In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

AM10
Notice of administrator's progress report

Companies House

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

1 Company details

Company number	0 8 6 1 0 5 3 5
Company name in full	TheVeganKind Ltd

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

2 Administrator's name

Full forename(s)	Alistair
Surname	McAlinden

3 Administrator's address

Building name/number	c/o Interpath Ltd
Street	5th Floor, 130 St Vincent Street
Post town	Glasgow
County/Region	
Postcode	G2 5HF
Country	

4 Administrator's name ❶

Full forename(s)	Blair Carnegie
Surname	Nimmo

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

5 Administrator's address ❷

Building name/number	c/o Interpath Ltd
Street	5th Floor, 130 St Vincent Street
Post town	Glasgow
County/Region	
Postcode	G2 5HF
Country	

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

AM10
Notice of administrator's progress report

6 Period of progress report

	d	d	m	m	y	y	y	y
From date	1	1	1	0	2	0	2	2
To date	1	0	0	4	2	0	2	3

7 Progress report

☑ I attach a copy of the progress report

8 Sign and date

Administrator's signature

Signature

X [signature] X

	d	d	m	m	y	y	y	y
Signature date	0	5	0	5	2	0	2	3

AM10
Notice of administrator's progress report

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	Connor Griffin
Company name	Interpath Ltd
Address	5th Floor, 130 St Vincent Street
Post town	Glasgow
County/Region	
Postcode	G 2 5 H F
Country	
DX	
Telephone	Tel +44 (0) 141 648 4300

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

Important information

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

Where to send

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

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

Further information

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

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

Joint Administrators' progress report for the period 11 October 2022 to 10 April 2023

TheVeganKind Ltd - in Administration

5 May 2023

Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 8).

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

We hope this is helpful to you.

Please also note that an important legal notice about this progress report is attached (Appendix 9).

Contents

1 Executive summary

The directors resolved on 11 October 2022 to appoint Alistair McAlinden and Blair Nimmo of Interpath Advisory as Joint Administrators. The notice of appointment was lodged at High Court of Justice, The Business and Property Courts in Leeds on 11 October 2022 and we were duly appointed.

This progress report covers the period from the date of our appointment to 10 April 2023.

We circulated our statement of proposals ('proposals') to all known creditors on 26 October 2022. A decision was taken by the creditors on 15 November 2022 to approve our proposals without modification.

As noted in our proposals, we concluded that a pre-pack sale of the Company's business and assets to Lillie SPV Limited representing the best outcome for the Company's creditors (Section 2 - Progress to date).

We understand the secured creditor was repaid in full following steps to offset their loan balances against the credit balance held in the Company's bank accounts at appointment (Section 3 - Dividend prospects).

Based on current estimates, we anticipate that secondary preferential creditors (if any) should receive a dividend (Section 3 - Dividend prospects).

Based on current estimates, we anticipate that unsecured creditors should receive an ordinary dividend, albeit quantum and timing remains uncertain (Section 3 - Dividend prospects).

Following the requisite approvals, and in accordance with our fees estimate which was provided in our proposals, the Joint Administrators have taken steps to draw post appointment remuneration of £130,202.50 (exc VAT).

We have included a revised fees estimate as we have exceeded our fees estimate included in our proposals. We are therefore seeking approval from creditors of this increased fee estimate (Section 4 – Joint Administrators' remuneration, expenses and pre-administration costs).

The administration is currently due to end on 10 October 2023. We are seeking approval from creditors to extend the period of the administration for a period of 12 months (Section 5 – Future strategy).

Please note: you should read this progress report in conjunction with our proposals which were issued to the Company's creditors and can be found at www.ia-insolv.com/case+INTERPATH+TMA07C2903.html. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.

Alistair McAlinden
Joint Administrator

2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our proposals.

The Joint Administrators' Proposals can be accessed at:-

https://www.ia-insolv.com/case+INTERPATH+TMA07C2903.html

2.1 Strategy and progress to date

Strategy

The strategy adopted by the Joint Administrators, in relation to the conduct of the administration together with the matters considered in arriving at the selected strategy, were set out in our proposals dated 24 October 2022.

The Joint Administrators' proposals were deemed to have been approved on 15 November 2022.

