca Bay Ltd	Westbrook Farm	Draycot Ceme	Chippingham	BA22 8DL	9,313.30
Perlys Recycling	Rimpton Rd	Marston Magna	Yeovil	Spain	1,115.28
Pikolinos Intercontinental s a	2 *Elche Parque in	03320 Elche	Alicante	TW9 1SE	31,159.53
Powwownow	36 Paradise Road	Richmond	Surrey	RG26 7PF	294.79
Premier Business Audio Ltd	Whitchurch	Hampshire		RH1 1DL	369.60
Punter Southall	St Matthews Road	Redhill, London		BA6 8DB	1,538.96
R. J. Draper & Co Ltd	Chilwell St	Somerset	Glastonbury	NR18 9AX	1,436.20
Rapid Secure Ltd	Silfield Road	Wymondham	Norfolk		234.00
Relaxshoe	37035 San Giovanni	Illarione	Italy	WTW 8LF	10,499.00
Robert Irving Burns	23-24 Margaret Street	London		S49 1HQ	1,354.17
Royal Mail Group Ltd	Rowland Hill House	Boythorpe Road	Chesterfield	BA16 9RW	2,905.30
Satchel Design Co. Ltd	Whitley Lane	Walton		KY11 8GG	10,644.06
Scottish Water Business Stream	6 Castle Drive	Dunfermline		AL1 2RD	218.77
Skechers USA Ltd	C13 Centrum Business Park	Griffiths Way	St Albans	RG2 0TF	18,453.92
Sorel / Columbia Sportswear	Imperial Way	Reading		BN13 3NX	10,077.06
Southern Water	Worthing			WS12 2HA	80.18
SR Print Management	Keys Park Road	Hednesford		EH2 2LL	93.00
Standard Life Investment	1 George Street	Edinburgh	London	M22 5RQ	51,012.39
Storecheckers UK Limited	Downward House	Wythenshawe	Manchester	SN2 BEN	626.40
Thames Water Utilities Ltd	P.O. Box 234	Swindon		NR3 4RR	82.66
The Florida Group Ltd	Diiden Road	Norwich		RG20 9JZ	48,428.48
The Nav People	Beacon House, Winchester Rd	Burgiclere		GU9 8HT	1,668.02
The Network Support Company	Monk's Walk Farnham	Surrey		ST14 8HU	8,100.00
The West Midland Shoe Co. Ltd	Ultrexter	Staffordshire			2,846.45
Think Schuhwerk GmbH	HauptstraÙe 35	35 Kopting 4794	Austria		860.39
TNSC Ltd	Abbey Business Park	Guildford		GU9 8HT	5,287.44
Tom White Waste Ltd	Stonebrook Way	Longford	Coventry	CV6 6LN	655.20
Toshiba TEC Europe retail syst	Abbey Cloisters	Abbey Green		KT16 8RB	497.00
Total Gas & Power	55-57 High Street	Redhill Surrey		RH1 1RX	2,702.13
Vahalla Limited	The Administrative Office	Honiley Hall	Kenilworth	CV8 1TJ	7,194.32
Vidorreta S.L.	Cervera Del Rio Alhama (La Rio	La Rioja (Espana)	Espana	TS17 6QY	1,108.66
Visualsoft Limited	Prince's Wharf	Stockton-on-Tees		MK15 8HG	403.90
Volkswagen Financial Services	Blakekards	Milton Keynes	Milton Keynes	BS48 1RQ	1,471.65
Water2Business	21e Somerset Square	Nailsea	Bristol	BA5 2LA	195.34
Webb & Company	Wells	Somerset		BA14 4DS	6,000.00
Wiltshire Council	PO Box 4385	Trowbridge		N1 9AG	567.02
Wolverine Europe Ltd	Kings Place	90 York Way	London		42,198.14
Woodland Global Limited	Woodland House	3B Montrose Road	Chelmsford	CM2 6TE	28,454.57

Shoon (Trading) Limited - In Administration

Workman LLP	Minton Place	Station Road	Swindon	SN1 1DA	67,908.68 1,106,752.78
Crown Creditors Claims					
HM Revenue & Customs - PAYE/NI	Debt Management Enforcement & Insolvency	Durrington Bridge House	Barrington Road	BN12 4SE	46,664.00
HM Revenue & Customs - VAT	Insolvency Claims Handling Unit	Benton Park View	Newcastle	NE98 1ZZ	209,012.00 255,676.00
Connected Creditor Claims					
Shropody Limited	Priory Gates	Priory Road	Wolston	CV8 3FX	197,887.07 197,887.07
Employee Claims - Redundancy & Pay in Lieu					
Employee Claims (estimated)	Various				56,326.09 56,326.09
Total Unsecured Creditor Claims					1,616,641.94
Preferential Creditors - Arrear of Wages & Holiday Pay					
Employees (estimated)					29,274.00 29,274.00
Secured Creditor					
TNUJ Asset Finance Limited	The White House	School Road	Chislehurst	BR7 5PQ	6,229,683.00 6,229,683.00

APPENDIX C

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS FROM
24 NOVEMBER 2017 TO 8 DECEMBER 2017

	Estimated Financial Position £	Received to Date £
RECEIPTS		
Intellectual Property and Goodwill	110,000	Nil
Cash in Hand	989	988.80
Balance at Bank	4,500	Nil
Office Furniture and Equipment	5,000	Nil
Stock	25,000	Nil
	<hr/> 989	<hr/> 988.80
PAYMENTS		
		<hr/> Nil
BALANCE IN HAND		<hr/> 988.80

SUMMARY OF JOINT ADMINISTRATORS PRE-ADMINISTRATION COSTS

	Total	Average hourly
Units	Cost	rate
No	£	£
Financial Assessment	2,293	409.46
Strategy and Purpose Evaluation	8,741	337.49
Preparation of Documents	4,565	276.67
Chargeholder	306	306.00
Court Related Issues	180	150.00
	16,085	320.42

DETAILED ANALYSIS OF PRE-ADMINISTRATION COSTS

Financial Assessment

- Review of the Company's latest management accounts to confirm recent trading and that the Company was insolvent within the definition of S123 of the Insolvency Act 1986 ("the Act").
- Review of trading forecasts to establish likely impact of ongoing trading on the Company and advice to the director concerning ongoing trading and expenditure.
- Review of the Company's most recent balance sheet to confirm last reported asset and liability positions.

Strategy & Purpose Evaluation

- Setting case strategy and preparation of strategy note.
- Meetings with the director regarding proposed case strategy and recommendations regarding Administration process.
- Instruction of agents to carry out a valuation of the business and advice on optimum asset disposal strategy.
- Dealing with accelerated M&A process in conjunction with the instructed agents, including assessment of interest and offers received.
- Negotiation of offers received and acceptance of an offer following agent's recommendations.
- Instructing solicitors to assist with the negotiation of the sale and agree final terms with the purchaser.
- Setting strategy to close down of stores excluded from sale of business.
- Instruction of Insol to assist with employee redundancy and preparation of information packs and redundancy letters.
- Attendance of closing stores in anticipation of sale.

