

# AM03

## Notice of administrator's proposals



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<b>1</b>	<b>Company details</b>	
Company number	08610535	<b>→ Filling in this form</b> Please complete in typescript or in bold black capitals.
Company name in full	TheVeganKind Ltd	
<b>2</b>	<b>Administrator's name</b>	
Full forename(s)	Alistair	
Surname	McAlinden	
<b>3</b>	<b>Administrator's address</b>	
Building name/number	c/o Interpath Ltd	
Street	5th Floor, 130 St Vincent Street	
Post town	Glasgow	
County/Region		
Postcode	G25HF	
Country		
<b>4</b>	<b>Administrator's name ①</b>	
Full forename(s)	Blair Carnegie	<b>① Other administrator</b> Use this section to tell us about another administrator.
Surname	Nimmo	
<b>5</b>	<b>Administrator's address ②</b>	
Building name/number	c/o Interpath Ltd	<b>② Other administrator</b> Use this section to tell us about another administrator.
Street	5th Floor, 130 St Vincent Street	
Post town	Glasgow	
County/Region		
Postcode	G25HF	
Country		

AM03  
Notice of Administrator’s Proposals

6 Statement of proposals

<input checked="" type="checkbox"/>	I attach a copy of the statement of proposals	
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7 Sign and date

Administrator's Signature	Signature ✕  ✕									
Signature date	<table><tr><td><sup>d</sup> 2</td><td><sup>d</sup> 4</td><td><sup>m</sup> 1</td><td><sup>m</sup> 0</td><td><sup>y</sup> 2</td><td><sup>y</sup> 0</td><td><sup>y</sup> 2</td><td><sup>y</sup> 2</td></tr></table>	<sup>d</sup> 2	<sup>d</sup> 4	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2	
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# 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	Stanley Howarth
Company name	Interpath Ltd
Address	5th Floor, 130 St Vincent Street Glasgow
Post town	G2 5HF
County/Region	
Postcode	
Country	
DX	
Telephone	Tel +44 (0) 113 521 8133



### Checklist

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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

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



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# Joint Administrators' proposals

TheVeganKind Ltd - in  
Administration

24 October 2022

# Notice to creditors

We have made this document available to you to set out the purpose of the administration and to explain how we propose to achieve it.

We have also explained why the Company entered administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in the document such as the proposed basis of our remuneration.

A glossary of the abbreviations used throughout this document is attached (Appendix 9).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, [www.ia-insolv.com/case+INTERPATH+TMA07C2903.html](http://www.ia-insolv.com/case+INTERPATH+TMA07C2903.html). We hope this is helpful to you.

**Please also note that an important legal notice about this statement of proposals is attached (Appendix 10).**

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# 1 Executive summary

Alistair McAlinden and Blair Nimmo of Interpath Advisory were appointed as Joint Administrators of TheVeganKind Ltd ('TVK' or 'the Company') on 11 October 2022.

Incorporated on 15 July 2013, the Company was an online food retailer, supplying vegan and plant-based products via an online supermarket. It also had a monthly subscription box model for both beauty and food products. The Company was standalone and not part of a group. (Section 2 - Background and events leading to the administration).

The Company operated from leasehold premises in Glasgow, distributing its products throughout the UK and had 38 employees.

Over 2020 / 2021, and linked to COVID lockdowns, the Company experienced substantial growth in its revenues as consumers increased online purchasing activity. In this period, TVK invested heavily in the Company's infrastructure, including moving to a 35,000 square foot warehouse capable of servicing (and expanding) that customer base. The Company also increased its workforce and invested heavily in its online digital marketing. This spend was funded by a £3.5m equity investment into the business from Literacy Capital who took a c68% stake in the Company alongside other investors from previous fundraises. In the year to 31 October 2021 the Company's turnover had grown to £7.5million.

However, over the second half of 2021 and into 2022, the Company experienced a downturn in trade which was reflective of consumers returning to pre COVID shopping habits. This reduction in revenue levels together with the increased infrastructure costs (infrastructure that had been expanded in anticipation of continued growth) resulted in trading losses being incurred which ultimately caused cash pressures for the Company. Subsequently, the Company identified a funding requirement in the Summer of 2022 with cash reserves forecast to be exhausted during October 2022.

On 9 September 2022, after an introduction by the majority shareholders of the Company (Literacy Capital), Interpath was engaged by the Company to assist in attempting to find investment in the business. Interpath had no relationship with the Company or its Directors prior to this engagement.

A three-week marketing process commenced on 12 September 2022 with a deadline for offers of 27 September 2022. A 'teaser' document, which outlined the key highlights of the opportunity, was circulated to 120 financial turnaround investors and 64 trade parties. 4 offers were received by the deadline of 27 September 2022.

The highest offer received, deliverable in the available timescales, was from Lillie SPV Limited which is owned by Literacy Capital, who are 68% shareholders of the Company. Under the terms of the offer, all of the Company's employees would transfer to the Purchaser under TUPE. Following recommendation from our agents we concluded that a pre-pack sale of the Company's business and assets to Lillie SPV Limited represented the best outcome for the Company's creditors.



Please refer to the SIP 16 memorandum at Appendix 7 for more information in relation to the marketing and sale of the business, and the other options considered.

Alistair McAlinden and Blair Nimmo were appointed administrators by the Directors under paragraph 22 of Schedule B1 of the Insolvency Act on 11 October 2022, and the sale of the business and assets was subsequently completed.

Our strategy will focus on dealing with all residual matters associated with the pre-packaged sale, seeking to realise the Company's remaining assets that were not included as part of that sale, while attending to relevant statutory matters in the administration including distributing funds to creditors where relevant (Section 3 - Strategy and progress of the administration to date).

The Company's secured creditors are The Royal Bank of Scotland Plc ("RBS") who hold a fixed and floating charge over the Company's assets. RBS held a credit balance in the Company's pre-appointment bank account which they intend to use to offset their debt, being two loans granted to the Company. RBS's exposure is therefore expected to be repaid in full (Section 4 - Dividend prospects).

All of the Company's employees transferred to the Purchaser under TUPE regulations. As such we do not estimate that there will be any ordinary preferential creditors (Section 4 - Dividend prospects).

HMRC as the secondary preferential creditor is understood to be owed £33,580 in respect of outstanding PAYE/NIC. However, it is understood that the Company had a VAT reclaim due to them from HMRC for the period prior to the administration appointment of approximately £24,000. As such, it is expected that HMRC will apply Crown set-off against the VAT reclaim, which will reduce HMRC's secondary preferential claim. HMRC are expected to be repaid in full (Section 4 - Dividend prospects).

According to the Directors' statement of affairs, unsecured trade creditors totalled £976,668 at appointment. Based on current estimates, we anticipate that funds will be available to make an ordinary distribution to the unsecured creditors, although the quantum of any distribution is uncertain at present (Section 4 - Dividend prospects).

We are seeking approval of our proposals from the Company's creditors with this report via a decision procedure (Section 6 – Approval of proposals).

We are also seeking approval of the basis of our remuneration, category 2 expenses, pre-administration costs and discharge of liability from the Company's creditors via a decision procedure (Section 7 - Joint Administrators' remuneration, expenses and pre-administration costs).

Whilst we consider it prudent to retain several options available, at this early stage in the administration we consider the most probable exit route from administration at this stage will be dissolution (Section 5 - Ending the administration).

This document in its entirety is our statement of proposals. A summary list of the proposals is shown in Section 8 together with all relevant statutory information included by way of appendices. Unless stated otherwise, all amounts in the proposals and appendices are stated net of VAT.



Alistair McAlinden  
Joint Administrator

## **2 Background and events leading to the administration**

### **2.1 Background information**

Incorporated on 15 July 2013, the Company was an online food retailer, supplying vegan and plant-based products via an online supermarket. It also had a monthly subscription box model for both beauty and food products. The Company was standalone and not part of a group.

The Directors of TVK were Tony Buffin, Sarah Boddy and Scott McCulloch (the 'Directors'). The Company was 68% owned by Literacy Capital.

The Company operated from a leased warehouse based at Ashton Road, Glasgow.

On appointment the Company had 38 employees, all of whom have transferred to the Purchaser under TUPE regulations as part of the pre-pack sale.

### **2.2 Funding and financial position of the Company**

#### *Funding*

The Company is a private company, the Company's lender was RBS. RBS had security registered at Companies House in the form of a fixed and floating charge over all the property and / or undertaking of the Company.

The Company grew organically from its inception in 2013 prior to securing funds via Scottish Edge C.I.C in 2017 of c£75,000. Additionally, the Company took loans from Funding Circle and RBS. At the date of appointment, Funding Circle were outstanding c.£30k for which we understand a current Director and a former Director may have provided personal guarantees (which we understand represents the only security held by Funding Circle).

In 2020, the Company raised c£670k from over 2,000 investors via Seedrs, an online crowdfunding platform. This was for a total equity offer of c.10%.

In 2021, the Company increased its workforce and invested heavily in its online digital marketing. This spend was funded by a £3.5m equity investment into the business from Literacy Capital who took a c68% stake in the Company.

#### *Financial Position*

The company file total exemption full accounts with the most recent filed for the year ended 31 December 2021.

According to management information, turnover increased year on year between 2019 – 2021, increasing from £2.4m to £5.6m to £7.5m in each year respectively. The Company's revenue fell to a forecast outturn of £4.5m for the year ended 31 October 2022.

Despite the growing turnover, the Company incurred losses in each year between 2019-2021 of £124k, £114k and £1.4m respectively, with a forecast loss of £1.6m for the year ended 31 October 2022.

According to unaudited management information the Company had therefore been loss making for an extended period of time.

## **2.3 Events leading to the administration**

By October 2019 the business had grown to generate £2.4m in annual revenues.

Over 2020 / 2021, and linked to COVID lockdowns, the Company experienced further substantial growth in its revenues as consumers increased online purchasing activity and TVK subsequently invested heavily in the Company's infrastructure, including moving to a 35,000 square foot warehouse capable of servicing (and expanding) that customer base. The Company also increased its workforce and invested heavily in its online digital marketing. This spend was funded by a £3.5m equity investment into the business from Literacy Capital who took a c68% stake in the Company alongside other investors from previous fundraises. In the year to 31 October 2021 revenue had grown to £7.5million.

However, over the second half of 2021 and into 2022, TVK experienced a downturn in trade which was reflective of consumers returning to pre COVID shopping habits. This reduction in revenue levels together with the increased infrastructure costs (infrastructure that had been expanded in anticipation of continued growth) resulted in losses being incurred which ultimately caused cash pressures for the Company.

Subsequently, the Company identified a funding requirement in the Summer of 2022 with cash reserves forecast to be exhausted during October 2022.

On 9 September 2022, after an introduction by the majority shareholders of the Company (Literacy Capital), Interpath Limited ("Interpath") was engaged by the Company to assist in attempting to find investment in the business.

A three-week marketing process commenced on 12 September 2022 with a deadline for offers of 27 September 2022. A 'teaser' document, which outlined the key highlights of the opportunity, was circulated to 120 financial turnaround investors and 64 trade parties. 4 offers were received by the deadline of 27 September 2022.

The highest offer received, deliverable in the timescales available, was from Lillie SPV Limited which is owned by Literacy Capital, who are 68% shareholders of the Company. Under the terms of the sale all of the Company's employees would transfer to the Purchaser under TUPE. Following recommendation from our agents we concluded that a pre-pack sale of the Company's business and assets to Lillie SPV Limited represented the best outcome for the Company's creditors.

On 29 September 2022, the Directors concluded that an insolvency of the Company was inevitable and the best proposal available at that time, being a sale of the business and assets, was pursued. The directors instructed Interpath to consider the alternative options available to the Company and, if appropriate, to plan for and negotiate a pre-packaged sale of the business and assets given the Company's solvency would not be preserved. Interpath accepted that instruction and acted accordingly.

The sale process is outlined in further detail in the SIP 16 memorandum (Appendix 7).

Alistair McAlinden and Blair Nimmo were appointed administrators by the Directors under paragraph 22 of Schedule B1 to the Insolvency Act on 11 October 2022, and the sale of the business and assets to Lillie SPV Limited was subsequently completed.

At the time of our appointment, we disclosed to the Court details of the work carried out by Interpath up to that time.

We are satisfied that the work carried out by Interpath before our appointment, including the pre-administration work summarised below, has not resulted in any relationships which create a conflict of interest or which threaten our independence.

Furthermore, we are satisfied that we are acting in accordance with the relevant guides to professional conduct and ethics.

## **2.4 Pre-administration work**

As set out above, Interpath were initially engaged on 9 September 2022 to assist in attempting to find investment in the business.