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 also 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 of 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 6. As noted below, Lillie SPV Limited obtained a report by an independent evaluator. This report was shared with the Joint Administrators prior to completion of the Transaction, the evaluator report is included at Appendix 7.

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 (see Appendix 7), 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 at Appendix 7.

Employees

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

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below.

Sale of business

As outlined in our proposals, 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	74,800
Consideration for pre-payment of rent	11,599
Total	**257,400**

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 have reviewed claims by third parties to retain title over stock, which have resulted in certain adjustments to the final consideration payable by the Purchaser for Stock which has reduced to £72,228.

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

Cash at bank

At the date of our appointment the Company held a credit balance in an account with its pre-appointment bank (The Royal Bank of Scotland Plc – "RBS").

RBS took steps to offset their loan balances against the credit balance held by the Company at appointment and, as a result, a net balance of £137,161 was transferred to the Administration bank account by RBS in late October 2022.

The Joint Administrators have received further funds from RBS that had been paid into the pre-appointment bank account post-appointment.

Following an allocation exercise, we agreed with the Purchaser the level of funds that were due to be paid to them and arranged payments.

We have a residual balance, shown as "unallocated funds" at Appendix 2 due to be remitted to the Purchaser 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 and third parties. We understand the individuals are engaging with various third parties in this regard and, therefore, the level of recoveries remain uncertain.

We will update the creditors further in our next report.

Leasehold premises

Ashton Rd

Up to the date of appointment, 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 Ashton Road was granted until 27 November 2022 as detailed above.

Due to the unforeseen circumstances with the Purchaser, the keys were returned to the landlord's agent on 25 November 2022.

Morton Fraser have been assisting the Joint Administrators regarding a proposed renunciation of the Ashton Road lease and matters are ongoing at this time.

Oakbank

The Oakbank property was vacant and had not been used by the Company for a period of time prior to the appointment.

Morton Fraser have been assisting the Joint Administrators regarding a proposed renunciation of the lease and matters are ongoing at this time.

Other assets

VAT

During the period we submitted a VAT Return relating to the period ending 10 October 2022. We have received a refund of £37,400 from HMRC.

The refund was received after the end of the period covered by this report and therefore will be shown in our next progress report.

Rates

We received a rates refund of £2,002 during the period.

We have been advised the Company is due a further rates refund and we await receipt.

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.

We have complied with the relevant statutory requirements by submitting the online director conduct assessment to the Department for Business, Energy and Industrial Strategy. The contents of our submission are confidential.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

Agents' fees

We paid £385 to Hardies LLP for assisting with matters pertaining to the leasehold property at Ashton Rd.

Legal fees

We settled legal fees of £23,000 for assistance provided by Morton Fraser in respect of various matters.

Insurance of assets

A payment of £967 has been paid in relation to insurance of assets.

Other costs

In compliance with our statutory responsibilities, we also paid £191 towards collection and ongoing storage of the Company's records, as well as £86 for advertising the appointment.

Detail of all pre-administration costs are provided below at Section 4.2 and are included in the Schedule of Expenses at Appendix 3.

3 Dividend prospects

3.1 Secured creditors

At the date of appointment, the Company had one secured creditor, RBS.

Following legal advice provided by Morton Fraser, the Joint Administrators were advised that the Bank's security was valid and that they had a right to set-off the two outstanding loan accounts against the credit balance held in the Company's pre-appointment bank account.

According to Company bank statements received, prior to remitting the net credit balance held in the Company's pre-appointment bank account, the Bank offset the following balances on 19 October 2022:

- £38,058.91; and
- £41,416.83.

As a result, we understand the Bank's debt was repaid in full.

3.2 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 secondary preferential creditors (see 3.3 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 under TUPE regulations. As such, no ordinary preferential claims in respect of wages, holiday pay or pension benefits have been received and none are anticipated.

3.3 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".

The amount of secondary preferential claims is currently unknown as we await a claim from HMRC.

Based on current estimates, we anticipate that secondary preferential creditors (if any) should receive a dividend.

3.4 Unsecured creditors

Based on current estimates, we anticipate that unsecured creditors should receive an ordinary 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.