Preparation of Documents

- Preparation of documents for the proposed going concern sale of the Company's business and assets.
- Preparation of documents for the proposed appointment of Joint Administrators.

Chargeholder

- Liaising with secured creditor regarding proposed going concern sale of business and assets.
- Liaising with secured creditor regarding proposed appointment of Joint Administrators.

Court related issues

- Dealing with the filing of the notices of intention to appoint Joint Administrators in Court.
- Dealing with the filing of the notice of appointment of Joint Administrators in Court.

JOINT ADMINISTRATORS' FEES ESTIMATE INCORPORATING TIME INCURRED TO DATE

	FEES ESTIMATE			INCURRED TO DATE		
	Units	Total	Average hourly rate £	Units	Total	Average hourly rate £
A01: Statutory & Review	66	1,821.00	275.91	-	-	-
A02: Receipts & Payments	63	1,674.00	265.71	-	-	-
A03: Insurance	25	572.00	228.80	-	-	-
A04: Assets	308	8,881.00	288.34	77	2,101.00	272.86
A05: Liabilities	502	12,424.50	247.50	5	205.00	410.00
A06: Landlords	140	4,375.00	312.50	-	-	-
A08: Debenture Holders	146	4,372.00	299.45	-	-	-
A09: General Administration	211	5,306.00	251.47	14	210.00	150.00
A11: Appointment	63	1,842.50	292.46	98	2,285.00	233.16
A13: Post Appointment Creditor Reporting	329	10,661.00	324.04	-	-	-
A15: Investigations	79	1,817.00	230.00	-	-	-
	1,932	53,746.00	278.31	194	4,801.00	247.47

APPENDIX E (CONTINUED)

JOINT ADMINISTRATORS' FEES ESTIMATE

DETAILS OF WORK PROPOSED TO BE UNDERTAKEN

Statutory and Review

This category of activity encompasses work undertaken for both statutory and case management purposes. Whilst this work will not directly result in any monetary value for creditors, it will ensure that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work to be carried out under this category will comprise the following:

- Case management reviews. These will be carried out periodically throughout the life of the case. In the early stages of the case this will involve weekly team meetings to discuss and agree case strategy and a month 1 review by the firm's Compliance team to ensure that all statutory and best practice matters have been dealt with appropriately. As the case progresses we will as a minimum carry out three monthly and six monthly reviews to ensure that the case is progressing as planned.
- Allocation of staff, management of staff, case resourcing and budgeting – considering the complexities of the case, an assistant manager will be responsible for the day to day administration, assisted by an administrator. Senior management and the office holders will oversee case progression.
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9.
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice.
- The team is required under the Company Directors Disqualification Act 1986 ("CDDA") to review the Company's records and consider information provided by creditors on the conduct of the all directors involved in the Company during the three years leading up to the insolvency. This will result in the preparation and submission of statutory returns or reports on the director to the Insolvency Service. Evidence of unfit conduct can result in directors being disqualified for periods of up to 15 years.
- Review of the director's sworn statement of affairs and filing of document at Companies House in accordance with statutory requirements.
- Completion of case closing procedures at the end of the case.

Receipts and Payments

This category of work will not result in a direct financial benefit for creditors. However, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

- Opening of case bank accounts – both fixed and floating accounts will be required in respect of this assignment.
- Management of case bank accounts to ensure compliance with relevant risk management procedures;
- Regular review of case bank accounts by senior member of staff to ensure that fixed and floating charge assets have been properly identified and prescribed part funds have been set aside where appropriate.
- Preparation of periodic receipts and payments accounts for inclusion in statutory reports. It is anticipated that there will be two progress reports in the Administration, together with the Joint Administrators' Proposals.
- Timely completion of all post appointment tax and VAT returns.
- Managing estate expenses.

Insurance, Bonding and Pensions

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect company assets (see insurance and bonding matters below), whilst requirements in respect of company pension schemes are there to protect the pension funds of Company employees.

Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

- Reviewing and progressing any pre-appointment insurance claims – we are not currently aware of any such issues but will undertake a review of the Company's pre-Administration insurance policies and confirm if any such claims are in progress.
- Notification and progression of post-appointment insurance claims, if received.
- Calculation and request of Joint Administrators' bond in accordance with the Insolvency Practitioners' Regulations 2005. A Bond is a legal requirement on all Administrations and is essentially an insurance policy to protect creditors against the fraud or dishonesty of the Insolvency Practitioner. The bond is calculated by reference to the value of assets which are estimated before costs to be available to unsecured creditors.
- Periodic review of bonding requirements to ensure that creditors are appropriately protected. The bond is reviewed upon each large receipt of monies into the case and also at three month intervals in accordance with best practice.
- Instruction of professional advisors for completion and submission of statutory notifications under the Pensions Act 2004. This includes liaising with the Company's director to establish the existence of Company pension schemes, making the statutory notifications under s22 and s120 of the pensions legislation; liaising with pensions providers to understand the nature of the scheme, and submitting claims to the Redundancy Payments Service for reimbursement of unpaid contributions to the scheme.
- Liaising with pension companies to arrange for prompt wind up of schemes, assignment or other activity required to conclude the Company's interest in the scheme.

Assets

- Completion of the going concern sale of the Company's business and assets shortly following the Administration.
- Attending Company premises' closing as part of the Administration, securing the Company's assets at these sites and securing the sites in preparation for return to the landlords.
- Agreeing strategy for realisation of Company's residual assets following the going concern sale of the Company's business and assets shortly following the Administration.
- Dealing with post sale conditions, recovery of sale consideration and perfecting assignment of certain of the Company's intellectual property rights.
- Dealing with ongoing instruction of agents to assist with the disposal of residual assets following completion of the sale of the Company's business and assets on appointment.
- Liaising with Company's bankers re pre-appointment bank accounts, including closure of the Company's accounts and recovery of any cash at bank balances held.
- Identification and return of third party assets.
- Identification and dealing with any assets subject to retention of title and dealing with such claims, in conjunction with the Purchaser of the Company's business and assets.
- Dealing with the recovery of the Company's cash in hand balances.
- Review of the Company's intercompany receivable balances and recovery of any residual balances owing at the date of Administration.

Liabilities

This category of time includes both statutory and non-statutory matters.

Statutory

- Processing of claims from the Company's creditors – The Company has a significant creditor base, although it is not anticipated that there will be a distribution to unsecured creditors and, consequently, it is unlikely that the Joint Administrators will be required to agree unsecured creditor claims.
- Processing of claims from the Company's employees – 54 employees were made redundant immediately following the Administration and will have claims for unpaid salary, pay in lieu of notice, redundancy and accrued

holiday. The processing of these claims will be dealt with by Insol, however the Joint Administrators will oversee this process.

- Preparation, review and submission of pre-appointment tax and VAT returns.

Non-statutory

- Dealing with enquiries from the Company's creditors – The Company has a significant number of creditors and, consequently, it is anticipated that substantial time costs will be incurred in dealing with creditor queries in the Administration.
- Dealing with enquiries from the Company's employees.