Interpath has incurred pre-administration time costs in respect of negotiating the sales contract, providing advice to the Directors, and undertaking the relevant statutory duties associated with the appointment process. We intend to seek approval for our pre-administration costs, which are detailed in section 7.2, from the Company's creditors via decision procedure.

Prior to our appointment, solicitors Morton Fraser LLP ('Morton Fraser') assisted with providing advice ahead of the administration appointment, including a review of RBS's security and ability of RBS to offset their debt against the credit balance held with them.

We intend to seek approval for these pre-administration legal costs, which are detailed in section 7.2, from the Company's creditors via a decision procedure.

In addition to this, Hilco Appraisal Limited ('Hilco') undertook a valuation of the Company's fixed tangible and intangible assets and stock. The costs incurred in relation to these pre-appointment costs are set out in Section 7.2 and we will be seeking approval for these pre-administration agents costs from the Company's creditors via a decision procedure.

## **2.5 Appointment of Joint Administrators**

The Directors resolved on 11 October 2022 to appoint us as Joint Administrators.

The notice of appointment was lodged at the High Court of Justice, The Business and Property Courts in Leeds on 11 October 2022 and we were duly appointed, with the sale of the business and assets being subsequently completed.

# 3 Strategy and progress of the administration to date

## 3.1 Strategy to date

### Strategy

As outlined in the SIP 16 memorandum (see Appendix 7), a number of options for the Company (in addition to a prepack sale) were considered by the proposed joint Administrators, including but not limited to:

- The Company staying out of an Insolvency process, receiving further funding from a third-party source;
- A trading administration;
- A wind-down administration; and
- A liquidation or administration-shutdown.

Having considered the options above, a pre-pack sale was assessed as most likely to achieve a better outcome for the Company's creditors than the other options, whilst delivering a greater level of certainty for creditors and employees.

The Purchaser received confirmation from an evaluator that the consideration payable for the Company's business and assets is reasonable and recommended acceptance of the offer from the Purchaser.

### Sale of business

A sale of business and certain assets of the Company was concluded on 11 October 2022 to Lillie SPV Limited ("the Purchaser") which is owned by Literacy Capital, who are 68% shareholders of the Company. The Purchaser's directors are Tony Buffin who was a Director and a shareholder of the Company and Olly Cox, an employee of Literacy Capital who are shareholders in both the Company and the Purchaser. The Purchaser therefore falls into the definition of a connected party

Full details of the sale are set out in the SIP 16 memorandum which is enclosed at Appendix 7. As noted above, Lillie SPV Limited obtained a report by an evaluator, via the Pre-pack pool. This report was shared with the Joint Administrators prior to completion of the Transaction, the report is included at Appendix 8.

The Joint Administrators were confident that no material change occurred between submission to the evaluator and the Transaction, and that the evaluator was independent of the Company, the Purchaser and of themselves.

## Connected party sale

A connected person is defined in SIP 16 as a person with any connection to the directors, shareholders or secured creditors of the Company or their associates.

As a result of the connected party relationship, and in line with the Administration (Restrictions on Disposal etc. to Connected Persons) Regulation 2021, the Purchaser appointed an evaluator to assess the reasonableness of the transaction. The Joint Administrators have seen the opinion dated 10 October 2022, which outlined that the evaluator is satisfied that the consideration to be provided for the assets and grounds for the disposal are reasonable in the circumstances.

The evaluation was conducted by Shona Campbell, an ICAS licensed Insolvency Practitioner. No members of the Interpath engagement team have had any prior personal or professional relationship with Ms Campbell.

Having reviewed this report, and qualifications held by Ms Campbell, the Joint Administrators are satisfied that, on the date of the report, the evaluator had the requisite knowledge and experience to provide the report. A copy of the report can be found within Appendix 8.

## Employees

Upon completion of the pre-packaged sale, 38 employees transferred to the Purchaser under TUPE regulations. No redundancies were made.

## 3.2 Asset realisations

Realisations from the date of our appointment to 20 October 2022 are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations to date are provided below.

### Sale of business

The business and certain assets of the Company were sold to the Purchaser on 11 October 2022. Under the terms of the sale agreement, the sale to the Purchaser included right, title and interest in the following assets:

Intellectual property assets, goodwill and records	140,002
Tangible assets (being equipment, fixtures and fittings)	30,999
Stock (subject to adjustment following a completion stock count)	74,800
Consideration for pre-payment of rent	11,599
<b>Total</b>	<b>257,400</b>

The sale consideration of £257,400 was paid in full on completion. Under the terms of the sale and purchase agreement, a physical stock check was conducted immediately after completion of the sale. In addition, under the terms of the sale agreement we will review any claims by third parties to retain title over stock, which if valid will then result in an adjustment to the final consideration payable by the Purchaser for Stock.

We will provide an update on the stock consideration within our next report to creditors.

Rent on the Company's leasehold premises had been paid up to 27 November 2022. A licence to occupy has been granted to the Purchaser up to that period, with consideration of £11,599 received as part of the sale transaction in acknowledgement of pre-payment of rent.

Furthermore, as highlighted previously, as part of the sale all 38 employees transferred under TUPE regulations to the Purchaser.

#### Cash at bank

At the date of our appointment the Company held a credit balance of £143,881 in an account with RBS. RBS have confirmed that they are owed £79,714 (including interest) in respect of two loans advanced to the Company. The Joint Administrators legal advisors have confirmed that RBS had a right of offset and RBS have confirmed that they intend to apply the offset and will be sending the net credit funds to the administration bank account in due course.

In addition, as at the date of appointment certain funds were in transit from internet finance partners in respect of sales made by the Company pre appointment. We understand from RBS that a total of £69,202 has been received into the pre-appointment account subsequent to our appointment. These funds will be subject to a re-allocation exercise between the Purchaser, in respect of post-appointment sales, and the Company under the terms of the sale agreement which will be completed in due course.

#### Directors' loans

According to the Company's records the sum of £143,312 was due to the Company from a director and former director of the Company relating to historic payments received by these parties in lieu of remuneration. It is understood that the individuals concerned may have counter claims against the Company in respect of certain contractual matters entered into with the Company. The circumstances surrounding all these arrangements are currently under consideration and we will update the creditors further in our next report. We will pursue these balances for repayment.

#### Leasehold premises

The Company operated from a leasehold warehouse property at Ashton Road, Glasgow. Under the terms of the sale to the Purchaser a licence to occupy the property was granted until 27 November 2022 as detailed above.

At the end of the licence period, we will liaise with both the Purchaser and the landlord of the Ashton Road premises regarding either an assignment or a renunciation of the lease.

We will look to renounce the lease of the Company's former leasehold premises at Oakbank, which is vacant and had not been used by the Company for some time, at the earliest opportunity.



## Investigations

We are reviewing the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

In this regard, if you wish to bring to our attention any matters which you believe to be relevant, please do so by writing to the Joint Administrators at Interpath Advisory, 5th Floor, 130 St Vincent Street, Glasgow G2 5HF, United Kingdom or by email to [VeganKind@interpathadvisory.com](mailto:VeganKind@interpathadvisory.com).

## **3.3 Costs**

An estimate of all the anticipated costs likely to be incurred throughout the duration of the administration is set out in the attached summary of expenses (Appendix 4).

No payments have been made from the date of our appointment to 20 October 2022 as set out in the attached receipts and payments account (Appendix 2).

## 4 Dividend prospects

### 4.1 Secured creditor

At the date of appointment, the Company had the following outstanding balances due to the Secured Creditor, RBS:

- Two outstanding loans totalling £79,714 (as advised by RBS).

Morton Fraser LLP have undertaken a review of the Bank's security. They have confirmed that the Bank has a valid right of set-off of the two outstanding loan accounts against the credit balance held in the Company's pre-appointment bank account.

The Bank have confirmed they intend to exercise their right of set-off. As such RBS's exposure is expected to be repaid in full.

### 4.2 Ordinary preferential creditors (employees)

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially (in advance of floating charge holders and ordinary unsecured creditors) and in priority to other preferential creditors (see 4.3 below). These claims are therefore referred to as "ordinary preferential creditors".

Under the terms of the sale and purchase agreement, all employees and their associated liabilities including outstanding pension contributions transferred over to the Purchaser via TUPE regulations. As such, no ordinary preferential claims in respect of wages, holiday pay or pension benefits are anticipated.

### 4.3 Secondary preferential creditors (HMRC and the Financial Services Compensation Scheme)

Claims from the Financial Services Compensation Scheme ('FSCS') and HMRC, in relation to VAT, PAYE, employees' National Insurance contributions ('NIC') and Construction Industry Scheme ('CIS') deductions, rank preferentially, but secondary to the employee ordinary preferential creditors above. These claims are therefore referred to as "secondary preferential creditors".

HMRC as the secondary preferential creditor is understood to be owed c£33,580 in respect of outstanding PAYE/NIC. However, it is understood that the Company had a VAT reclaim due to them from HMRC for the period prior to the administration appointment of approximately £24,000 (as shown in the Directors' Statement of Affairs). These figures are to be confirmed and we will update the creditors as our work progresses. As such, it is expected that HMRC will apply Crown set -off against the VAT reclaim. This will have the effect of reducing HMRC's claim as a secondary preferential creditor.

Where HMRC have a residual secondary preferential creditor claim, they may receive a dividend but the quantum and timing are uncertain.

## 4.4 Unsecured creditors

According to the Directors' statement of affairs, unsecured trade creditors totalled £258,564 at appointment. In addition, the Company's HP creditors were owed £121,373 and estimated liabilities to landlords, credit card providers, and funders, Scottish Edge and Funding Circle totalled £718,103.

Based on current estimates, we anticipate that unsecured creditors should receive a dividend. We have yet to determine the quantum or timing of this, but we will do so when we have completed the realisation of assets and the payment of associated costs.

## 4.5 Shareholders

As detailed in section 2.2, in 2020 the Company raised funding of c.£670k via Seedrs, an online crowdfunding company. It is understood that there are over 2,000 individuals who have invested in the business. In addition, as previously noted, in April 2021 the Company raised £3.5 million from Literacy Capital.

The shareholding at the date of appointment, based on management information, was as follows:

	A SHARES	B SHARES	C SHARES	TOTAL	% of holding
Scott McCulloch		102,326		102,326	2.75%
Karris McCulloch		102,326		102,326	2.75%
EMI Option Pool		125,657		125,657	3.38%
<b>Founders and Management Total</b>	-	<b>330,309</b>		<b>330,309</b>	<b>8.88%</b>
Seedrs Nominees Ltd	371,738			371,738	9.99%
Literacy Capital Plc	775,585	1,786,830		2,562,415	68.86%
Veg Capital Ltd	52,156			52,156	1.40%
Scottish Enterprise	83,537			83,537	2.25%
<b>Institutional Investors</b>	<b>1,283,016</b>	<b>1,786,830</b>	-	<b>3,069,846</b>	<b>82.50%</b>
Individuals	102,384	155,567	62,828	320,779	8.62%
<b>TOTAL</b>	<b>1,385,400</b>	<b>2,272,706</b>	<b>62,828</b>	<b>3,720,934</b>	<b>100.00%</b>

There will be no return to shareholders on this case as, based on current estimates, unsecured creditors will not be repaid in full.

## **5 Ending the administration**

### **5.1 Exit route from administration**

We consider it prudent to retain all of the options available to us, as listed in Section 8 to bring the administration to a conclusion in due course.

However, at this early stage in the administration we anticipate that the most likely exit route will be dissolution.

### **5.2 Discharge from liability**

We propose to seek approval from the Company's creditors that we will be discharged from liability in respect of any action as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

See Section 6.1 for details regarding the decision by correspondence.

## 6 Approval of proposals

### 6.1 Decision procedure

Notice of seeking a decision by correspondence is attached to the covering letter. This decision by correspondence procedure is being used to seek approval of our statement of proposals.

Creditors' Committee

A Creditors' Committee will be formed if the creditors decide that one should be formed and sufficient creditors are willing to act. The minimum number of Committee members is three and the maximum is five.

Function of the Creditors' Committee

The Creditors' Committee represents the interests of the creditors as a whole, rather than the interests of certain parties or individuals.

Its statutory function is to help us to discharge our responsibilities as Joint Administrators.

If a Creditors' Committee is formed it is for that body to approve, for instance:

- the basis of our remuneration
- the drawing of Category 2 expenses

Members of the Creditors' Committee are not remunerated for their time. Other than receiving travel expenses, they receive no payment from the Company.

### 6.2 Decisions

The proposed decisions to be considered as part of the decision by correspondence are as follows:

- approval of our proposals; and
- the formation of a Creditors' Committee.