In addition, during the period, we received paperwork regarding an Employment Tribunal against the Company. The Joint Administrators are seeking advice and will consider what steps need to be taken in this regard.

4 Joint Administrators' remuneration, expenses and pre-administration costs

4.1 Joint Administrators' remuneration and expenses

During the period, unsecured creditors have provided approval to the following decisions:

- That the Joint Administrators' remuneration be drawn on the basis of time properly given by them and the various grades of their staff in attending to matters arising in the administration in accordance with the fee estimate and charge-out rates (as set out in the Joint Administrators' Proposals);

- That 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 the Joint Administrators' Proposals.

Time costs

From the date of our appointment to 10 April 2023, we have incurred time costs of £214,174.50. These represent 501.15 hours at an average rate of £427.37 per hour.

Remuneration

Pre-administration

During the period, the unsecured creditors also provided approval to the following decision:

- That all unpaid pre-administration costs, as set out in Section 7.2 of the Joint Administrators' Proposals, be paid as an expense of the administration.

We have drawn pre-administration costs of £35,126.50 (exc VAT).

Post-administration

Following the above-mentioned approvals and in accordance with our fees estimate which was provided in our Proposals, the Joint Administrators have taken steps to draw remuneration of £130,202.50 (exc VAT).

Additional information

We have included a revised fees estimate as we have exceeded our fees estimate included in our proposals. Further detail and narrative, in relation to certain workstreams within the revised estimate, is provided at Appendix 4. We are therefore seeking approval of this increased fee estimate from creditors.

Approval of the revised fees estimate will not automatically result in the Joint Administrators seeking to draw fees up to this level. We will review further fees in the context of the funds on hand and the sums available to distribute to creditors.

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 10 April 2023. We have also attached our charging and expenses policy.

4.2 Pre-administration costs

We previously disclosed the following pre-administration costs, which were unpaid at the date of our appointment, in our proposals:

Interpath fees	0.00	62,376.50	35,126.50	0.00
Interpath expenses	0.00	0.00	0.00	0.00
Morton Fraser legal fees	0.00	22,000	22,000	0.00
Morton Fraser disbursements	0.00	8,200	8,200	0.00
Hilco agents' fees-in relation to fixed assets-IP	0.00	12,500	12,500	0.00
Hilco agents' fees-in relation to floating assets-stock	0.00	2,500	2,500	0.00
Total	**0.00**	**107,576.50**	**80,326.50**	**0.00**

On 15 November 2022, we obtained approval from unsecured creditors to pay these pre-administration costs as an expense of the administration.

Subsequently, we identified certain Interpath costs had been coded incorrectly and, therefore, Interpath's pre-administration costs were reduced. In addition, certain Interpath invoices that had been paid by the Company in the period preceding the appointment were offset against the total pre-administration time costs.

The above-noted pre-administration costs have been paid during the period (as set out below at Appendices 2 and 3).

5 Future strategy

5.1 Future conduct of the administration

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

- Attending to statutory and administrative matters;
- Completing the asset recovery process, including investigation matters, and assessing the likelihood of a distribution to creditors;
- Dealing with any residual employee-related matters;
- Adjudicating upon creditor claims and facilitating a distribution (both as appropriate);
- Finalising tax and VAT matters, including seeking tax clearance;
- Seeking approval of the Joint Administrators' revised fees estimate;
- Seeking approval of an extension of the administration (details below);
- Finalising all costs and commitments; and
- Completing closure-related tasks.

5.2 Extension of the administration

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

The administration is currently due to end on 10 October 2023.

We are seeking approval from the creditors that the period of the administration be extended by 12 months to 10 October 2024 to allow the Joint Administrators to attend to the matters set out at 5.1 above.

We will provide an update in this regard in due course.

5.3 Discharge from liability

The creditors have granted approval that we be discharged from liability in respect of any actions as Joint Administrators, upon filing of their 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.

5.4 Future reporting

We will provide a further progress report within one month of 10 October 2023.