Landlords

- Review of current leases in respect of the Company's premises'. The Company operated from a total of 10 sites, of which six remained in the Company's care following the going concern sale of the Company's business and assets to the Purchaser.
- Liaising with landlords in respect of premises', including the return of the premises' to the landlords and agreeing surrenders in respect of these premises.
- Retaining the Company's head office premises for a short time to enable certain assets and Company records to be recovered from this site.

General Administration

- General planning matters.
- Setting up and maintaining the Joint Administrators' records.
- Arranging collection and storage of Company records. Dealing with general correspondence and communicating with directors and shareholders.

Appointment

- Statutory notifications to creditors and other interested parties following the Joint Administrators' appointment.
- Preparation of case plan.
- Formulation of case strategy, including recording of any strategic decisions.

Post Appointment Creditor Reporting

- Preparation of Joint Administrators' Proposals for achieving a statutory purpose of the Administration.
- Preparation of Fees Estimate and Statement of Expenses in accordance with Insolvency (Amendment) Rules 2015:
- Convening a decision of the Company's secured creditor to agree Fees Estimate and other resolutions in connection with the Joint Administrators' Proposals and remuneration.
- Reporting on outcome of voting.
- Preparation and submission of periodic progress reports to creditors – as previously stated it is anticipated that there will be two progress reports in the Administration, together with the Joint Administrators statement of Proposals.

Investigations

- Collecting and reviewing the Company's records.
- Review of the Company's financial account and bank statements to identify any antecedent transactions that can be recovered for the benefit of creditors, if appropriate.
- Conducting initial investigations into the Company's affairs/records to identify the possibility of further realisations and enable the submission of returns due under the CDDA.

JOINT ADMINISTRATORS' STATEMENT OF LIKELY EXPENSES

Standard Expenses

Type	Description	Amount £
AML Checks	Electronic client verification	5
Bond Fee	Insurance bond	180
Company Searches	Extraction of company information from Companies House	5
Document Hosting	Hosting of documents for creditors	21
Software Licence Fee	Case management system licence fee	87
Statutory Advertising	Advertising	166
Storage Costs	Storage of books and records	400
Post redirection	Redirection of post	185
	Total standard expenses	1,049

Case Specific Expenses

Type	Description	Amount £
Legal Fees	Costs of appointed solicitors	2,000
Agent's Fees	Costs of appointed agent	5,000
ERA Advisors Costs	Costs of appointed ERA advisor	500
Pension Advisors Fees	Costs of appointment Pension Advisor	400
Postage	Category 2 disbursement requiring specific creditor / committee approval	100
Copying	Category 2 disbursement requiring specific creditor / committee approval	100
	Total case specific expenses	8,100

APPENDIX G

ESTIMATED OUTCOME STATEMENT

	Estimated to Realise	Realised to Date	Further Anticipated Realisations	Total Anticipated Realisations
	£	£	£	£
Assets Specifically Pledged				
Intellectual Property & Goodwill	Nil	Nil	110,000	110,000
Pre-Administration Costs	N/a	Nil	(28,353)	(28,353)
Less: TNUI Asset Finance Limited	(6,229,683)	Nil	(6,229,683)	(6,229,683)
Shortfall to TNUI Asset Finance Limited c/d	(6,229,683)	Nil	(6,148,036)	(6,148,036)
Assets Not Specifically Pledged				
Cash in Hand	989	989	Nil	989
Balance at Bank	4,500	Nil	4,500	4,500
Office Furniture & Equipment	24,400	Nil	5,000	5,000
Stock	464,700	Nil	25,000	25,000
Other Debtors	298,900	Nil	Uncertain	Uncertain
Estimated Realisations	793,489	989.00	34,500	35,489
Pre-Administration Costs		Nil	(7,733)	(7,733)
Office Holders' Remuneration - Post Administration		Nil	(20,000)	(20,000)
Office Holders' Disbursements - Category 1		Nil	(1,049)	(1,049)
Office Holders' Disbursements - Category 2		Nil	(200)	(200)
Solicitors' Fees		Nil	(2,000)	(2,000)
Agents' Fees		Nil	(5,000)	(5,000)
ERA Advisors' Fees		Nil	(500)	(500)
Pension Advisors' Fees		Nil	(400)	(400)
Funds available to preferential creditors		989.00	(2,382)	(1,393)
Preferential Claims - Employee Arrears & Holiday Pay		Nil	(29,274)	(29,274)
Funds available to Prescribed Part		989.00	Nil	Nil
Prescribed Part		Nil	Nil	Nil
Funds available to Floating Charge Creditors		Nil	Nil	Nil
Shortfall to TNUI Asset Finance Limited b/d		Nil	(6,148,036)	(6,148,036)
Shortfall to Floating Charge Creditor				
Funds available to unsecured creditors		Nil	Nil	Nil
Unsecured Creditors:				
HM Revenue & Customs - PAYE/NI			(46,664)	(46,664)
HM Revenue & Customs - VAT			(209,012)	(209,012)
Trade and Expense Creditors			(1,106,753)	(1,106,753)
Employee Claims - Redundancy & Notice			(56,362)	(56,362)
Connected Party Loans			(197,887)	(197,887)
Estimated Shortfall to Unsecured Creditors			(1,616,678)	(1,616,678)

LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS

The following Leonard Curtis policy information is considered to be relevant to creditors:

Staff Allocation and Charge Out Rates

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below. With effect from 6 January 2014 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

6 Jan 2014 onwards	Standard £	Complex £
Director	450	562
Senior Manager	410	512
Manager 1	365	456
Manager 2	320	400
Administrator 1	260	325
Administrator 2	230	287
Administrator 3	210	262
Administrator 4	150	187
Support	0	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

Type	Description	Amount
AML checks	Electronic client verification in compliance with the Money Laundering Regulations 2007	£5.00 plus VAT per individual
Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case

Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting	Hosting of documents for creditors	<table> <tr> <td>Type</td><td>100 creds</td><td>Every addtl 10</td></tr> <tr> <td>ADM</td><td>£14.00</td><td>£1.40</td></tr> <tr> <td>CVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>MVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CPL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CVA</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>BKY</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>IVA</td><td>£10 p.a. or £25 for life of case</td><td></td></tr> </table>	Type	100 creds	Every addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IVA	£10 p.a. or £25 for life of case	
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CVA	£10.00	£1.00																								
BKY	£10.00	£1.00																								
IVA	£10 p.a. or £25 for life of case																									
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £185.00 3-6 months £275.00 6-12 months £445.00																								
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case																								
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£83.02 plus VAT per advert Dependent upon advert and publication																								
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges																								

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See disbursements section below	See disbursements section below

Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£81.25 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

Proof of Debt – General Form

Relevant date:

Name of Company in Administration:

Shoon (Trading) Limited

Company registered number:

08050525

1. Name of creditor (if a company, provide registration number)

2. Correspondence address of creditor (including email address)

3. Total amount of claim (£) at relevant date (include any Value Added Tax)

4. If amount in 3 above includes outstanding uncapitalised interest, state amount (£)

5. Details of how and when the debt was incurred (if you need more space attach a continuation sheet to this form)

6. Details of any security held, the value of the security and the date it was given

7. Details of any reservation of title claimed in respect of goods supplied to which the debt relates

8. Details of any document by reference to which the debt relates

9. Signature of creditor (or person authorised to act on the creditor's behalf)

10. Date of signing:

11. Address of person signing (if different from 2 above)

12. Name in BLOCK LETTERS

13. Position with, or relation to, creditor

Notes:

1. There is no need to attach them now but the office-holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office-holder. If completing on behalf of the company, please state your relationship to the company.