In addition, creditors are also required to vote on the proposed decisions in Section 7.1 and 7.2 as follows:

our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5:

Category 2 expenses (as defined in Statement of Insolvency Practice 9) will be charged and drawn in accordance with Interpath Advisory's policy as set out in Appendix 5 and in accordance with the estimate of payments to KPMG provided within Appendix 4.

That unpaid pre-administration costs as detailed in section 7.2 be paid as an expense of the administration; and

That we will be discharged from liability in respect of any action as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

However, the votes cast in relation to these additional decisions will only be used if a Creditors' Committee is not formed.

### **6.3 Creditors' right to request a physical meeting**

We will summon a physical meeting (1) if asked to do so by (a) creditors whose debts amount to at least 10% of the total debts of the Company, or (b) 10% in number of creditors, or (c) 10 creditors, and (2) if the procedures set out below are followed.

Requests for a physical meeting must be made within five business days of the date on which our proposals were delivered. They must include:

- a statement of the requesting creditor claim;
- a list of the creditors concurring with the request, showing the amounts of their respective debts in the administration;
- written confirmation of their concurrence from each concurring creditor; and
- a statement of the purpose of the proposed meeting;

In addition, the expenses of summoning and holding a meeting at the request of a creditor must be paid by that creditor. That creditor is required to deposit security for such expenses with us.

If you wish to request a physical creditors' meeting, please complete and return the physical meeting requisition form attached to the cover letter.

## **7 Joint Administrators' remuneration, expenses and pre-administration costs**

### **7.1 Approval of the basis of remuneration and expenses**

Agreement to the basis of our remuneration and the drawing of Category 2 expenses is subject to specific approval. It is not part of our proposals.

Should a Creditors' Committee be formed, we will seek to obtain approval from the Creditors' Committee that:

our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5;

Category 2 expenses (as defined in Statement of Insolvency Practice 9) will be charged and drawn in accordance with Interpath Advisory's policy as set out in Appendix 5 and in accordance with the estimate of payments to KPMG provided within Appendix 5.

Attached to the covering letter is formal notice of the decision by correspondence which asks the creditors to vote on the proposed decisions with regard to our remuneration and drawing of Category 2 expenses. Only if a Creditors' Committee is not formed will the votes cast by the creditors be used.

#### **Time costs**

From the date of our appointment to 20 October 2022, we have incurred time costs of £71,409. These represent 153.40 hours at an average rate of £465.51 per hour.

#### **Expenses**

We have not incurred any expenses during the period.

#### **Additional information**

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Interpath for the period from our appointment to 20 October 2022. We have also attached our charging and expenses recovery policy.

### **7.2 Pre-administration costs**

The following pre-administration costs have been incurred in relation to the pre-administration work detailed in Section 2:

Interpath fees	0.00	62,376.50	<b>62,376.50</b>
Interpath expenses	0.00	0.00	<b>0.00</b>
Morton Fraser legal costs	0.00	22,000.00	<b>22,000.00</b>
Morton Fraser disbursements	0.00	8,200.00	<b>8,200.00</b>
Hilco agent's fees-in relation to fixed assets-IP	0.00	12,500.00	<b>12,500.00</b>
Hilco agent's fees-in relation to floating assets-stock	0.00	2,500.00	<b>2,500.00</b>
<b>Total</b>	<b>0.00</b>	<b>107,576.50</b>	<b>107,576.50</b>

Interpath has incurred pre-administration time costs in respect of negotiating the sales contract, providing advice to the Directors, and undertaking the relevant statutory duties associated with the appointment process. We intend to seek approval for certain of our pre-administration costs, which are shown above, from the Company's creditors via decision procedure.

Prior to our appointment, solicitors Morton Fraser LLP ('Morton Fraser') assisted with providing advice ahead of the administration appointment, including a review of RBS's security and ability of RBS to offset their debt against the credit balance held with them.

We intend to seek approval for these pre-administration legal costs, which are shown above, from the Company's creditors via a decision procedure.

In addition to this, Hilco Appraisal Limited ('Hilco') undertook a valuation of the Company's fixed tangible and intangible assets and stock. The costs incurred in relation to these pre-appointment costs are shown above and we will be seeking approval for these pre-administration agents costs from the Company's creditors via a decision procedure.

The payment of unpaid pre-administration agents costs as an expense of the administration is subject to the same approval as our remuneration, as outlined above. It is not part of our proposals.

### **7.3 Payments to KPMG**

The Company had previously engaged KPMG LLP to assist with some VAT rebate work to secure VAT refunds due to the Company.

Under the terms of the agreement between the Company and KPMG LLP, it was agreed that KPMG LLP would be paid a contingent fee of 25% of VAT savings achieved.

The Joint Administrators are presently considering whether the retention of KPMG as the incumbent advisers is in the best interests of the Company's creditors and if so whether the fee structure previously negotiated by the Company on an arm's length basis with KPMG remains appropriate in all the circumstances.

Should the Joint Administrators conclude that it is appropriate to continue then we will look to engage the VAT specialists from KPMG LLP to continue this VAT rebate work.



Up until 4 May 2021, the Joint Administrators and their staff were also partner(s) and employee(s) of KPMG LLP. Whilst the KPMG VAT team is no longer part of the same organisation as the officeholders, and not considered to be an associate for the purposes of SIP 9, for transparency any payments to KPMG LLP will be subject to the same disclosure and approval as the Joint Administrators' Category 2 expenses.

Should KPMG LLP be engaged by us for this VAT work, the Joint Administrators will need to seek approval from the Company's creditors to pay the KPMG VAT team for the VAT rebate work completed.

We will revert to the Company's creditors on this point in due course.

## 8 Summary of proposals

While the Joint Administrators were able to undertake a transaction in which the business and employees transferred to the purchaser, it was not possible to rescue the Company as a going concern. On this basis rescuing the Company in accordance with Paragraph 3(1)(a) is not achievable.

Therefore our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals.

We propose the following:

### General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above;
- to investigate and, if appropriate, to pursue any claims the Company may have;
- to seek an extension to the administration period if we consider it necessary.

### Distributions

- to make distributions to the ordinary and secondary preferential creditors where funds allow;
- to make distributions to the unsecured creditors if funds become available, and to apply to the Court for authority to do so, where applicable.

### Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:

- apply to Court for the administration order to cease to have effect from a specified time and for control of the Company to be returned to the Directors;
- formulate a proposal for either a company voluntary arrangement (CVA) or a scheme of arrangement and put it to meetings of the Company's creditors, shareholders or the Court for approval as appropriate;
- place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, Alistair McAlinden and Blair Nimmo, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;
- petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, Alistair McAlinden

and Blair Nimmo, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together;

file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

Joint Administrators' remuneration and pre-administration costs

We propose that:

our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5;

Category 2 expenses (as defined in Statement of Insolvency Practice 9) will be charged and drawn in accordance with Interpath Advisory's policy as set out in Appendix 5 and in accordance with the estimate of payments to KPMG provided within Appendix 4; and unpaid pre-administration costs be an expense of the administration.

Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

## Appendix 1      Statutory information

Company and Trading name	TheVeganKind Ltd
Date of incorporation	15 July 2013
Company registration number	08610535
Trading address	Herschel House, 8 Ashton Road, Rutherglen, Glasgow G73 1UB
Previous registered office	7 Bell Yard, London WC2A 2JR
Present registered office	c/o Interpath Advisory, Tailor's Corner, Thirsk Row, Leeds, LS1 4DP
Company Directors	Sarah Boddy Tony Buffin (holding 5881 A Ordinary Shares) Scott McCulloch (holding 102326 B Ordinary Shares)
Company Secretary	N/A

Administration appointment	The administration appointment granted in High Court of Justice, The Business and Property Courts in Leeds, 000769 of 2022
Appointor	Directors
Date of appointment	11 October 2022
Joint Administrators	Alistair McAlinden and Blair Nimmo
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2).
Current administration expiry date	10 October 2023
Prescribed Part	The Prescribed Part is applicable on this case. It has been taken into account when determining the dividend prospects for unsecured creditors (Section 4.4)
Estimated values of the Net Property and Prescribed Part	Per the draft Statement of Affairs, estimated Net Property is £440,006. Estimated Prescribed Part is £91,001.
Prescribed Part distribution	The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply. Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors which will include the Prescribed Part. However, given we anticipate that the debt due to RBS, debenture holder, will be repaid in full, we anticipate an ordinary distribution, rather than a Prescribed Part, will become payable to unsecured creditors.
Application of EU Regulations	EU Regulations apply and these proceedings will be the Proceedings to which the EU Regulation as it has effect in the law of the United Kingdom does not apply as defined in Article 3 of the EU Regulations.

## Appendix 2      Joint Administrators' receipts and payments account

TheVeganKind Ltd - in Administration		
Abstract of receipts & payments		
Statement of affairs (£)	From 11/10/2022 To 20/10/2022 (£)	From 11/10/2022 To 20/10/2022 (£)
FIXED CHARGE ASSETS		
Intellectual property databases, domains	140,000.00	140,000.00
Goodwill and records	2.00	2.00
	140,002.00	140,002.00
ASSET REALISATIONS		
Furniture & equipment	30,999.00	30,999.00
Stock	74,800.00	74,800.00
Rates prepayment	4,958.58	4,958.58
Prepayment of rent and insurance	11,599.00	11,599.00
	122,356.58	122,356.58
	<b>262,358.58</b>	<b>262,358.58</b>
REPRESENTED BY		
Floating charge current		262,358.58
		<b>262,358.58</b>

## Appendix 3 Joint Administrators' fees estimate

### Administration & Planning

<b>Cashiering</b> - processing receipts, payments and bank reconciliations	Note 1	13.00	5,735.00	441.15
<b>General</b> - books & records, fees & work in progress	Note 2	18.00	7,218.95	401.05
<b>Statutory and compliance</b> - appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy	Note 3	85.00	29,468.85	346.69
<b>Tax</b> - VAT & Corporation tax, initial reviews, pre and post appointment tax	Note 4	15.50	7,797.50	503.06

### Creditors

<b>Committees</b> - committee meetings and reports to the committee	Note 5	0.00	0.00	0.00
<b>Creditors and claims</b> - general correspondence, notification of appointment, statutory reports	Note 6	109.00	33,465.00	307.02
<b>Employees</b> - correspondence	Note 7	6.00	2,500.00	416.67

### Investigations

<b>Directors</b> - correspondence, statement of affairs, questionnaires	Note 8	6.00	3,760.00	626.67
<b>Investigations</b> - director conduct and affairs of the Company	Note 9	27.00	9,825.00	363.89
<b>Asset realisations</b> - including insurance of assets	Note 10	135.00	49,540.00	366.96
<b>Total</b>		414.50	149,310.30	360.22

### Note 1 – Cashiering

This includes time costs incurred in opening new bank accounts, liaising with RBS regarding the transfer of funds from pre-appointment bank accounts, maintaining the administration bank accounts, including bank reconciliations and processing payment & receipt vouchers and day to day administration of all bank accounts. Time costs incurred on these activities are in relation to performing our statutory duties but also enhance asset realisations which are for the benefit of creditors.

### Note 2 – General

This includes general time costs that will be incurred on the case, including arranging for electronic and paper records to be collected, maintaining accurate and up to date files, drawing administrators' fees in accordance with approvals obtained. Time costs incurred on these activities are in relation to performing our statutory duties.

### Note 3 - Statutory and compliance

This includes time incurred on undertaking post-appointment related formalities, formulating, and regularly reviewing the administration strategy, providing written and verbal updates to RBS as the secured creditor on the status of the administration, and arranging an adequate level of bonding. In addition, this includes time spent on assisting with the preparation of the Directors' Statement of Affairs and future closure related formalities. Time costs incurred on these activities are in relation to performing our statutory duties.

#### Note 4 – Tax

Time will be spent notifying HMRC of the Joint Administrators appointment, reviewing the Company's corporation tax and VAT position on appointment. We will also be required to produce corporation tax and VAT returns and liaise with HMRC on all other tax matters over the course of the administration, including seeking tax clearance prior to the exit from the administration. Time costs incurred on these activities are in relation to performing our statutory duties but may also result in asset realisations for the benefit of the Company's creditors.

#### Note 5 – Committees

It is uncertain whether a committee will be formed. If one is formed, we will revise our fee estimate for time incurred in future reports to creditors.

#### Note 6 – Creditors and claims

This relates to time that will be spent dealing with general communications with creditors and statutory reporting to creditors. This estimate also includes time that will be spent agreeing preferential claims (where relevant) and unsecured claims, as we expect, based on present financial information, that there will be funds to distribute to unsecured creditors. At this stage it is uncertain whether any distribution to unsecured creditors will be made via the administration or whether the Company will be placed into liquidation. Time costs incurred on these activities are in relation to performing our statutory duties but the time incurred on distributing to creditors has a financial benefit to creditors.