Appendix 1 Statutory information

Company name	TheVeganKind Ltd
Date of incorporation	15 July 2013
Company registration number	08610535
Present registered office	c/o Interpath Advisory, Tailor's Corner, Thirsk Row, Leeds, LS1 4DP

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' details	Alistair McAlinden and Blair Nimmo
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is Unknown. Estimated Prescribed Part is Unknown. The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3).
Prescribed Part distribution	The Joint Administrators do not currently intend to apply to Court to obtain an order that the Prescribed Part shall not apply. At this stage, it appears likely that any distribution to unsecured creditors will be an ordinary distribution (rather than under the terms of the Prescribed Part).
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

Appendix 2 Joint Administrators' receipts and payments account

TheVeganKind Ltd - in Administration			
Abstract of receipts & payments			
Statement of affairs (£)		From 11/10/2022 To 10/04/2023 (£)	From 11/10/2022 To 10/04/2023 (£)
	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
	FIXED CHARGE COSTS		
	Agents'/Valuers' fees (pre-admin)	(12,500.00)	(12,500.00)
		(12,500.00)	(12,500.00)
	ASSET REALISATIONS		
	Furniture & equipment	31,199.00	31,199.00
	Stock	72,227.93	72,227.93
	Rates prepayment	4,958.58	4,958.58
	Prepayment of rent and insurance	11,599.00	11,599.00
	Cash at bank	137,161.30	137,161.30
	Rates refund	2,001.71	2,001.71
		259,147.52	259,147.52
	OTHER REALISATIONS		
	Bank interest, gross	207.53	207.53
	Unallocated funds	13,031.92	13,031.92
	Sundry refunds	12.99	12.99
		13,252.44	13,252.44
	COST OF REALISATIONS		
	Administrators' fees (pre-admin)	(35,126.50)	(35,126.50)
	Administrators' fees	(130,202.50)	(130,202.50)
	Agents'/Valuers' fees (pre-admin)	(2,500.00)	(2,500.00)
	Agents'/Valuers' fees	(385.00)	(385.00)
	Legal fees	(23,000.00)	(23,000.00)
	Legal fees & disbursements (pre-admin)	(30,200.00)	(30,200.00)
	Storage costs	(190.59)	(190.59)
	Statutory advertising	(86.00)	(86.00)
	Insurance of assets	(966.84)	(966.84)
		(222,657.43)	(222,657.43)
		177,244.53	**177,244.53**

TheVeganKind Ltd - in Administration			
Abstract of receipts & payments			
Statement of affairs (£)		From 11/10/2022 To 10/04/2023 (£)	From 11/10/2022 To 10/04/2023 (£)
	REPRESENTED BY		
	Floating ch. VAT rec'able		37,312.81
	Floating charge current		160,547.78
	Fixed charge VAT rec'able		2,500.00
	Floating ch. VAT payable		(40.00)
	Floating ch. VAT control		(27,601.36)
	Fixed charge VAT control		(2,500.00)
			170,219.23

Appendix 3 Schedule of expenses

Pre-administration			
Fixed Charge Expenses			
Agents' fees (pre-administration)	12,500.00	0.00	**12,500.00**
Floating Charge Expenses			
Agents' fees (pre-administration)	2,500.00	0.00	**2,500.00**
Officeholders' fees (pre-administration)	35,126.50	0.00	**35,126.50**
Legal fees (pre-administration)	22,000.00	0.00	**22,000.00**
Legal disbursements (pre-administration)	8,200.00	0.00	**8,200.00**
	80,326.50	0.00	**80,326.50**
Post-administration			
Floating Charge Expenses			
Officeholders' expenses	0.00	235.00	**235.00**
Agents'/Valuers' fees	385.00	500.00	**885.00**
Legal fees	23,000.00	0.00	**23,000.00**
Storage costs	190.59	18.14	**208.73**
Statutory advertising	86.00	86.00	**172.00**
Insurance of assets	966.84	686.84	**1,653.68**
Rates	0.00	4,958.58	**4,958.58**
	24,628.43	6,484.56	**31,112.99**
TOTAL	**104,954.93**	**6,484.56**	**111,439.49**

As detailed above, the schedule includes costs incurred prior to the administration appointment that have been paid post-appointment.

The Joint Administrators' original expenses estimate (which has not been exceeded) can be found at Appendix 4 of the Joint Administrators' Proposals which are available to view and download at:- https://www.ia-insolv.com/case+INTERPATH+TMA07C2903.html.