APPENDIX J

INFORMATION IN RELATION TO THE PRE-PACKAGED SALE
OF THE BUSINESS AND ASSETS IN ACCORDANCE WITH
THE PROVISIONS OF STATEMENT OF INSOLVENCY PRACTICE 16

Please ask for : Dane O'Hara
Our ref : L/18/DH/SSHO05/1040
Your ref :



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

1 December 2017

**TO ALL CREDITORS
TO ALL EMPLOYEES
TO THE INSOLVENCY PRACTITIONERS ASSOCIATION**

Dear Sir(s)/Madam

**SHOON (TRADING) LIMITED - IN ADMINISTRATION ("THE COMPANY")
HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COURT REFERENCE: CR-2017-008769
COMPANY NUMBER: 08050525**

I write to advise you that A D Cadwallader and I were appointed as Joint Administrators of the Company on 24 November 2017. Attached is formal Notice of our Appointment.

You are receiving this notice because the Company's records show that you are a creditor of the Company. The Company's creditors will fall into one of the following categories:

- Secured creditors – a creditor who has the benefit of a security interest over some or all of the assets of the Company (e.g. banks, factoring providers);
- Preferential creditors – creditors who have a preferential right to payment out of the Company's assets once realised (e.g. employees in respect of arrears of pay and holiday pay, subject to certain limits); and
- Unsecured creditors – a creditor other than a preferential creditor that does not have the benefit of any security interests in the assets of the Company (e.g. ordinary trade suppliers; employees (to the extent that their claims are not preferential)).

In our role as Joint Administrators, we are obliged to perform our functions and responsibilities in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors, we have a duty not to unnecessarily harm the interests of creditors as a whole.

Where a sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of an Administrator and the Administrator effects the sale immediately on, or shortly after, appointment this is known as a pre-packaged sale or "pre-pack".

It is in the nature of a pre-packaged sale in an Administration that unsecured creditors are not given the opportunity to consider the sale of the business or assets before it takes place. It is important, therefore, that you are provided with a detailed explanation and justification of why a pre-packaged sale was undertaken, so that you can be satisfied that we have acted, where necessary, with due regard for your interests.

Leonard Curtis Limited
Company Number 5639292 (England) Reg Office: Tower 12, 18/22 Bridge Street, Spinningfields, Manchester, M3 3BZ
A D Cadwallader and A J Duncan are licensed in the UK by the ICAEW
N A Bennett is licensed in the UK by the IPA

5th Floor, Grove House
248a Marylebone Road
London NW1 6BB

**Tel: 020 7535 7000
Fax: 020 7723 6059**

www.leonardcurtis.co.uk

In this case, a sale of the Company's business and assets to The Shoot Shoe Company Ltd ("the Purchaser") was completed on 24 November 2017. Set out at Appendix A is a summary of the circumstances and information relevant to this sale that we are required to disclose. The Purchaser is not a connected party.

With regard to orders placed by the Company prior to Administration but not yet delivered, suppliers should obtain confirmation from the Purchaser that the goods or services are still required and, if so, an order may be placed with the purchasing company. It should be noted that goods sold and delivered by the Company since Administration commenced must be paid for in full and cannot be set off against any claims against the Company.

You will appreciate that, as a result of the Administration, your previous account with the Company is frozen and neither the Administrators nor the Purchaser are in a position to deal with claims of unsecured creditors. Nevertheless, we should be grateful if you would let us have a detailed account of the amount owing to you as at the date of Administration. Your account, and any future correspondence in connection with the Company, should be sent to our address. Please remember to provide your full name, address, telephone number and email address for our records. If you are claiming title to goods supplied by you, please let us have full details, including your conditions of sale. If you believe you have a claim to goods it is imperative that you contact us as soon as possible and, if necessary, arrange a date to identify the goods in question. Failure to do so may prejudice your claim if any goods to which you claim title have been sold. We will not be liable in the event that goods are sold prior to notice of any valid retention of title claim being received.

Under the provisions of Paragraph 43 of Schedule B1 to the Insolvency Act 1986 ("the Act") no steps may be taken by any creditor to enforce any security over the Company's property or to repossess goods in the Company's possession under any hire purchase agreement (which includes conditional sale agreements, chattel asset leasing agreements and retention of title agreements) without the consent of the Joint Administrators or leave of the Court.

Also no other proceedings and no execution or other legal process may be commenced or continued, and no distress may be levied against the Company or its property except with the consent of the Joint Administrators or leave of the Court.

Where a pre-packaged sale has been undertaken, the Administrators should circulate their Proposals as soon as practicable after appointment, and where possible with this notification. We are currently in the process of formulating our proposals and these along with details of a decision procedure for their approval will be sent to creditors shortly. At that time, the Joint Administrators will be seeking, from the appropriate body of creditors, approval of the basis upon which their remuneration is to be calculated. A Creditor's guide to Administrators' fees, which sets out the rights of creditors in this respect, is available from our office free of charge or may be downloaded from:

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

Creditors' Right to Elect to Opt Out

Creditors have the right to elect to opt out of receiving further documents about the Administration unless:

- (i) The Act requires a document to be delivered to all creditors without expressly excluding opted-out creditors;
- (ii) It is a notice relating to a change in the office-holder or the office-holder's contact details; or
- (iii) It is a notice of a dividend or proposed dividend or a notice which the court orders to be sent to all creditors or all creditors of a particular category to which the creditor belongs.

Opting-out will not affect a creditor's entitlement to receive dividends should any be paid to creditors.

Unless provided to the contrary in the Insolvency (England and Wales) Rules 2016 ("the Rules"), opting-out will not affect any right a creditor may have to vote in a decision procedure or to participate in a deemed consent procedure in the proceedings although the creditor will not receive notice of it.

A creditor who opts out will be treated as having opted out in respect of any consecutive insolvency proceedings of a different kind in respect of the Company.

Creditors may at any time elect to opt-out. The election to opt out must be made by a notice in writing, authenticated and dated by the creditor and delivered to the office-holder. An example of such a Notice is attached at Appendix B. A creditor becomes an opted-out creditor when the notice is delivered to the office-holder and will remain an opted-out creditor for the duration of the proceedings unless the opt-out is revoked.