#### Note 7 – Employees

All of the Company's employees transferred to the Purchaser under TUPE regulations. Our fee estimate includes time spent notifying employees of our appointment and explaining the implications of the administration and the pre-pack sale to them, including how they can claim any monies or other employee entitlements that may be owed to them. Time will also be spent dealing with statutory other employment related matters and employee queries. Time costs incurred on these activities are in relation to performing our statutory duties.

#### Note 8 – Directors

Our anticipated work will involve corresponding with directors of the Company regarding their statutory duties, requesting and assisting the Directors with the completion of the Statement of Affairs (now provided in draft). In addition we will be issuing directors questionnaires and submitting director conduct reports and other relevant reports to the Insolvency Service. Time costs incurred on these activities are in relation to performing our statutory duties.

#### Note 9 – Investigations

A report on the conduct of the Directors prior to the administration will be drafted and submitted confidentially to the Insolvency Service. We will review pre-administration transactions, the Company's bank statements and responses to the directors' questionnaires, as well as the performance and position of the Company prior to insolvency. Time may also be spent liaising with the Company's creditors and shareholders should any concerns be brought to the attention of the Joint Administrators.

Time costs incurred on these activities are in relation to performing our statutory duties, but may also result in enhanced asset realisations.

#### Note 10 - Asset realisations

This estimate covers time that will be spent in dealing with Retention of Title claims in relation to stock and also in realising the Company's remaining assets that were not subject to the business and assets sale. This includes the Directors Loans that are owed to the Company, the VAT reclaim from HMRC for the period prior to our appointment and the historic VAT rebates. In addition, we will need to undertake a reconciliation of the in-transit funds from internet finance partners in respect of sales made by the Company pre appointment that will be allocated between the Purchaser and the Company under the terms of the sale agreement, and to communicate with hire purchase creditors regarding the collection of the Company's assets from site, should they not be required by the Purchaser. We will also need to liaise with the landlords of both the current and former leasehold premises to renounce the leases. Time costs incurred on these activities are in relation to asset realisations and hence are for the financial benefit of creditors.

#### **Please note:**

In the event that additional work is necessary due to a change in the circumstances of the administration we may need to increase our fees estimate and request approval from the Company's creditors to draw additional remuneration.



## Appendix 4 Joint Administrators' expenses estimate

### **Pre-administration**

#### **Fixed Charge Expenses**

Agent's fees (pre-administration)	3	12,500		12,500	12,500
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#### **Floating Charge Expenses**

Officeholders' fees (pre-administration)	1	31,854		31,854	31,854
Legal fees (pre-administration)	2	22,000		22,000	22,000
Legal disbursements (pre-administration)	2	8,200		8,200	8,200
		74,554		74,554	74,754

### **Post-administration**

#### **Floating Charge Expenses**

Officeholders' disbursements	1	500		500	500
Legal fees	2	14,400	1,500	12,900	14,400
Legal disbursements	2	100		100	100
Agent's disbursements	3	-		-	-
Statutory advertising	4	258		258	258
Storage costs	4	5,000		5,000	5,000
Insurance	4	5,000		5,000	5,000
Bank charges	4	100		100	100
Mail re-direction	4	519		519	519
Rates	4	4,959		4,959	4,959
KPMG VAT rebate fees (if applicable)	5	12,500		12,500	12,500
General provision for unforeseen costs	6	5,000		5,000	5,000
		48,336	1,500	46,836	48,336
<b>Total</b>		<b>122,890</b>	<b>1,500</b>	<b>121,390</b>	<b>122,890</b>

Note 1 – Office holders' fees (pre-administration) and disbursements

The Joint Administrators' fees are charged on an hourly basis. The work undertaken pre-administration include advising the Directors and preparing the appointment documents as detailed in section 7.2. Disbursements are payments first met by the office holder, and then reimbursed to the office holder from the estate, for example mileage claims.

Note 2 – Legal fees and disbursements (including pre-administration)

Morton Fraser LLP assisted with the preparation of the Sale and Purchase Agreement and appointment documents and provided advice in the lead up to the administration as detailed in section 7.2. Morton Fraser LLP will continue to provide legal advice over the course of the administration. AMB Law Limited have been engaged to perform a review of the validity of our appointment as administrators. Legal Disbursements (pre-administration) include Court filing costs.

Note 3 – Agent's fees

As detailed in section 7.2, Hilco undertook a valuation of the Company's fixed tangible and intangible assets and stock prior to the administration appointment.

#### Note 4 – Insurance of assets and other statutory costs

This includes estimated costs for insurance of the Company's remaining assets, in addition to other estimated external costs that are likely to be incurred over the course of the administration.

#### Note 5 – KPMG VAT rebate fees

As detailed in section 7.3, the Company had previously engaged KPMG LLP to assist with some VAT rebate work to secure VAT refunds due to the Company.

Under the terms of the agreement between the Company and KPMG LLP, it was agreed that KPMG LLP would be paid a contingent fee of 25% of VAT savings achieved.

The Joint Administrators are presently considering whether the retention of KPMG as the incumbent advisers is in the best interests of the Company's creditors and if so whether the fee structure previously negotiated by the Company on an arm's length basis with KPMG remains appropriate in all the circumstances. This matter is still being considered but at this stage and for prudence, we have included an estimate of the likely costs that may be incurred as a result.

#### Note 6 – General provision for unforeseen costs

We have included a general provision in the event that other costs not previously anticipated are incurred.

## Appendix 5 Joint Administrators' charging and expenses policy

### Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken by in-house Interpath Advisory tax, VAT and employee specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>

If you are unable to access this guide and would like a copy, please contact [VeganKind@interpathadvisory.com](mailto:VeganKind@interpathadvisory.com).

### Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Managing Director	725
Director	675
Associate Director	590
Manager	495
Senior Associate	345
Administrator	245
Support	155

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

## Policy for the recovery of expenses

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 expenses from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

*Expenses:* These are any payments which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

*Category 1 expenses:* These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

*Category 2 expenses:* These are payments to associates or which have an element of shared costs. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

*Associates:* are defined in the insolvency legislation but also extends to parties where a reasonable and informed third party might consider there would be an association between the third party and the office holder or their firm. Included in the summary of expenses table (at Appendix 3) is an estimate of the future payments to KPMG tax who until 4 May 2021 were part of the same firm as the office holders. On 4 May 2021 KPMG LLP sold its Restructuring business in the UK to Interpath Ltd ('Interpath Advisory'). Whilst we do not consider KPMG are an associate of Interpath Advisory, for transparency, we are requesting approval to pay KPMG tax up to the amount(s) estimated at Appendix 3, from the Company's creditors.

Category 2 expenses charged by Interpath Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of managing director's car – 60p per mile.

For all of the above car types, when carrying Interpath passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have not incurred any expenses during the period 11 October 2022 to 20 October 2022.

We have the authority to pay Category 1 expenses without the need for any prior approval from the creditors of the Company.

Category 2 expenses are to be approved in the same manner as our remuneration.

## Narrative of work carried out for the period 11 October 2022 to 20 October 2022

### The key areas of work have been:

Statutory and compliance	collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences; providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment; issuing press releases and posting information on a dedicated web page; preparing statutory receipts and payments accounts; arranging bonding and complying with statutory requirements; ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	formulating, monitoring and reviewing the administration strategy and meetings with internal and external parties to agree the same; briefing of our staff on the administration strategy and matters in relation to various work-streams; regular case management and reviewing of progress, including regular team update meetings and calls; meeting with management to review and update strategy and monitor progress; reviewing and authorising junior staff correspondence and other work; dealing with queries arising during the appointment; reviewing matters affecting the outcome of the administration; allocating and managing staff/case resourcing and budgeting exercises and reviews; liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	providing written and oral updates to representatives of RBS regarding the progress of the administration and case strategy; liaising with RBS regarding their right of set-off of credit balances held against the two loan accounts.
Cashiering	setting up administration bank accounts and dealing with RBS regarding the monies held in the Company's pre-appointment accounts; preparing and processing vouchers for the payment of post-appointment invoices; reconciling post-appointment bank accounts to internal systems; ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	gathering initial information from the Company's records in relation to the taxation position of the Company; submitting relevant initial notifications to HM Revenue and Customs; reviewing the Company's pre-appointment corporation tax and VAT position; analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; working initially on tax returns relating to the periods affected by the administration; analysing VAT related transactions; dealing with post appointment tax compliance.
Shareholders	providing notification of our appointment; responding to enquiries from shareholders regarding the administration; providing details of the insolvency portal link, to provide access to our statutory reports to the shareholders.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; locating relevant Company books and records.
Asset realisations	collating information from the Company's records regarding the assets; liaising with finance companies in respect of assets subject to finance agreements; liaising with agents regarding the sale of assets; dealing with issues associated with the sale of stock including verifying retention of title claims from suppliers; assessing the funds received into the pre-appointment bank account from internet finance partners to be allocated between the administration and the Purchaser.
Property matters	reviewing the Company's leasehold properties, including review of leases; communicating with landlords regarding rent, property occupation and other issues.
Health and safety	liaising with health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with; liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.

Open cover insurance	<ul style="list-style-type: none"> <li>■ arranging ongoing insurance cover for the Company's business and assets;</li> <li>■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place;</li> <li>■ assessing the level of insurance premiums.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>■ assessing the position regarding employees following the pre-pack sale of the business and assets;</li> </ul>
Pensions	<ul style="list-style-type: none"> <li>■ collating information and reviewing the Company's pension schemes;</li> <li>■ review of pre-appointment unpaid contributions;</li> <li>■ ensuring compliance with our duties to issue statutory notices.</li> </ul>
Creditors and claims	<ul style="list-style-type: none"> <li>■ drafting and circulating our memorandum in compliance with SIP16;</li> <li>■ drafting and circulating our proposals;</li> <li>■ preparing documents in relation to the decision procedure;</li> <li>■ creating and updating the list of unsecured creditors;</li> <li>■ responding to enquiries from creditors regarding the administration and submission of their claims;</li> <li>■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records;</li> <li>■ dealing with suppliers with retention of title claims, including reviewing supporting documentation and arranging and carrying out stock inspection visits.</li> </ul>
Investigations/ Directors	<ul style="list-style-type: none"> <li>■ reviewing Company and directorship searches and advising the directors of the effect of the administration;</li> <li>■ liaising with management to produce the Statement of Affairs ahead of filing this document with the Registrar of Companies;</li> <li>■ arranging for the redirection of the Company's mail.</li> </ul>

## Time costs

### Pre-administration time costs

SIP 9 – Time costs analysis (29/09/2022 to 10/10/2022)							
	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Pre-administration							
Asset Realisation							
Pre-Administration Sale of business - preparation	46.70	39.30			86.00	57,044.50	663.31
Statutory and compliance							
Advising directors	3.50				3.50	2,537.50	725.00
Appointment documents	2.00	1.90		1.00	4.90	2,735.50	558.27
Pre-administration checks		0.10			0.10	59.00	590.00
Total in period	52.20	41.30		1.00 0.00	94.50	62,376.50	660.07

### Post-appointment time costs

SIP 9 –Time costs analysis (11/10/2022 to 20/10/2022)			
	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Bankrupt/Director/Member			

**SIP 9 –Time costs analysis (11/10/2022 to 20/10/2022)**

	Hours	Time Cost (£)	Average Hourly Rate (£)
General correspondence	<b>1.90</b>	672.50	353.95
Notification of appointment	<b>5.30</b>	2,838.50	535.57
Statutory reports	<b>0.80</b>	472.00	590.00
Cashiering			
General (Cashiering)	<b>1.10</b>	329.50	299.55
General			
Fees and WIP	<b>2.60</b>	1,153.00	443.46
Statutory and compliance			
Appointment and related formalities	<b>55.00</b>	18,166.50	330.30
Appointment documents	<b>1.80</b>	1,062.00	590.00
Budgets & Estimated outcome statements	<b>1.90</b>	1,121.00	590.00
Checklist & reviews	<b>5.20</b>	2,982.50	573.56
Statutory advertising	<b>0.10</b>	59.00	590.00
Strategy documents	<b>17.10</b>	10,948.50	640.26
Tax			
Initial reviews - CT and VAT	<b>0.30</b>	148.50	495.00
<b>Creditors</b>			
Creditors and claims			
Agreement of unsecured claims	<b>0.80</b>	196.00	245.00
General correspondence	<b>7.80</b>	2,106.00	270.00
Notification of appointment	<b>0.40</b>	198.00	495.00
ROT Claims	<b>4.00</b>	2,360.00	590.00
Statutory reports	<b>25.00</b>	12,104.50	484.18
<b>Investigation</b>			
Directors			
Correspondence with directors	<b>2.40</b>	1,740.00	725.00
Statement of affairs	<b>0.10</b>	49.50	495.00
<b>Realisation of assets</b>			
Asset Realisation			
Cash and investments	<b>3.50</b>	2,163.50	618.14
Insurance	<b>0.40</b>	198.00	495.00
Leasehold property	<b>0.70</b>	356.00	508.57
Plant and machinery	<b>1.30</b>	942.50	725.00
Sale of business	<b>4.90</b>	3,506.50	715.61
Stock and WIP	<b>9.00</b>	5,535.00	615.00
<b>Total in period</b>	<b>153.40</b>	<b>71,409.00</b>	<b>465.51</b>

**SIP 9 –Time costs analysis (11/10/2022 to 20/10/2022)**

	Hours	Time Cost (£)	Average Hourly Rate (£)
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	153.40	71,409.00	
Carry forward time (appointment date to SIP 9 period end date)	153.40	71,409.00	

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.