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Connor Griffin at Interpath Ltd, 5th Floor, 130 St Vincent Street, Glasgow, G2 5HF.

Appendix 4 Joint Administrators' revised fees estimate

Estimated time costs for the administration	Narrative	Estimated total hours	Estimated time cost (£)	Estimated average hourly rate (£)
Administration & Planning				
Bankrupt/Director/Member	Note 1	39.70	16,714.00	421.01
Cashiering - processing receipts, payments and bank reconciliations	Note 2	9.00	3,162.50	351.39
General - books & records, fees & work in progress	Note 3	33.50	14,827.50	442.61
Statutory and compliance - appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy	Note 4	123.60	54,081.00	437.55
Tax - VAT & Corporation tax, initial reviews, pre and post appointment tax	Note 5	43.90	16,767.25	381.94
Creditors				
Committees - committee meetings and reports to the committee		0.00	0.00	0.00
Creditors and claims - general correspondence, notification of appointment, statutory reports	Note 6	177.20	68,071.00	384.15
Employees - correspondence	Note 7	24.50	9,361.00	382.08
Investigations				
Directors - correspondence, statement of affairs, questionnaires	Note 8	24.90	10,120.00	406.43
Investigations - director conduct and affairs of the Company	Note 9	4.40	1,948.50	442.84
Realisation of Assets				
Asset Realisation - including insurance of assets	Note 10	104.00	56,738.50	545.56
Trading				
Trading - purchases, sales, cash projections		0.00	0.00	0.00
Total		**584.70**	**251,791.25**	**430.63**

Note 1 – Bankrupt/Director/Member

This includes liaison with the directors in respect of, inter alia, confirming the appointment of the Administration and the impact upon their powers as directors. It also includes notifying the Accountant in Bankruptcy, Registrar of Companies and shareholders of the appointment.

No time was included in the original fees estimate and, therefore, an increase in our costs was required.

Note 2 – Cashiering

This includes time costs incurred in opening new a bank account, liaising with the bank regarding the transfer of funds from pre-appointment bank accounts, maintaining the administration bank account, 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.

No increase was required.

Note 3 – General

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

An increase has been applied to include additional time to prepare and seek approval of our revised fees estimate, draw further approved fees, which includes preparing associated paperwork and checklists, and to arrange payments to our storage agent on a quarterly basis.

Note 4 – 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 creditors 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.

An increased amount of time has been spent dealing with statutory matters and management of the administration strategy. We anticipate future costs will be incurred in preparing strategy documents and formalities relating to the extension of the administration and future strategy discussions.

Note 5 – Tax

This time includes notifying HMRC of the Joint Administrators' appointment, reviewing the Company's corporation tax and VAT position on appointment. It also includes our time spent to prepare, review and approve corporation tax and VAT returns and liaison 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.

We have increased the estimated time for dealing with statutory tax obligations including preparing, reviewing and sending VAT returns. More time than anticipated was incurred in collating information relating to the pre-appointment VAT return and ensuring that we had adequate supporting information. We are continuing to take steps to understand if any recoveries can be made relating to historical VAT. In addition, a corporation tax return will also be submitted in due course.

Note 6 – creditors and claims

This relates to time spent dealing with general communications with creditors and statutory reporting to creditors. It 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 may be funds to distribute to unsecured creditors. At this stage it remains 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.

An increased amount of time has been spent in dealing with creditors and claims due to high volumes of creditor correspondence and queries regarding their claims in the administration. Furthermore, the estimated increase reflects additional creditor reporting that will be necessary following the likely extension to the period of the administration and potential adjudication of claims and facilitating a distribution.

Note 7 – Employees

All of the Company's employees transferred to the Purchaser under TUPE regulations. Our fees estimate includes time spent notifying employees of our appointment and explaining the implications of the administration and the pre-pack sale to them. Time costs incurred on these activities are in relation to performing our statutory duties.

An increased amount of time has been spent dealing with statutory other employment related matters and employee queries, more specifically matters relating to the Employment Tribunal claim against the Company.