An opted-out creditor may revoke the election to opt out by a further notice in writing, authenticated and dated by the creditor and delivered to the office-holder. The creditor ceases to be an opted-out creditor from the date the notice is received by the office-holder. An example of such a Notice is attached at Appendix C

Notice of General Use of Website to Deliver Information

The Administrators are proposing to communicate with creditors during the Administration via a website in accordance with Rule 1.50 of the Rules. The address of the website is:

Website: <https://leonardcurtis.insolvencydata.co.uk>

Key Code: **ZZTX6HE6**

All future documents in the proceedings (other than those listed below) will be made available for viewing and downloading on this website without further notice. All documents and information made available via the website will remain on the website for at least two months after the conclusion of the Administration.

The Administrators will, however, continue to send you documents for which personal delivery is required, any notice of intention to declare a dividend and any documents addressed specifically to you (as against documents addressed to a class of creditors). We will not automatically send you hard copies of other documents uploaded to the website unless you request us to. Please refer to the enclosed "Notice of General Use of Website" attached at Appendix D for further information.

The following documents either will, or might, appear on the website:

- Joint Administrator's Proposals – as soon as possible after the date of this letter
- Result of consideration of the Proposal – as soon as reasonable practicable after the decision date for approval
- First Progress Report – within 7 month of the date of Administration
- Extension or completion of the Administration, modification of the Administrators Proposals or any other matters affecting the Administration – notice of these could be filed at any time during, and until the termination of, the Administration and creditors are therefore recommended to access the website at regular intervals

You are also encouraged to visit the following website, which provides a step by step guide designed to help creditors navigate through an insolvency process:

www.creditorinsolvencyguide.co.uk

Finally, if you have any information regarding the conduct of the directors which you feel should be brought to our attention, any concerns regarding the way in which the Company's business has been conducted or information on potential recoveries or any particular matters which you consider require investigation, please send full details to this office at the address given below. This request forms part of our statutory investigation procedures and does not necessarily imply any criticism of the directors.

Insolvency practitioners at Leonard Curtis are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

We remind you that the Joint Administrators are agents of the Company and contract without personal liability.

Yours faithfully
for and on behalf of
SHOON (TRADING) LIMITED

A handwritten signature in black ink, appearing to read 'N A Bennett', written in a cursive style.

N A BENNETT
Joint Administrator

N A Bennett is authorised to act as an insolvency practitioner in the UK by the Insolvency Practitioners Association under office holder number 9083 and A D Cadwallader is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 9501.

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

Enc

Para 46 of Sch B1 IA86 and Rule 3 27 Insolvency (England and Wales) Rules 2016

The Insolvency Act 1986

Notice of administrator's appointment

Name of Company

SHOON (TRADING) LIMITED

Company number

08050525

In the

High Court of Justice, Business and Property Courts of England and Wales

Court case number

CR-2017-008769

(a) Insert full name(s) and address(es) I/We (a)

N A Bennett & A D Cadwallader of

Leonard Curtis, 5th Floor, Grove House, 248a Marylebone Road, London NW1 6BB

give notice that "I was / we were appointed as Administrators of the above company on:

(b) Insert date (b) 24 November 2017

Signed



Dated

24 November 2017

Joint Administrators (IP Nos)

9083 / 9501

**SHOON (TRADING) LIMITED ("the Company")
(IN ADMINISTRATION)**

**INFORMATION REGARDING THE PRE-PACKAGED SALE OF THE BUSINESS AND ASSETS OF
SHOON (TRADING) LIMITED TO THE SHOOT SHOE COMPANY LTD ("the Purchaser")**

1 INITIAL INTRODUCTION

- 1.1 The Company was introduced to Leonard Curtis by its secured creditor, TNUI Asset Finance Limited. Representatives of Leonard Curtis first met with the director of the Company in connection with the proposed Administration of the Company on 2 November 2017. Leonard Curtis were subsequently formally instructed by the director on 6 November 2017.
- 1.2 Neil Bennett and Andrew Duncan of Leonard Curtis had previously acted as Joint Nominees and Joint Supervisors of two Company Voluntary Arrangements ("CVAs") approved by creditors on 22 May 2015 and 21 April 2017. The CVAs were successfully concluded on 19 November 2015 and 27 July 2017 respectively. We do not believe that the above represent a significant personal or professional relationships or a threat to the fundamental principles which would affect our ability to deal with this matter objectively and prevent us from accepting this appointment.

2 PRE-APPOINTMENT CONSIDERATIONS

The extent of the Administrators' involvement prior to the appointment and the Role of the Insolvency Practitioner ("IP")

- 2.1 Following our instruction, we wrote formally to the director of the Company informing him that our role before any formal appointment would involve providing the following services:
- i) advising him on which insolvency process would be most appropriate for the Company;
 - ii) dealing with all formalities relating to the appointment of Administrators including giving appropriate notification of the intention to make such appointment to secured creditors and other parties entitled to receive notice;
 - iii) preparing any report(s) necessary and attending Court hearings if appropriate;
 - iv) advising him on the financial control and supervision of the business between the date of our engagement and the date of the appointment of Administrators;
 - v) advising him on whether an early sale of the Company's business and trading assets would be likely to be in the interests of creditors.
- 2.2 We made it clear that these services were to be given for the benefit of the creditors of the Company and that our role was not to advise the director in his personal capacity. We recommended that he seek his own independent advice if he was uncertain on any matter, particularly if he had expressed, or were likely to express, an interest in purchasing the Company's business and trading assets. We also wrote to all interested parties who we believed to be connected to the Company advising them of the IP's obligations under Statement of Insolvency Practice 16 ("SIP16") regarding the marketing of the business and assets of the Company and of their ability to make a submission, or submissions, to the Pre-Pack Pool.