## Appendix 6            Statement of Affairs, including creditor list

This is the Statement of Affairs for the Company as at the date of our appointment.

**Please note this is a draft document which has not yet been finalised. The Directors have confirmed their agreement to this document being included in the Proposals.**

We have not carried out anything in the nature of an audit on the information provided.  
The figures do not take into account the costs of the administration.

Rule 3.30

### Statement of Affairs

Name of company <b>Thevegankind Limited</b>	Company number 08610535
In the High Court of Justice, Business and Property Courts in Leeds, Insolvency and Companies Lits (ChD) (full name of court)	Court case number CR 2022 LDS 000769

Statement as to the affairs of Thevegankind Limited (in Administration), 7 Bell Yard, London, England, WC2A 2LR

(a)

on the 11 October 2022 \_\_\_\_\_ the date that the company entered administration.

### Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) (date of appointment), the date that the company entered administration.

Full name \_\_\_\_\_  
Signed \_\_\_\_\_  
Dated \_\_\_\_\_

## A - Summary of Assets

### Assets

	Book Value £	Estimated to Realise £
<b>Assets subject to fixed charge:</b>		
Intellectual property (social media channels, customer databases)	N/A	140,000
Goodwill	0	0
<b>Total assets subject to fixed charge</b>	<b>0</b>	<b>140,000</b>
Less: Amount(s) due to fixed charge holder(s)	-79,495	-79,495
<b>Shortfall/surplus to fixed charge holder(s) c/d</b>	<b>-79,495</b>	<b>60,505</b>
<b>Assets subject to floating charge:</b>		
Stock	368,100	71,938
Cash	143,881	143,881
Plant, equipment, office equipment and office fixtures and fittings	687,408	30,999
Directors Loan Karris McCulloch	74,641	11,812
Directors Loan Scott McCulloch	68,671	5,842
Pre-appointment VAT reclaim for quarter Aug-Oct-22	n/a	24,000
Prior year VAT reclaims	n/a	50,000
Cash in transit post administration	n/a	10,000
Accounts receivable	20,258	20,258
Other debtors	132,510	47,741
<b>Total assets subject to floating charge</b>	<b>1,495,469</b>	<b>416,471</b>
<b>Uncharged assets:</b>		
N/A		
<b>Total uncharged assets</b>	<b>0</b>	<b>0</b>
<b>Estimated total assets available for preferential creditors</b>		<b>476,976</b>
Signature _____	Date _____	

## A1 - Summary of Liabilities

	€	Estimated to Realise €
<b>Estimated total assets available for preferential creditors (carried from page A)</b>		<b>476,976</b>
<b>Liabilities</b>		
Ordinary preferential creditors:	-3,390	-3,390
Ordinary preferential (employee) creditors (No. )		0
Other preferential creditors		0
		<b>-3,390</b>
<b>Estimated total assets available for secondary preferential creditors</b>		<b>473,586</b>
Secondary preferential creditors (HMRC)		440,006
<b>Estimated deficiency/surplus as regards preferential creditors</b>		<b>440,006</b>
Less uncharged assets		0
<b>Net property</b>		<b>440,006</b>
Estimated prescribed part of net property where applicable (to carry forward)		91,001
<b>Estimated total assets available for floating charge holders</b>		<b>349,004</b>
Debts secured by floating charges		0
<b>Estimated deficiency/surplus of assets after floating charges</b>		<b>349,004</b>
Estimated prescribed part of net property where applicable (brought down)		91,001
Uncharged assets		0
<b>Total assets available to unsecured creditors</b>		<b>440,006</b>
Unsecured (trade) (non-preferential) creditors		-976,668
Unsecured (employee) creditors (No. )		-3,390
Unsecured (pre-paid consumer) creditors (No. )		0
<b>Estimated deficiency/surplus as regards unsecured creditors</b>		<b>-540,052</b>
Shortfall to fixed charge holders (brought down)		0
Shortfall to preferential creditors (brought down)		0
Shortfall to floating charge holders (brought down)		0
<b>Estimated deficiency/surplus as regards creditors</b>		<b>-540,052</b>
Issued and called up capital		-1,530,622
<b>Estimated total deficiency/surplus as regards members</b>		<b>-2,070,674</b>
Signature	Date	

**NOTE:** You must include all creditors with the 80% OFS of employee creditors and pre-paid consumer creditors. You must confirm if any of the creditors are under hire purchase, chattel leasing or consignment sale agreements by stating which of these (if any) are applicable in the column below. You must also identify any creditors claiming retention of title over property in the Company's possession by including a tick in the 10% column below.

Bethesda Gas	Northchase Ave at Old PO Box 1510, Blake Power & Co Inc, 1510 Piedmont Drive, NORTHCHASE, TN 37015	1	17.35	Unknown	
Bethesda Gas	Northchase Ave at Old PO Box 1510, Blake Power & Co Inc, 1510 Piedmont Drive, NORTHCHASE, TN 37015	1	17.30	Unknown	
Bethesda Gas	Northchase Ave at Old PO Box 1510, Blake Power & Co Inc, 1510 Piedmont Drive, NORTHCHASE, TN 37015	1	17.44	Unknown	
the reemco construction	One S. Cocke and Inglewood Dr	1	571.02	Unknown	
the reemco construction	One S. Cocke and Inglewood Dr	1	77.00	Unknown	
the reemco construction	One S. Cocke and Inglewood Dr	1	1,250.50	Unknown	
the reemco construction	One S. Cocke and Inglewood Dr	1	79.93	Unknown	
the reemco construction	One S. Cocke and Inglewood Dr	1	964.50	Unknown	
Greigall Enterprises Ltd	One 1st. At. Inverloch Road NE, 750 Oxford Kingdom	1	127.00	Unknown	
Greigall Enterprises Ltd	One 1st. At. Inverloch Road NE, 750 Oxford Kingdom	1	408.25	Unknown	
Greco Supply, Bradley Hill	27000 Park, Safford Road Cradley Inverness, West Midlands, B63 2JQ	1	543.24	Unknown	
Greco Supply, Bradley Hill	27000 Park, Safford Road Cradley Inverness, West Midlands, B63 2JQ	1	966.67	Unknown	
Greco Supply, Bradley Hill	27000 Park, Safford Road Cradley Inverness, West Midlands, B63 2JQ	1	244.08	Unknown	
Greco Supply, Bradley Hill	27000 Park, Safford Road Cradley Inverness, West Midlands, B63 2JQ	1	1,598.03	Unknown	
Greco Supply, Bradley Hill	27000 Park, Safford Road Cradley Inverness, West Midlands, B63 2JQ	1	141.42	Unknown	
Greco Supply, Bradley Hill	27000 Park, Safford Road Cradley Inverness, West Midlands, B63 2JQ	1	239.12	Unknown	
Greco Supply, Bradley Hill	27000 Park, Safford Road Cradley Inverness, West Midlands, B63 2JQ	1	5.00	Unknown	
Greco Store	157 Townsend St, San Francisco, CA 94107	1	5.00	Unknown	
Greco Store	One Market Industrial Center and Old Road 889	1	4,762.03	Unknown	
Greco and Greco Trading	277000 Park Lane, 146, London Rd, London England EC2A 4NR	1	2,568.24	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	111.72	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	395.74	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	44.27	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	233.93	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	247.00	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	514.34	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	1,486.72	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	647.00	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	44.00	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	6,28.00	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	445.26	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	533.50	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	17.12	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	2,995.00	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	1,744.00	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	645.95	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	17.50	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	14.92	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	51.64	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	14.92	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	17.00	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	17.00	Unknown	
Greco PLC	Avon Road, Halfbridge, 10, Birmingham, East Midlands, B47 5NR	1	57.60	Unknown	

Unconstr'd	2 Grosvenor Gardens, London, The Royal Road Engineering and Technology Park, 10-18, 19A	£	2,271.34	Unconstr'd			
Unconstr'd Public Transport	The 2000 Offices, 100 Grosvenor Road, London, Port of London 21-2 79B	£	531.46	Unconstr'd			
Unconstr'd Private	King's College, London, 100 Grosvenor Road, 100, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000	Unconstr'd					
Unconstr'd Private	King's College, London, 100 Grosvenor Road, 100, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000	Unconstr'd					
Unconstr'd Private	King's College, London, 100 Grosvenor Road, 100, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483,						

Buy to Let Group 1-3	157 Farnborough Road, London, E14 3AA	£	1,197,55	Unsold				
Buy to Let Group 1-3	156 Farnborough Road, London, E14 3AA	£	2,28,98	Unsold				
Buy to Let Group 1-3	157 Farnborough Road, London, E14 3AA	£	1,177,76	Unsold				
Buy to Let Group 1-3	158 Farnborough Road, London, E14 3AA	£	2,02,43	Unsold				
Buy to Let Group 1-3	159 Farnborough Road, London, E14 3AA	£	1,520,72	Unsold				
Buy to Let Group 1-3	160 Farnborough Road, London, E14 3AA	£	447,42	Unsold				
Buy to Let Group 1-3	161 Farnborough Road, London, E14 3AA	£	1,937,30	Unsold				
Buy to Let Group 1-3	162 Farnborough Road, London, E14 3AA	£	59,13	Unsold				
Service Group	Quaker Lane, Bedford MK4 3LH	£	2,134,93	Unsold				
Service Pkg	Unit 26, A1 and Park Business Centre, London, W3 7QH	£	31,68	Unsold				
Service Pkg	Unit 26, A1 and Park Business Centre, London, W3 7QH	£	115,22	Unsold				
SCAA F-codes	Unit 27, Concord Street, Glasgow, G2 2EN	£	6,815,20	Unsold				
SCAA F-codes	Unit 27, Concord Street, Glasgow, G2 2EN	£	1,190,31	Unsold				
Shoreline	6 Park Avenue, Essex, Rochford, S45 3AG	£	1,43,41	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	156,24	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	290,32	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	133,28	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	321,15	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	52,95	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	11,48	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	493,19	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	262,52	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	2,32	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	8,39	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	8,39	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	26,99	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	493,19	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	279,15	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	917,32	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	179,44	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	2,21,979	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	7,96	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	18,66	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	293,32	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	917,32	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	543,49	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	1,113,47	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	59,51	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	169,34	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	41,36	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	1,367,62	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	1,449,93	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	199,79	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	1,302,23	Unsold				

Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	418,79	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	1,267,87	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	632,12	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	1,295,63	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	1,125,54	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	1,11,15	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	141,56	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	254,41	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	141,22	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	1,127,79	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	126,36	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	955,75	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	11,22	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	219,31	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	1,12,95	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	2,677,52	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	1,246,41	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	278,48	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	2,128,29	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	214,54	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	696,92	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	641,19	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	174,92	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	1,116,12	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	973,79	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	426,92	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	301,72	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	9,49	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	1,119,32	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	325,32	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	2,395,43	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	386,43	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	1,347,97	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	112,22	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	1,677,63	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	1,934,22	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	2,137,25	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	757,52	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	1,118,93	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	952,43	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	1,151,45	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	143,52	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	643,53	Unsold				
Shoreline	Essex Business Road, Mather Park, Rochford, E16 7UG	£	127,62	Unsold				