Note 8 & 9 – Directors & Investigations

This work involves corresponding with directors of the Company regarding their statutory duties, requesting and assisting the directors with the completion of the Statement of Affairs. In addition, it includes time relating to 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.

These reporting duties include reviewing 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.

The overall time spent relating to investigation matters did not require to be increased.

Note 10 – Asset realisation

This estimate covers time 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 pre pack business and assets sale. This includes the Directors Loans owed to the Company, the VAT reclaim from HMRC for the period prior to our appointment and the historic VAT rebates. In addition, we have undertaken a reconciliation of the in-transit funds from internet finance partners in respect of sales and the appropriate allocation between the Purchaser and the Company under the terms of the sale agreement, communicating with hire purchase creditors regarding the collection of the Company's financed assets from site. Time has also been spent liaising 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.

No increase was required.

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.

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	780
Director	675	725
Associate Director	590	635
Manager	495	530
Senior Associate	345	370
Associate	245	265
Support	155	165

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.

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 partner'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 incurred the following expenses from the date of our appointment to 10 April 2023:

Bordereau	NIL	235.00	NIL	NIL	**235.00**
Total	**NIL**	**235.00**	**NIL**	**NIL**	**235.00**

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 have been approved in the same manner as our remuneration.

Narrative of work carried out for the period 11 October 2022 to 10 April 2023

The key areas of work have been:

Statutory and compliance	collating initial information to enable us to carry out our statutory duties; providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment; posting information on a dedicated web page; preparing statutory receipts and payments accounts; arranging bonding and complying with statutory requirements; and 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; complying with internal filing and information recording practices, including documenting strategy decisions.
Cashiering	setting up administration bank account and dealing with the Company's pre-appointment accounts; preparing and processing vouchers for the payment of post-appointment invoices; creating remittances and sending payments to settle post-appointment invoices; reconciling post-appointment bank account to internal systems; ensuring compliance with appropriate risk management procedures in respect of receipts and payments; completing allocation exercise of funds received from RBS; and arranging payments the Purchaser.
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; submitting pre-appointment VAT Return; submitting post-appointment VAT Return; analysing VAT related transactions; reviewing the Company's duty position to ensure compliance with duty requirements; and dealing with post appointment tax compliance.
Shareholders	providing notification of our appointment; and responding to enquiries from shareholders regarding the administration.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; preparing initial fees estimate; seeking approval of fees estimate and other decision; preparing decision procedure paperwork including record of decision; drawing remuneration in accordance with the basis which has been approved by creditors; and locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Asset realisations	collating information from the Company's records regarding the assets; liaising with finance companies in respect of assets subject to finance agreements; dealing with issues associated with the sale of stock; liaising with the Purchaser regarding stock and any RoT claims; reviewing outstanding director loan balances; seeking legal advice in relation to director loan balances; facilitating sale of equipment.
Property matters	reviewing the Company's leasehold properties, including review of leases; instructing agent to attend property; discussing property matters with the Purchser;

	■ liaising with legal agent regarding renunciation of leases; ■ reviewing landlord unsecured claims; ■ communicating with landlord's agent; and ■ discussing property position with Joint Administrator.
Insurance	■ arranging ongoing insurance cover for the Company's business and assets; ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; ■ assessing the level of insurance premiums; and ■ arranging payment of insurance-related invoice.
Employees/ Pensions	■ collating information and reviewing the Company's pension schemes; ■ review of pre-appointment unpaid contributions; ■ ensuring compliance with our duties to issue statutory notices; ■ assessing the position regarding employees following the pre-pack sale of the business and assets; ■ dealing with matters in relation to the Employment Tribunal; and ■ seeking legal input relating to the Employment Tribunal.
Creditors and claims	■ drafting and circulating our proposals; ■ creating and updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; ■ dealing with suppliers with retention of title claims, including reviewing supporting documentation; ■ logging unsecured claims; and ■ discussing dividend prospects with Joint Administrator.
Investigations/ Directors	■ reviewing Company and directorship searches and advising the directors of the effect of the administration; ■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies; ■ reviewing the questionnaires submitted by the directors of the Company; ■ reviewing pre-appointment transactions; ■ submitting the online director conduct assessment to the relevant authority; and ■ allocating incoming mail to the relevant team member.