- 2.3 Finally, we explained that initially an IP acts as professional adviser to the Company with responsibilities only to it and its director. At this stage of the process the IP will assist the director in making the right decision about what is the correct option for them to pursue in the best interests of creditors having regard to the Company's circumstances. In this case, we advised the director that the Company was insolvent and that immediate steps be taken to place it into Administration.
- 2.4 Once the Company has been placed into Administration, the IP becomes Administrator with different functions and responsibilities. The Administrator is obliged to perform his functions and responsibilities in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors, he has a duty not to unnecessarily harm the interests of creditors as a whole.
- 2.5 The Company was incorporated on 30 April 2012. Its registered office and principal trading address is at Mendip Court, Bath Road, Wells, Somerset BA5 3DG. The Company traded from a total of six stores and three concessions at the following addresses:
- Bath Silvershoon Store, 11 Upper Borough Walls, Bath, Somerset BA1 1RG
 - Salisbury Store, 29 New Canal, Salisbury, Wiltshire SP1 2AA
 - Guildford Store, 5 White Lion Walk, Guildford GU1 3DN
 - Leamington Spa Store, No. 20 The Parade, Leamington Spa, Warwickshire CV32 4DW
 - St Albans Store, Unit 46, The Maltings Shopping Centre, St Albans, Hertfordshire AL1 3HL
 - Winchester Store, 23-24 High Street, Winchester, Hampshire SO23 9JX
 - Windsor Concession, Daniel Department Store, 120 – 124 Peascod Street, Windsor SL4 1DP
 - Northwich Concession, Bratt & Evan, 2-6 Witton Street, Northwich CW9 5AP
 - Nantwich Concession, Bratt & Evan, 2-4 Pepper Street, Nantwich CW5 5AB
- 2.6 Mark Pinnock ("Mr Pinnock") is the Company's sole director and company secretary. The sole shareholder is PGP Holdings Limited.
- 2.7 The Company's principal business activity is that of footwear retailers.
- 2.8 The Company commenced trading following the going concern acquisition of the business and trade related assets of Shoon Limited – In Administration ("SL") on 4 May 2012. Leonard Curtis were not involved in this Administration. The Company began as a joint venture between four former directors of SL. At the time of the SL Administration the Company was trading from 11 stores.
- 2.9 The Company's initial trading was successful and it recorded profits of £752,120 in its first nine months of trading to 26 January 2013.
- 2.10 The Company began experiencing financial difficulties in the year ended 1 February 2014 as a result of increasing overhead costs and falling turnover, as a consequence of the high levels of competition in the footwear sector. The Company reported a loss of £1,077,714 in this period. During this period the Company went through a change of management resulting in the appointment of Mr Pinnock as sole director.
- 2.11 The Company's financial performance continued to deteriorate in the financial year ended 1 February 2015, with a pre-tax loss of £1,385,760 being reported. A financial review of the Company was undertaken and it was identified that several of the stores were significantly loss making as a result of increasing levels of rent and non-domestic rates, as well as increased employee costs.
- 2.12 On 22 May 2015 the Company agreed a CVA with its creditors, which was successfully implemented later that year. The CVA incorporated the vacation of a number of the Company's loss making stores and staff redundancies, that the Company would not otherwise have had sufficient capital reserves to fund.

- 2.13 Since then, the business has continued to suffer from ongoing discounting on the high street in the shoe retailing sector along with, and more significantly, the dramatic fall in sales and uncertainty created following the Brexit vote. As a result, it now has further excessive head office and infrastructure costs and a number of additional retail units became loss making.
- 2.14 The Company's management attempted to deal with these stores by making closures when the terms of the lease came to an end. The cost of redundancy following these store closures put additional financial strain on the business.
- 2.15 The Company opened a number of stores during 2015 in areas where the Company's management felt that there was demand for a high street footwear retailer. A number of these stores incurred significant refit and initial staffing costs, and the stores ultimately did not yield the returns anticipated.
- 2.16 A second CVA was agreed with creditors in April 2017 in a further attempt to restructure the business and reduce overhead costs to an acceptable level. The CVA was again successfully implemented and the terms of a number of the Company's leases varied to return these units to viability.
- 2.17 The CVA in April 2017 did not have the desired effect on the Company's profitability and the business once again began to accumulate debts. The Company's secured creditor was asked to commit additional working capital funding, but confirmed that it was not in a position to do so due to ongoing concerns over the viability of the business.
- 2.18 The director was referred to Leonard Curtis by the secured creditor in October 2017 and an initial meeting was held on 2 November 2017. Following this meeting a review of the Company's financial position was undertaken and advice given confirming that the Company was insolvent within the definitions of both Section 123 (a) and 123 (b) of the Insolvency Act 1986 ("the Act").
- 2.19 The director filed a Notice of Intention to appoint Administrators ("NIA") in respect of the Company on 7 November 2017, which expired on 14 November 2017. A further NIA was filed on 15 November 2017 whilst the Company continued to explore its options.
- 2.20 The Company's main creditor is TNUI, who was consulted throughout the process. Other creditors were not consulted prior to the Administration in order to preserve the value held in the Company's assets, and specifically its intellectual property.

Alternative courses of action considered by the Administrator

- 2.21 The following courses of alternative action were considered with management prior to our appointment and the pre-packaged sale:

2.21.1 Company Voluntary Arrangement ("CVA")

It was initially considered whether a further CVA process would be appropriate for the Company. Whilst a CVA would have enabled the Company to deal with its historic creditor arrears and certain further overhead cost reductions (if any such further saving could be identified), it would not have addressed the Company's lack of short term working capital.

The Company's director, shareholder and secured lender had already confirmed that they were unable to introduce further funding into the business in its current format and the Company itself was unable to raise any additional debt financing due to its weak balance sheet.

Finally, the Company has already been through two CVA processes in an attempt to resolve its ongoing financial difficulties and excessive overhead costs, neither of which have had any long term impact on the

viability of the business. We did not, therefore, consider it appropriate in the circumstances to consider a further CVA process.

Consequently, a CVA was not considered a viable option for the Company.

2.21.2 Administrative Receiver

The Company does not have any qualifying floating charges that were created prior to the introduction of the Enterprise Act 2002 that would enable the secured creditor to appoint an Administrative Receiver.

2.21.3 Liquidation

The director could initiate the liquidation of the Company on a voluntary basis ("CVL") or a creditor could seek a Winding-up Order against the Company to place it into compulsory liquidation. A number of the Company's creditors have notified the Company of their intention to seek a Winding-up Order against it, including a number of the Company's landlords.

Advice received from Axia Valuation Services ("Axia"), who had been instructed to carry out valuations, confirmed that the assets of the Company were primarily intellectual in nature and would be of negligible value in the event that the Company were to cease trading and enter into liquidation. The Company also had significant contingent liabilities in respect of its employees and landlords which would have crystallised immediately on appointment of a Liquidator.

The best outcome for creditors would therefore be achieved if the business and assets of the Company were sold as part of a going concern sale, which would preserve the value held in the Company's intellectual property assets and lead to mitigation of certain employee and landlord claims. Such a sale would not be possible in a liquidation process.

2.21.4 Administration

The director of the Company could appoint an Administrator under Paragraph 22 of Schedule B1 to the Insolvency Act 1986 ("the Act"). TNUI hold a qualifying floating charge in respect of the Company, however, as the their facility was not in default there was no immediate prospect of an appointment being made under Paragraph 14 of Schedule B1 to the Act. TNUI were consulted concerning the proposed Administration to ensure their agreement of the proposed Administration strategy.

2.21.5 The objectives of Administration are as follows:

- a. Rescuing the Company as a going concern, or
- b. Achieving a better result for the Company's creditors as a whole than would be likely if the Company be wound-up (without first being in Administration), or
- c. Realising property to make a distribution to one or more secured or preferential creditors.

2.21.6 Dealing with each in turn:

- a. It was not reasonably practicable to achieve this objective unless external funds were introduced to provide working capital. As previously mentioned, we discussed the point of additional funding with the director / shareholder and they confirmed that they were not in a position to provide further funding to the Company.
- b. It is anticipated that the second purpose of Administration will be achievable for the following reasons:

- The Company's assets were primarily intellectual and would therefore have been of negligible value in the event that it ceased trading. The sale of this asset as part of a going concern sale has therefore enhanced the realisable value of this asset and has resulted in a better outcome for creditors than could have been achieved if the Company had ceased trading.
 - The going concern sale of the business included a transfer of certain of the Company's employee liabilities under the Transfer of Undertakings (Protection of Employment) Regulations 2006 to the Purchaser. The Purchaser is also seeking the assignment of a number of the Company's leases, which would otherwise result in crystallisation by way of breach of contract and dilapidations claims. This sale has led to the mitigation of employee and landlord claims in the Administration and again improved the position for creditors as a whole.
- c. As b) is capable of being achieved it will not, at this stage, be necessary to consider this objective, although it is anticipated that there will be a fixed charge distribution in the Administration which would satisfy this purpose.