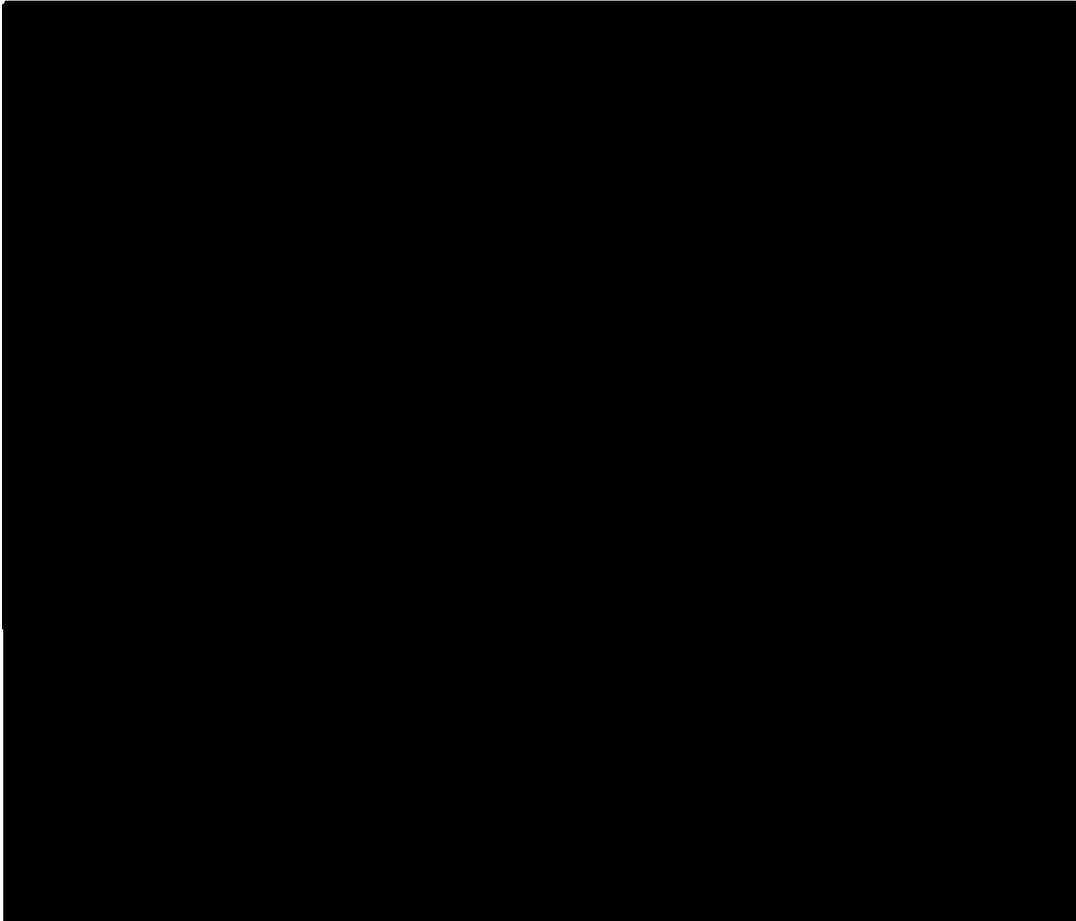
[illegible]

...



**EMPLOYEE/FORMER EMPLOYEE CREDITORS - NOI** to be filed at Companies House or uploaded to the Creditor Portal. A note should be added to the Statement of Affairs uploaded to the Creditor Portal confirming these additional schedules will be made available to creditors on request

**NOTE:** You must include all employee's claims and show the preferential, unsecured and total debt owed to them. The total employee preferential debt and total employee unsecured debt must also be disclosed in the Summary of Liabilities (above), together with the number of creditors to which the total debt relates.



**NOTE:** You must include all pre-paid consumer creditors (ie. customers claiming amounts paid in advance of the supply of goods or services) and show the total debt owed in the Summary of Liabilities (above), together with the number of creditors to which the total debt relates.

[illegible][illegible]

Signature \_\_\_\_\_

Date \_\_\_\_\_

## COMPANY SHAREHOLDERS

[illegible]

		Total	3,595,277	3.60

Signature \_\_\_\_\_

Date \_\_\_\_\_

## Thevegankind Ltd - in Administration

### SIP 16 memorandum of sale of business

This statement is made in order to comply with the Joint Administrators' responsibilities under Statement of Insolvency Practice ("SIP") 16, the latest version of which is effective from 30 April 2021. Statements of Insolvency Practice are guidance notes issued by the insolvency regulatory authorities with a view to maintaining standards by setting out required practice and harmonising practitioners' approach to particular aspects of insolvency.

SIP 16 concerns arrangements where the sale of all or part of a company's business and assets is negotiated with a purchaser prior to the appointment of an administrator, who effects the sale immediately on, or shortly after, their appointment or for the case of a substantial disposal to a connected person, within eight weeks of appointment. A connected person is defined in SIP 16 as a person with any connection to the directors, shareholders or secured creditors of the company or their associates.

SIP 16 can be located via this link <https://www.icaew.com/-/media/corporate/files/technical/insolvency/regulations-and-standards/sips/england/sip-16-england-and-wales-300421.ashx>

### Initial introduction

This memorandum is in respect of the sale of business and certain assets of Thevegankind Limited ("the Company" or "TVK") to Little SPV Limited ("the Purchaser") an entity wholly owned by Literacy Capital, a party connected to the Company.

The Company was incorporated on 15 July 2013, and its primary activity was as an online food retailer, supplying vegan and plant based products via an online supermarket. It also had a monthly subscription box model for both beauty and food products. The Company operated from a leased premises in Glasgow, distributing its products throughout the UK.

The Company was a standalone entity with no wider group structure. By October 2019 the business had grown to generate £2.4m in annual revenues.

Over 2020 / 2021, and linked to COVID lockdowns, the Company experienced further substantial growth in its revenues as consumers increased online purchasing activity and TVK subsequently invested heavily in the Company's infrastructure, including moving to a 35,000 square foot warehouse capable of servicing (and expanding) that customer base. The Company also increased its workforce and invested heavily in its online digital marketing. This spend was funded by a £3.5m equity investment into the business from Literacy Capital who took a 68% stake in the Company alongside other investors from previous fundraises. In the year to 31 October 2021 revenue had grown to £7.5million.

However, over the second half of 2021 and into 2022, TVK experienced a downturn in trade which was reflective of consumers returning to pre COVID shopping habits. This reduction in revenue levels together with the increased infrastructure costs (infrastructure that had been expanded in anticipation of continued growth) resulted in losses being incurred which ultimately caused cash pressures for the Company.

Subsequently, the Company identified a funding requirement in the Summer of 2022 with cash reserves forecast to be exhausted during October 2022. On 9 September 2022, after an introduction by

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The majority shareholders of the Company (Literacy Capital), Interpath Limited ("Interpath") was engaged by the Company to assist in attempting to find investment in the business.

## Pre-appointment considerations

Interpath was engaged on 9 September 2022 to assist the Company. Interpath had no relationship with the Company or its Directors prior to this engagement.

The scope of our engagement related to attempting to secure investment in the business. The short time available until finite cash resources were exhausted necessitated the process to be undertaken in an accelerated timescale. During the period of the engagement, Interpath had calls and meetings on a broadly daily basis with the Company's Directors as progress was made on the various options described later.

After extensive marketing (see details in the next section), a bid deadline was set for 23 September 2022. Four proposals were received around that time with only one that had a reasonable prospect of maintaining the Company's solvency. This was received from the Company's majority shareholder Literacy Capital. This was, however, contingent on the landlord of the Company's primary leasehold premises significantly compromising its lease agreement. Following attempts to discuss the position with the landlord directly and, after discussions between the Company's and the landlord's lawyers, agreement could not be reached. Hence a solvent solution was not able to be found.

On 29 September 2022 the Directors concluded that an insolvency of the Company was inevitable and the best proposal available at that time, a sale of the business and assets, was pursued. Two insolvency practitioners from Interpath were identified as proposed Administrators and the directors instructed Interpath to consider the alternative options available to the Company and, if appropriate, to plan for and negotiate a pre-packaged sale of the business and assets given the Company's solvency would not be preserved. Interpath accepted that instruction and acted accordingly.

Ultimately, the pre-packaged sale of the business and assets described in this memorandum was executed.

Throughout the period of Interpath's involvement, the board of directors of the Company had access to legal advice provided by Morton Fraser LLP.

### *Other courses of action considered*

A review of possible alternative courses of action was undertaken. The following strategic options were considered:

#### **1) The Company staying out of an Insolvency process, receiving further funding from a third party source**

Interpath was engaged by the Company as a funding need had been identified. It was incurring losses and unable to generate cash from its operations. Projections indicated that, given the significant growth in infrastructure costs / overheads and the long term commitments it had made to that infrastructure, the Company was likely to remain loss making for another 2 years. Against this background, it was recognised it would be challenging to make a case for third party investment in the Company. If such investment was to be found it would likely have come from a party with a specific interest in the sector, a party that could generate material cost synergies allowing a rapid return to profitability, or from incumbent stakeholders with a financial interest to protect. Further it would be more likely to be in the form of equity (rather than debt) given the risk profile and the reward required.

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The wide marketing process (described in the next section) resulted in only one solvent solution being presented. This was from the Company's incumbent majority shareholders, Literacy Capital, who concluded that this would only be possible should the cost base of the business be significantly reduced. This required a significant restructure of the business facilitating a material reduction in the fixed overhead base of the business. Part of this necessitated agreement be reached to compromise the lease of the Company's premises. Agreement could not be reached, leading to Literacy Capital concluding that they would not be willing to invest further outside of an insolvency process.

The Royal Bank of Scotland Plc ("RBS") was the incumbent provider of the Company's banking facilities. RBS hold a fixed and floating charge over the Company's assets. During 2020 / 2021 they extended their borrowing to the Company through the provision of a COVID 19 Bounce Back Loan for £50,000. At the date of appointment, their lending was c £80,000 and was wholly offset by credit balances in the Company's current account. In certain circumstances an incumbent lender might be in a position to provide additional funding to a business in financial difficulty. In the Company's case, RBS were not approached to provide additional funding as the inability for the Company to generate positive cash in the immediate short term, in addition to the Company being loss making and having no notable asset base against which to lend further, meant there was no commercial case to be put to them to justify their provision of funding of the magnitude the Company required (in excess of £500k).

As a result, despite the efforts described, no source of funding was found that would have avoided the need for the Company to enter an insolvency process.

## 2) Administration – trading on or a wind down to closure

A trading administration was considered by the Joint Administrators, however, was not deemed viable for several reasons:

- Based on recent trading performance, any period of trading in administration would likely have been loss making;
- The Company was placed into Administration due to its inability to meet its ongoing fixed cost base. Trading in an Administration would not have provided a different outcome as these costs would still need to be met. By definition, a loss making business that trades on would deplete assets available to creditors, providing a worse outcome than an immediate shutdown;
- Trading risk would be high due to the reliance on the employees remaining in role and the need for cooperation of the Company's internet payment processing partners during the period of the trading administration;
- There was no funding available to the Joint Administrators to provide working capital for future trading;
- Given the extent of the marketing process already run prior to administration, which resulted only in the receipt of offers for the business and assets, the market appetite for acquisition of the business had already been tested. This would then raise questions as to why a trading strategy was pursued in any event.

Similarly, a wind down to closure was not viable as it would have experienced similar risks as those attaching to a trading on strategy (in particular it would have required the retention of employees, cooperation of payment processing partners and had a high risk of incurring losses). Indeed, the sale of the stock in the normal course in a wind down would be inefficient and expensive, most likely seeing sales to customers reducing rapidly as fast moving items became unavailable, as well as posing the risk of 'running out of time' to complete the wind down with the next lease payment being due around the end of November 2022 with the threat of irritancy of the lease and the need to vacate the premises.

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All the above made trading risks significant with a high likelihood of trading losses being incurred that would deplete the assets available to the creditors. Indeed, the independent valuation of the Company's assets indicated there would be a risk that costs incurred in ongoing trading / wind down could outweigh overall asset realisations, not only depleting the outcome for creditors but also meaning that unforeseen adverse events could render the Joint Administrators unable to pay post appointment costs in full.

It is not considered likely that a more beneficial outcome than the pre packaged sale would have been available following an administration with either a trading on or wind down strategy. We were therefore of the view that the barriers to successfully trade the business in administration were insurmountable and highly likely to result in a worse outcome for creditors.

### **3) Liquidation or Administration – shutdown**

A liquidation (or shutdown in administration) would result in an immediate cessation of trade, redundancy of all employees (crystallising a significant level of claims from employees) and the subsequent realisation of assets on a break up basis.

Our analysis, underpinned by professional valuation agents' assessments, shows that it is expected that this scenario would result in a lower return to creditors than the prepack offer transacted for two reasons: reduced asset recoveries and increased liabilities.

In a shutdown there is increased risk over the value of the Company's assets as time passes. In particular, a key asset of the Company relates to the repeat custom from its customer base accessing its website platforms and interacting with the Company via its social media platforms. The value of this asset would dissipate rapidly on cessation of trade.