Whether efforts were made to consult with major creditors and the outcome of any consultations

- 2.22 As detailed above the Company's secured creditor, TNUI, was consulted as part of the Administration process. Other creditors were not consulted to avoid notifying the market in advance of the proposed Administration and potentially eroding the value held in the Company's intellectual property assets.

Why it was not appropriate to trade the business, and offer it for sale as a going concern, during the Administration

- 2.23 Immediately prior to Administration, the Company's main shareholder and funder both indicated that they were not willing to provide any further funding. The Company had no other source of funds and no third party funder could be identified. Consequently trading the business in Administration was not viable given the need to meet payments in respect of staff salaries, rent and other property related costs. In addition, it was anticipated that trading the business in Administration would have a negative impact on supplier relationships and that the majority of the Company's suppliers would not continue to provide products to a Company trading in Administration.

Details of requests made to potential funders to fund working capital requirements

- 2.24 As detailed above, the Company's shareholder, director and secured lender were approached prior to the Administration to confirm whether they were willing to provide additional working capital funding, none of whom were in a position to do so.

Details of registered charges and dates of creation

- 2.25 According to Companies House, the following charges are registered against the Company:
1. A debenture dated 4 May 2012 in favour of GA Europe Investments 600 Limited ("GAE") securing all liabilities due or to become due to GAE by way of fixed and floating charges over the assets of the Company. This security was assigned to Peter John Philips ("Mr Philips") by a deed of assignment dated 21 January 2014, which was subsequently assigned to Kenneth Bartle ("Mr Bartle") by a deed of assignment dated 9 February 2015 and then to TNUI under a deed of assignment dated 17 February 2017.
 2. A debenture dated 22 August 2013 in favour of GAE securing all liabilities due or to become due to GAE by way of fixed and floating charges over the assets of the Company. This security was assigned to Mr Philips by a deed of assignment dated 21 January 2014, which was subsequently assigned to Mr Bartle by a deed of assignment dated 9 February 2015 and then to TNUI under a deed of assignment dated 17 February 2015.

3. A debenture dated 21 January 2014 in favour of Mr Philips securing all liabilities due or to become due to Mr Philips by way of fixed and floating charges over the assets of the Company. This security was assigned to Mr Bartle by a deed of assignment dated 9 February 2015 and subsequently to TNUI under a deed of assignment dated 17 February 2015.
4. A debenture dated 23 March 2015 in favour of TNUI securing all liabilities due or to become due to TNUI by way of fixed and floating charges over the assets of the Company.
5. A debenture dated 14 June 2016 in favour of TNUI securing all liabilities due or to become due to TNUI by way of fixed and floating charges over the assets of the Company.

It should be noted that all of the above securities had been assigned to TNUI at the date of Administration, and that consequently TNUI was the only secured creditor and qualifying floating charge holder at the date of Administration.

Details of any acquisition of business assets from an insolvency practitioner

- 2.26 We confirm that the business, or business assets, of the Company were not acquired from an insolvency practitioner within the 24 months prior to our appointment.

3 MARKETING OF THE BUSINESS AND ASSETS

- 3.1 Axia were instructed to provide a valuation of the Company's business and assets and to assist with carrying out an accelerated M&A process to identify any third party interest in the business and assets of the Company. A summary of the M&A process conducted, and its outcome, is provided below:
- The M&A exercise was targeted at 28 parties identified by the directors and Axia. These parties consisted of competitors and other businesses operating in the same market sector as the Company. A wider target base for the marketing was discounted to avoid damaging the value held in the intellectual property assets of the Company.
 - All of these parties were sent a teaser document outlining the business and assets for sale. The business was advertised for a period of 7 days, which gave sufficient time for those parties contacted to carry out any required due diligence and formulate an offer. Marketing the business for longer than 7 days was not considered feasible due to growing creditor pressure.
- Ten expressions of interest were received, and Non-Disclosure Agreements ("NDAs") were sent to these parties prior to the circulation of further information concerning the opportunity. Eight of the parties returned their NDAs and were sent a copy of a comprehensive Information Memorandum prepared by Axia, providing asset registers, recent management accounts and details of recent and historic trading.
- Two offers were received for the business and assets of Company on a going concern basis.
 - A recommendation was received from Axia on 21 November 2017 to accept the offer from the Purchaser (see below), which represented a better outcome for the Company's creditors as a whole.

- 3.1 We confirm that in our opinion we consider that the marketing undertaken conformed with the marketing essentials set out in the Appendix to SIP16.

4 VALUATION OF THE BUSINESS AND ASSETS

Details of valuers / advisors

- 4.1 A valuation of the Company's assets was carried out by Axia. Axia are a firm of valuation agents and are members of the National Association of Valuers and Auctioneers. They have provided written confirmation that they have no real or perceived ethical difficulties in accepting the instruction and that they carry adequate professional indemnity insurance for the valuation performed.
- 4.2 A summary of the valuation provided by Axia in respect of the Company's assets is provided below:

Category of asset	Book value £	High value £	Low value £	Value achieved £
Fixed charge assets				
Intellectual Property including Websites	Nil	50,000	Nil	110,000
Leasehold Premises	305,300	Nil	Nil	Nil
Floating charge assets				
Stock* (see Section 4.5 below)	484,000	165,000	75,000	25,000
Furniture and Equipment	23,500	17,300	4,800	5,000
TOTAL	812,800	232,300	79,800	140,000

- 4.3 The valuation of the Company's chattel assets has been based on current market values. Valuation of the intangible assets has been based on turnover and profit multiples. The high value is based on a sale to a willing purchaser on a going concern basis. The low value is based on a forced sale scenario following cessation of trading. This valuation strategy was adopted as it reflects the two likely outcomes in the Administration, being a going concern sale of the business or a breakup sale of the assets following cessation of trading.
- 4.4 Valuations were obtained for all assets.

An explanation of the sale of the assets compared to those valuations

- 4.5 Axia have provided an additional note in relation to the Company's stock. The valuation provided is based on the level of stock held by the Company at the date of the valuation, however, there were significant liabilities due to the Company's suppliers and it is anticipated that as much as 80% of the stock may ultimately be subject to retention of title claims. In this regard, the stock valuation is, in reality, likely to be much lower than the valuation provided by Axia. The Purchaser was aware of this position following due diligence carried out prior to the sale and their offer was tailored to reflect this.