In relation to liabilities, the immediate redundancy of all employees was estimated to increase the creditors by c£60,000 with employees having claims for unpaid salary, accrued holiday, redundancy and pay in lieu of notice. After considering the total liabilities in a shutdown scenario, costs of wind down and the considerably lower level of asset realisations, the pre pack offer is considered to be a better outcome for the general body of creditors as a whole (see 'The transaction' section).

### **4) Administration pre-pack**

A pre-pack sale of the trade and assets of the Company, was, in all of the circumstances, considered to be the best outcome for the general body of creditors as a whole.

This conclusion was reached following consideration of the options available detailed above and for the following reasons:

- The Company had exhausted all avenues for a solvent rescue of the Company;
- A commercial rationale could not be presented to the existing financial stakeholders to provide further funding to maintain solvency, indeed the majority shareholder had declined the opportunity to do so without material changes to the businesses cost base;
- The marketing process did not identify any other funding solution;
- Trading of the Company in administration was not viable;

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- A prepack sale of the business and assets of the Company as a going concern resulted in a greater return, after associated costs, than specialist valuers advised would have been achieved for the assets of the Company in a shutdown / break up scenario;
- The sale resulted in 41 employees being transferred to the Purchaser, mitigating both preferential and unsecured claims against the Company; and
- The pre-pack provides the opportunity for ongoing supply for the creditor base.

Having considered all the above, the Joint Administrators concluded that it was in the best interests of the Company and its creditors to undertake the pre-packaged sale of the business and assets described in this memorandum. Further, prior to accepting the appointment and implementing the sale, the Joint Administrators considered the work that was performed by Interpath and concluded that this work did not create a conflict of interest in accepting the appointment.

## Marketing of the business and assets

The Joint Administrators are satisfied the marketing process was robust in the circumstances. Four indicative offers, of varying formality, for the business and certain assets were received by 27 September 2022. A further expression of interest was also received at that time, however no price was placed on that interest. Only 1 of the offers received gave any prospect of a solvent solution for the Company.

The offer ultimately accepted was for a pre-pack of the trade and assets of the Company for a headline consideration of £257,400. With all employees transferring it also mitigated the estimated c£60,000 employee related liability that would have fallen to the Company in the event of its failure. In the circumstances, the Joint Administrators are of the opinion that the pre-packaged sale has provided the best return for the Company's creditors.

Further detail on the marketing process is below:

- Interpath was engaged on 9 September 2022 by Company to undertake a rapid investment process where the focus was on generating interest to secure investment in the business without being prescriptive on structure. This was driven primarily by a short cash runway to mid-October 2022 requiring the Directors to explore solutions
- A 3 week marketing process commenced on 12 September 2022 through the distribution of a 'teaser' document, which outlined the key highlights of the opportunity, to 120 financial turnaround investors and 64 trade parties.
- 14 expressions of interest were received with non disclosure agreements ("NDA") subsequently issued between 12 September and 22 September 2022, 13 of which were to trade and 1 to a financial turnaround investor. Following receipt of a signed NDA (of which there were 11), the interested parties received further information as follows: an information memorandum, extensive data on the Company and a bid instruction letter which set a bid deadline of 23 September 2022. Interpath also invited interested parties to management meetings at this stage.
- Between 21 and 23 September 2022, 2 additional parties were introduced to the process and, due to the late introduction of these parties, a short extension was granted to allow these parties to bid by 27 September 2022.
- 4 bids were received in total by 27 September 2022.
- Only 1 solution capable of preserving the Company's solvency was presented, which was from the majority shareholders, Literacy Capital, however it was contingent on being able to restructure the Company's cost base. Part of this included reaching agreement with the Company's Landlord to a lease compromise which would allow the Company to exit the Leasehold premises. On 29 September 2022, it became apparent agreement would not be able to be reached.

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- At this point Literacy Capital's interest turned to a business and assets purchase and an offer was submitted on that basis. This offer was the highest out of those received that were deemed deliverable in the timeframes afforded to the Company from its cashflow.

The marketing process was considered appropriate for the following reasons:

- It was extensive and considered potential interest across a wide population (e.g. trade, performing investor, turnaround investor and from different jurisdictions);
- All parties identified via Interpath's internal network and knowledge of the sector were considered;
- The 64 trade parties that were approached were researched. They included parties known by Interpath to have pursued similar opportunities;
- The 120 financial investors are known to Interpath and are active investors in stressed / distressed situations similar to that faced by the Company; and
- The cash flow position of the Company meant time was of the essence.

Given the marketing was considered extensive, on-line marketing was not undertaken as the risk of unintended impacts on the business caused by confidentiality breaches would outweigh the benefit of potentially uncovering further interest.

## Valuation of the business and assets

The main asset categories subject to the sale are Equipment, fixtures and fittings; Intellectual property assets; Stock; and Rent and Insurance prepayment.

As a consequence of the business infrastructure costs rendering the business loss making, and likely to be so for some considerable time, none of the offers received foresaw the business continuing to operate from its current premises other than in the immediate short term prior to a transition to a different operating model.

Indeed, certain of the offers were only for certain assets which would be absorbed into an established business model. Those offers received were therefore on an ex-situ basis reflecting the need for the offerors to incorporate the assets into their existing business's infrastructure (as appropriate). Further, no deal was reached with the Landlord on the Leasehold Premises. As a result, the appropriate valuation base for comparison is an ex situ valuation, with the marketing process having established that a going concern interest does not exist.

### *Equipment, fixtures and fittings*

HilCo Appraisal Limited, t/a HilCo Valuation Services ('HilCo Valuation Services') were instructed as professionally qualified fixed asset specialists. They confirmed to us that they did not have any independence conflicts in acting and carry adequate professional indemnity insurance.

HilCo Valuation Services provided the following ex-situ valuations:

Machinery and Business Assets - £25,000  
Computer and Office Equipment - £3,000

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The above valuations are gross of disposal and realisation costs. Hence, on a net basis, the realisable value would be less as there would be uplift and selling costs which would reduce realisations. The price achieved for the machinery, business assets, computer and office equipment sold was £31,000 which was in excess of the ex situ valuation provided.

#### *Stock*

Hilco Valuation Services were instructed as professionally qualified stock specialists. They confirmed to us that they did not have any independence conflicts in acting and carry adequate professional indemnity insurance.

Hilco Valuation Services based the quantum of its valuation on stock listings dated 31 August 2022 and is based on a blended rate of c15p/£ of cost, equating to £37,500 in a break-up. The Company's stock has been sold as part of the prepack for 20p/£ of cost, estimated to be £74,800, with the final amount payable to be determined by reference to a stock count undertaken at completion.

#### *Intellectual property assets*

Hilco Streambank, the specialist intellectual property division of Hilco Valuation Services, were instructed as professionally qualified intellectual property specialists. They confirmed they did not have any independence conflicts in acting and carry adequate professional indemnity insurance.

We were provided with an independent valuation of £71,644 for the intellectual property by Hilco Streambank. The key intellectual property assets considered by Hilco Streambank included brand and reputation, trademarks, website content and domain names, customer database, and social media account access.

The valuation is stated before costs of realisation. The valuation was prepared on a Liquidation Value basis on the premise of an orderly liquidation and a forced sale.

The consideration achieved for the intellectual property assets sold was £140,000, considerably in excess of the Hilco Streambank valuation.

#### *Rent and insurance prepayment*

At the date of the prepack sale, the Company had prepaid rent and property insurance. As part of the transaction the Company has granted the Purchaser with a Licence to Occupy the Company's premises until 27 November 2022, the date to which rent has been paid, in order that it can take possession of the physical assets in an orderly fashion. Whilst these prepayments would not be recoverable in the event of cessation of trade and therefore has no value in a break up scenario, the Purchaser has agreed to pay £11,600 to recompense the Company.

#### *Valuation Conclusion*

The total aggregate valuation of the assets free of any hire purchase agreement, in a break up scenario, was £137,144 before disposal and realisation costs. This compares to the headline purchase price of £257,400 (subject to the element relating to stock being finalised post stock count). This consideration is in excess of the other offers received which also were subject to clarification and diligence and variously covered only certain assets and / or wouldn't have completed until after the Company had exhausted its cash reserves.

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The intangible and tangible asset valuers both recommended that the pre-packaged transaction be accepted.

## The transaction(s)

The transaction to sell the trade and assets of the Company completed on 11 October 2022.

The Purchaser bought the business and certain assets for total headline consideration of £257,400 (subject to the element relating to stock being finalised post stock count).

In addition, the 41 employees of the Company transferred to the Purchaser mitigating an estimated £60k of preferential / unsecured claims against the Company that would otherwise have crystallised.

## Purchaser and related parties

The Purchaser is Little SPV Limited which is owned by Literacy Capital, who are 68% shareholders of the Company. The Purchaser's directors are Tony Buffin who was a Director and a shareholder of the Company and Oly Cox, an employee of Literacy Capital who are shareholders in both the Company and the Purchaser. The Purchaser therefore falls into the definition of a connected party.

Whilst Scott McCulloch (current Director and Non-Executive) and Karris McCulloch (former Director) had provided personal guarantees to RBS, neither of these individuals are involved with the Purchaser to our knowledge.

None of the Company's funders or financial stakeholders, aside from Literacy Capital, have any involvement with the Purchaser.

The Purchaser was made aware of potential enhanced stakeholder confidence from the provision of a viability statement. A viability statement has not been prepared.

More detail is included in 'Evaluator's Report'; see the next section.

## Evaluator's report (if applicable)

The regulations require that if there is a sale to a connected party, the Purchaser obtains an Evaluator's report. The Insolvency Act 1986 states that a company relates to another "if any relevant person of one is or has been a relevant person of the other." We conclude that this sale is to a connected party.

Given this, an Evaluator's Report was obtained by the Purchaser which was prepared by Shona Campbell, of Henderson Toggie (the 'Evaluator'). Shona Campbell is a licensed insolvency practitioner and a partner of her firm.

The Evaluator has stated they are: "satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances."

A copy of the Evaluator's Report can be found at Appendix 1.

The Joint Administrators have no reason to believe that, on the date of the report, the evaluator did not have the requisite knowledge, experience, and independence to provide the report.

## Assets

The assets involved in the transaction, which have been outlined elsewhere in the SIP16, are summarised below:

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#### *Equipment, fixtures and fittings*

- All physical assets used in the business and owned by the Company

#### *Intellectual property assets*

- Website
- Brand and Trademarks
- Email distribution / customer list
- Social media accounts access

#### *Stock*

- Food stock (ambient, chilled and frozen)
- Packaging stock

#### *Other*

- Benefit of prepayment of rent and insurance
- A licence to occupy the Company's premises until 27 November 2022

## **Sale consideration**

The total sale consideration on completion was £257,400, paid in full by the Purchaser on Completion.

The deal requires a stock count and an assessment of any third party ownership claims against the assets purported to be sold and the final consideration for Stock may be adjusted as a result.

All assets are subject of the Secured Lender's fixed and floating charge securities. The Joint Administrators will have independent solicitors confirm the validity of the Secured Lender's security prior to any distribution being made.

## **Conclusion**

The Joint Administrators have acted in the best interests of the creditors as a whole when negotiating this pre-packaged sale and are satisfied that the sale price achieved was the best reasonably obtainable in all the circumstances.

The purpose of the Administration, in terms of Paragraph 3(1)(b) of the Insolvency Act 1986 is '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).'

They are satisfied that this pre-packaged sale has enabled them to achieve this purpose because when faced with an impending insolvency, the only viable alternative to the prepack was to close the business and sell the assets piecemeal. This would have created additional cost, crystallised employee insolvency claims, destroyed asset value and would have had an uncertain outcome. Further the sale was executed at a price in excess of the valuations obtained by the Administrators from independent, suitably qualified valuers. Finally, the Independent Evaluator has also confirmed that the case for the prepack sale has been made.

The Joint Administrators have acted in the best interests of the creditors as a whole when negotiating this pre-packaged sale and are satisfied that the sale price achieved was the best reasonably obtainable in all the circumstances.

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# TheVegankind Limited

**Evaluator's Report Pursuant to the Administration  
(Restriction on Disposal etc to Connected Parties)  
Regulations 2021**



10 October 2022

**Henderson  
Loggie**

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Transaction Details	6
Evaluator's Opinion	8

Appendix A – Evaluator Requirements

Appendix B - Additional Exclusions from Professional Indemnity  
Insurance Policy

# 1. Purpose, Parties, Background and Limitations

## 1.1 Purpose

This report is a Qualifying Report in accordance with the Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021 ("the Regulations").

The Regulations state that a Qualifying Report or approval of the company's creditors is required to be obtained in relation to a sale of the business and assets of a company in Administration to a Connected Person within the 8 weeks following the appointment of Administrators

The report must be prepared by an Evaluator who meets the requirements of the Regulations. The report must be obtained by the Connected Person and made available to the Proposed Administrators.

The required content of the report is set out in the Regulations and must include a statement that either

**The Evaluator is satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.**

OR

**The Evaluator is not satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.**

The Proposed Administrators are to consider the contents of the report and must be satisfied that the contents meet the requirements of the Regulations.

When an Administrator makes a sale of the business and assets following receipt of a Qualifying Report the Administrator must send a copy of the report to all creditors of the company at the same time as the statement of their proposals is sent

## 1.2 Parties

The <b>Evaluator</b>	Shona Campbell CA, Henderson Loggie LLP Appendix A details requirements
The <b>Company</b>	TheVegankind Limited
The <b>Proposed Purchaser</b>	Lillie SPV Limited, 100% owned subsidiary of Literacy Capital

**The Connected Persons**

Literacy Capital plc, connected by virtue of being 68% shareholder of the Company and 92% shareholder of the Proposed Purchaser

Tony Buffin, connected by virtue of being a director of the Company and the Proposed Purchaser and a 8% shareholder in the Proposed Purchaser.

**The Proposed Administrators**

Blair Nimmo and Alisdair McAlinden of Interpath Limited.

## 1.3 Background

The Company was incorporated in 2013 and operates as an online only supermarket and subscription box service focused on vegan food products.

The Company has 39 employees and is based in bespoke leased premises in Glasgow supplying products across the UK

During the COVID pandemic the Company benefitted from consumers moving to online food purchases. Funding of £3m was obtained from existing stakeholders and Literacy Capital PLC to build on this growth. Investment was made in a new warehouse, new infrastructure, increased staff numbers and online digital marketing.

As with many ecommerce businesses, from 2021 onwards the Company has seen a decline in trade as consumers move away from online offerings which thrived during the pandemic. In mid-2022, a reforecast highlighted a cash shortfall in October 2022 and Interpath Limited were instructed in September 2022 to assist in running an accelerated sales process.

A marketing process was undertaken. A total of 186 parties, both trade and financial turnaround, were contacted. 14 parties signed non-disclosure agreements and were provided with detailed information and a deadline was set for offers. At the deadline 4 offers were received. Reasons provided by the parties who did not offer included inability to conclude in the timescales, a lack of confidence in the ecommerce market and insufficient gross margin levels

There was only one offer received which would see the Company preserved on a solvent basis. This offer was from Literacy Capital PLC and was conditional on the landlord of the main premises agreeing to compromise the lease agreement. Agreement could not be reached with the landlord and the solvent offer could not be progressed.

The other offers received were all from third party trade parties and were based on a purchase of business and assets from the Company in insolvency. Literacy Capital PLC also made an offer for business and assets on this basis. The offer from Literacy Capital PLC was £200,000 for the Intellectual Property and Stock assets.

The Proposed Administrators assessed the four offers. Three offers were disregarded because they had either a lower consideration or a high risk of the transaction not completing (because of long completion timescale and deferred consideration)

The Proposed Administrators concluded that a pre-packaged sale in administration to a subsidiary of Literacy Capital plc for £200,000 for the Intellectual Property and Stock assets was the best option as it offered the best sales price with the least transaction risk.

The Proposed Administrators further considered that a pre-packaged sale in administration was considered the preferred course of action when compared to the other options available

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The Proposed Administrators progressed matters and negotiated with the Proposed Purchaser on the commercial terms of the transaction. During these negotiations, the consideration increased to £257,400 and the Fixed Assets owned by the Company were included in the transaction

This proposed transaction falls within the scope of the Regulations and this report was instructed to comply with the Regulations. It will be made available to the Proposed Administrators for their consideration prior to their appointment and subsequently provided to all creditors of the company if the transaction is completed.

I have been advised by the Connected Persons that there is no other Qualifying Report and therefore the additional requirements set out at Regulation 8 in the Regulations do not apply

## 1.4 Limitations

I have relied on the information provided to me and I have not audited or verified the information provided. The extent of my work has been specifically limited to that specifically noted in the report

The factual accuracy of the report has been verified by the Proposed Purchasers

I report in accordance with the Regulations. This report is provided solely in connection with this matter. It may not be used for any other purpose or disclosed, referred to or quoted in whole or in part without my prior written permission.

## 2. Transaction Details

### 2.1 Relevant Property

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The key assets being purchased are the Intellectual Property, Stock and owned Fixed Assets

A high-level summary of the Intellectual Property assets owned by the Company is as follows:

- Goodwill in "The Vegan Kind" brand
- Goodwill in sub-brands "Accidentally Vegan" and "Love Plants"
- Registered trademarks "Love Plants", "TheVeganKind" and "TVK"
- Domain name "thevegankind.com"
- Customer data
- The right to the ecommerce website "www.thevegankind.com"

Hilco Valuation Services have valued the Intellectual Property on a Liquidation Value basis at £71,644

The Stock comprises a mix of ambient, chilled and frozen foods, beauty products and packaging. Hilco Valuation Services have valued the Stock on In-Situ basis at £245,000 and Ex-Situ basis at £37,500.

The Fixed Assets comprise miscellaneous plant and equipment and computer and office equipment. Hilco Valuation Services have valued these assets as having an In-Situ value of £105,000 and Ex-Situ value of £28,000. There are additional plant and machinery assets subject to hire purchase agreements and these are excluded from the sale.

The proposed transaction includes the transfer of all 39 employees.

This represents a substantial disposal in terms of the Regulations.

### 2.2 Consideration and Terms

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The consideration is as follows:

- Intellectual Property: £140,000
- Fixed Assets: £31,000
- Stock: 20p in the £ of the stock cost. Based on the value of stock per the stock system on 7 October 2022 this equates to £74,800.

There will also be a payment of £11,600 representing compensation for prepayment of rent already made by the Company and the Proposed Purchaser will be given access to the property during the remaining rent period.

This totals £257,400 and will be paid on completion.

Following completion, a stock count will be carried out and depending on the actual value of stock held, monies will either be transferred to, or from the Proposed Purchaser to the Proposed Administrators.

The terms provide that any Stock that is subject to retention of title is refunded and beneficial ownership returned to the supplier by the Proposed Purchaser

Under Transfer of Undertakings (Protection of Employment) Regulations 2006, 39 employees will transfer to the Proposed Purchasers on completion

### 3. Evaluator's opinion

#### 3.1 Evaluator's Opinion

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**I am satisfied that the consideration to be provided for the relevant property and the grounds for the substantial disposal are reasonable in the circumstances.**

#### 3.2 Reasons Supporting Statement

The principal reasons for making the statement in 3.1 are as follows:

The alternatives to a pre-pack sale in administration were either not viable or would not have returned a better value to the creditors as follows:

- The Company is not able to generate sufficient cash to meet its fixed costs and is unable to service any additional debt. An injection of equity from the existing shareholders was only available had agreement with the landlord been reached. There were no other offers received following the marketing process that would see the Company preserved a solvent basis. Therefore, a **solvent solution** is not possible.
- The business is loss making and a **trading administration** would require additional funding which is not available. Furthermore, given the high fixed costs of the business and limited assets available means it's likely that any asset realisations would be eroded by the costs of trading.
- An **immediate closure** of the business by way of an insolvency process would impact the value of assets and in addition, there would be higher costs and creditor claims.

The business and assets were widely marketed for sale.

The proposed transaction provides higher consideration and has less transactional risk than the other offers received.

The consideration being paid on completion is higher than the Ex-Situ valuations. The level is lower than the In-Situ valuations, however, given the level of the other offers and the short-term cash position of the business there is no other viable option other than an immediate closure of the business. Therefore, the Ex-Situ valuations are the appropriate comparison.

The 39 employees transfer with the purchaser taking on responsibility for employee liabilities which reduces the preferential and unsecured claims against the Company.

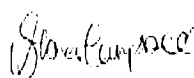
It provides customers with continuity of service and trade creditors the opportunity to continue relationships with the business.

### 3.3 Evidence Relied Upon

A summary of the evidence relied upon is below.

- Company financial information including management accounts and forecasts
- Draft Valuation Report prepared by Hilco Valuation Services on the physical assets dated 30 September 2022. (Although the report is marked draft, I have been advised that the figures are final).
- Draft Valuation Report prepared by Hilco Valuation Services on the Intellectual Property dated 7 October 2022 (Although the report is marked draft, I have been advised that the figures are final)
- Various SIP 16 document drafts
- Control schedule of parties that signed non disclosure agreements
- Draft Sale and purchase agreement.
- Sales process summary document prepared by Interpath Limited.
- Discussions with the Proposed Purchaser
- Discussions with the Proposed Administrators.

### 3.4 Authentication



10 October 2022

Shona Campbell

Partner

For and on behalf of Henderson Loggie LLP

Chartered Accountants

Edinburgh office

11-15 Thistle Street

Edinburgh EH2 1DF

shona.campbell@nlla.co.uk

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## Appendix A - Evaluator Requirements

The Regulations require the Evaluator to meet certain requirements in relation to knowledge and experience, Professional Indemnity Insurance and independence.

### A.1 Knowledge and Experience

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I am a Chartered Accountant and Licenced Insolvency Practitioner with over 20 years' experience in insolvency and restructuring. I am a Partner in Henderson Loggie and head up the firm's Business Recovery and Insolvency department

Prior to joining Henderson Loggie in 2018 I worked for two Big 4 professional services firms within the restructuring service lines. I have experience working within the distressed corporate lending department of a main UK bank.

I hold a Practising Certificate with the Institute of Chartered Accountants of Scotland. I am Convener of the Institute of Chartered Accountants of Scotland Insolvency Committee

I am satisfied that my relevant knowledge and experience is sufficient for the purposes of making a Qualifying Report.

### A.2 Professional Indemnity Insurance

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Details of the Professional Indemnity Insurance are in the below table and meet the requirements as set out in Regulation 11.

<b>Name of Insurer</b>	Axa Insurance UK Plc and others
<b>Policy Number</b>	AB CPI 4374495 (12 months from 1 April 2022)
<b>Amount Covered</b>	Limit of £20,000,000
<b>Risks Covered</b>	Provision of professional services including acting as an Evaluator under the Regulations.
<b>Exclusions from cover</b>	Geographical Exclusion USA/Canada and other standard exclusions in Appendix A

### A.3 Independence

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Regulation 12 specifies certain requirements as to independence and I confirm that I meet the requirements.

### A.4 Exclusions from providing a Qualifying Report

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Regulation 13 specifies certain circumstances that exclude an individual from acting as an Evaluator. I confirm that none of these are applicable and, therefore, I am not excluded from providing the report.

## Appendix B – Additional Exclusions from Professional Indemnity Insurance Policy

- Dishonesty and fraud exclusion
- Excess exclusion
- Extended liability exclusion
- Failure of investments exclusion
- Fines and penalties exclusion
- Goods supplied exclusion
- Injury exclusion
- Ombudsman awards exclusion
- Pollution exclusion
- Previous claims exclusion
- Property damage exclusion
- Property ownership or use exclusion
- Radioactive contamination exclusion
- Terrorist act exclusion
- Trading losses exclusion



# Henderson Loggie

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## Appendix 9      Glossary

<b>Bank/ RBS / Secured creditor</b>	Royal Bank of Scotland
<b>Company</b>	TheVeganKind Ltd- in Administration
<b>HMRC</b>	HM Revenue & Customs
<b>Joint Administrators/we/our/us</b>	Alistair McAlinden and Blair Nimmo
<b>Interpath/Interpath Advisory</b>	Interpath Ltd, Tailors Corner, Thirsk Row, Leeds LS1 4DP
<b>KPMG</b>	KPMG LLP
<b>Hilco</b>	Hilco Appraisal Ltd
<b>Morton Fraser</b>	Morton Fraser LLP
<b>AMB</b>	AMB Law Limited
<b>TUPE</b>	Transfer of Undertakings (Protection of Employment) Regulations 2006
<b>the Purchaser</b>	Lillie SPV Limited

Any references in these proposals to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

This statement of proposals ('proposals') has been prepared by Alistair McAlinden and Blair Nimmo, the Joint Administrators of Thevegankind Ltd – in Administration (the 'Company'), solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

These proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

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

Any person that chooses to rely on these proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals.

Alistair McAlinden and Blair Carnegie Nimmo are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – [www.interpathadvisory.com/privacy-insolvency](http://www.interpathadvisory.com/privacy-insolvency).

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Interpath Ltd does not assume any responsibility and will not accept any liability to any person in respect of these proposals or the conduct of the administration.

**[www.interpathadvisory.com](http://www.interpathadvisory.com)**

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