5 THE TRANSACTION

- 5.1 Details of the transaction are provided below:

- The sale of the business and assets was completed on 24 November 2017 as part of a single transaction. The assets sold include the intellectual property, the Company's website, all stock and the fixtures and fittings at the transferring stores (details of which are provided below).
- The Purchaser is The Shoot Shoe Company Ltd, Company number 11080210, the registered office of which is at 34 Enfield Terrace, Leeds LS7 1RG.

- The Purchaser is not a connected party.
- The sale involved the transfer of four of the Company's trading units (the Bath Silvershoon Store, the Salisbury Store, the Northwich Concession and the Nantwich Concession), together with the transfer of all staff employed at these stores (23 staff in total). The Company's remaining five trading units, together with its head office, were closed and all associated staff made redundant.

5.2 Pre-Pack Pool

A submission was not made to the pre-pack pool in this instance as this was not a connected party sale.

- 5.3 We are not aware of any personal guarantees provided by the Company's director.
- 5.4 The Purchaser acquired all assets of the Company with the exception of the fixtures and fittings at the closing stores, any cash balances held, debts due to the Company, any deposits or prepayments made and the benefit of any refunds receivable.
- 5.5 The consideration paid in respect of the sale was £140,000, an allocation of which is provided in section 4.2 above. A total of £120,000 was received from the Purchaser on completion and is currently being held by the Joint Administrators' solicitors. The residual balance of £20,000 is due once the Purchaser's interest in the Company's websites has been registered at Nominet, which is currently being processed.
- 5.6 There are no conditions of the sale that can materially affect the receipt of the consideration, aside from an inability to register the Purchaser's interest in the Company's websites with Nominet. We are not anticipating that there will be any such issues.
- 5.7 There are no options, buy-back arrangements or similar conditions attached to the contract of sale.
- 5.8 The sale is not part of a wider transaction.

6 **STATUTORY PURPOSE OF ADMINISTRATION**

- 6.1 In each case, the Joint Administrators must perform their functions with the objective of:
- (a) Rescuing the Company as a going concern, or (if this cannot be achieved)
 - (b) Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or (if (a) and (b) cannot be achieved)
 - (c) Realising property in order to make a distribution to one or more secured or preferential creditors.
- 6.2 As mentioned previously, we are obliged to perform our functions in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors, we have a duty not to unnecessarily harm the interests of the creditors as a whole.
- 6.3 As detailed above the Joint Administrators are pursuing the second purpose of Administration in both cases.
- 6.4 We confirm that, in our opinion, the transaction will enable the statutory purpose to be achieved and that the sale price achieved was the best reasonably obtainable in all the circumstances.

APPENDIX B

Insolvency (England and Wales) Rules 2016

Rule 1.38

Creditor's Election to Opt Out

Insert court or Proceedings	In the:	HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES	No:	CR-2017-008769
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Insert full name	Re:	SHOON (TRADING) LIMITED (IN ADMINISTRATION)
	Previous Name:	
	Registered No:	08050525

Address of Company	MENDIP COURT, BATH ROAD, WELLS, SOMERSET BA5 3DG
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a) Insert full name and address of creditor making the election	I, (a)	
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a creditor of the above Company, elect to opt out of receiving documents.

I acknowledge that I shall remain an opted-out creditor for the duration of these and any following proceedings unless and until I elect in writing to revoke my opt out.

I acknowledge that I shall continue to receive:

- all documents that the Insolvency Act 1986 or the court requires to be delivered to all creditors;
- notice of any change in the office-holder or their contact details; and
- notice of any distributions applicable to me.

b) Insert name and address of office holder to whom you will deliver this notice	(b)	N A BENNETT AND A D CADWALLADER Leonard Curtis, 5 th Floor, Grove House, 248a Marylebone Road, London NW1 6BB
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This form can be be Authenticated for submission by email by entering your name and email address and sending the form as an attachment from an email address which clearly identifies you.	Signed / Authenticated	
	Date	
	Name (BLOCK LETTERS)	
	Relationship to Creditor	

APPENDIX C

Insolvency (England and Wales) Rules 2016

Rule 1.38

Creditor's Election to Opt Out - Revocation

Insert court or Proceedings	In the:	HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES	No:	CR-2017-008769
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Insert full name	Re:	SHOON (TRADING) LIMITED (IN ADMINISTRATION)
	Previous Name:	
	Registered No:	08050525

Address of Company	MENDIP COURT, BATH ROAD, WELLS, SOMERSET BA5 3DG
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c) Insert full name and address of creditor making the request	I, (a)	
--	--------	--

a creditor of the above Company, REVOKE my election to opt out elect to opt out of receiving documents.

d) Insert name and address of office holder to whom you will deliver this notice	(b)	N A BENNETT AND A D CADWALLADER Leonard Curtis, 5th Floor, Grove House, 248a Marylebone Road, London NW1 6BB
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This form can be be aAuthenticated for submission by email by entering your name and email address and sending the form as an attachment from an email address which clearly identifies you.	Signed / Authenticated	
	Date	
	Name (BLOCK LETTERS)	
	Relationship to Creditor	

APPENDIX D

Insolvency (England and Wales) Rules 2016

Rule 1.50

Notice of General Use of Website to Deliver Documents

In the:	HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES	No:	CR-2017-008769
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Re:	SHOON (TRADING) LIMITED (IN ADMINISTRATION)
Previous Name:	
Registered No:	08050525

Address of Company	MENDIP COURT, BATH ROAD, WELLS, SOMERSET BA5 3DG
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NOTICE IS HEREBY GIVEN THAT N A Bennett and A D Cadwallader intend to deliver all future documents in this case (other than those listed below) to a website. The documents will be made available for viewing and downloading to the website without any further notice to you. The details of the website are:

Address of website: <https://leonardcurtis.insolvencydata.co.uk> ("the Website")

Key Code: ZZTX6HE6

The Joint Administrators are not obliged to deliver any documents to you (other than those listed below) unless they are requested to do so by you. You may, at any time, request a hard copy of any or all of the following:

- All documents currently available for viewing on the Website;
- All future documents which may be made available on the Website

Such requests should be made to the Joint Administrators at:

Telephone number: 020 7535 7000
 Email address: recovery@leonardcurtis.co.uk
 Postal address: Leonard Curtis, 5th Floor, Grove House, 248a Marylebone Road, London NW1 6BB

This Notice does not apply to the delivery of the following documents:

- i. A document for which personal delivery is required;
- ii. A notice under Rule 14.29 of the Insolvency (England and Wales) Rules 2016 of an intention to declare a dividend; and
- iii. A document which is not delivered generally

All documents and information made available via the website will remain on the website for at least two months after the conclusion of the Administration.

Dated 1 December 2017

Signed 
 N A BENNETT – JOINT ADMINISTRATOR

AM03 Notice of Administrator's Proposals



Presenter information

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

Contact name	Dane O'Hara									
Company name	Leonard Curtis									
Address	5th Floor									
	Grove House									
	248a Marylebone Road									
Post town	London									
County/Region										
Postcode	N	W	1		6	B	B			
Country										
DX										
Telephone	020 7535 7000									



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 and dated 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