Time costs

Pre-administration time costs

Pre-Administration costs (29/09/2022 to 10/10/2022)	Hours						
	Partner / Director	Manager	Administrator	Support	**Total**	Time Cost (£)	Average Hourly Rate (£)
Pre-Administration Sale of business - preparation	36.00	39.30			**75.30**	49,287.00	654.54
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	**41.50**	**41.30**	**1.00**	**0.00**	**83.80**	**54,619.00**	**651.78**

Post-appointment time costs

SIP 9 –Time costs analysis (11/10/2022 to 10/04/2023)	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Bankrupt/Director/Member			
Dissenting shareholders	**0.70**	171.50	245.00
General correspondence	**28.40**	11,704.50	412.13
Notification of appointment	**5.30**	2,838.50	535.57
Statutory reports	**5.30**	1,999.50	377.26
Cashiering			
General (Cashiering)	**5.70**	1,935.50	339.56
Reconciliations (& IPS accounting reviews)	**0.40**	138.00	345.00
General			
Books and records	**6.20**	2,423.50	390.89
Fees and WIP	**22.40**	10,238.50	457.08
Statutory and compliance			
Appointment and related formalities	**68.60**	22,743.00	331.53
Appointment documents	**1.80**	1,062.00	590.00
Bonding & Cover Schedule	**0.60**	252.00	420.00
Budgets & Estimated outcome statements	**1.90**	1,121.00	590.00
Checklist & reviews	**9.50**	4,725.50	497.42
Statutory advertising	**0.50**	271.00	542.00
Strategy documents	**34.60**	20,924.00	604.74
Tax			
Initial reviews - CT and VAT	**14.10**	3,894.50	276.21
Post appointment corporation tax	**3.65**	1,566.00	429.04
Post appointment PAYE (Non Trading)	**0.70**	241.50	345.00
Post appointment VAT	**18.20**	8,044.50	442.01
Creditors			
Creditors and claims			
Agreement of unsecured claims	**3.30**	1,433.50	434.39
General correspondence	**83.60**	24,066.50	287.88
Notification of appointment	**1.40**	693.00	495.00
Pre-appointment VAT / PAYE / CT	**0.60**	159.00	265.00
ROT Claims	**8.10**	4,479.50	553.02
Statutory reports	**36.60**	17,924.50	489.74

Correspondence	**15.10**	5,961.50	394.80
Pensions reviews	**6.30**	2,188.50	347.38
Correspondence with directors	**7.50**	3,510.00	468.00
D form drafting and submission	**13.40**	4,840.00	361.19
Directors' questionnaire / checklist	**1.60**	392.00	245.00
Statement of affairs	**2.40**	1,378.00	574.17
Correspondence re investigations	**0.50**	247.50	495.00
Review of pre-appt transactions	**0.40**	198.00	495.00
Cash and investments	**9.70**	5,371.50	553.76
Debtors	**4.60**	2,239.00	486.74
Deferred consideration	**2.00**	1,180.00	590.00
Insurance	**4.80**	1,874.50	390.52
Leasehold property	**37.20**	19,941.50	536.06
Office equipment, fixtures & fittings	**2.10**	534.50	254.52
Other assets	**1.90**	940.50	495.00
Plant and machinery	**7.80**	4,281.50	548.91
Pre-appointment tax & VAT refunds	**0.20**	53.00	265.00
Sale of business	**10.20**	7,079.00	694.02
Stock and WIP	**11.30**	6,913.50	611.81
Total in period	**501.15**	**214,174.50**	**427.37**
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)	501.15	214,174.50	
Carry forward time (appointment date to SIP 9 period end date)	501.15	214,174.50	

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.

Theveganind Ltd - in Administration
SIP 16 memorandum of sale of business

This statement is made to 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 Theveganind Limited ("the Company" or "TVK") to Lillie 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 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.

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.

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.

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 (crystalising 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;

- 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.

- 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

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.

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 crystalised.

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 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.

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 Loggie (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:

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.

Appendix 7 Evaluator's Report

TheVegankind Limited

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

10 October 2022

Henderson Loggie

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 **Evaluator**	Shona Campbell CA, Henderson Loggie LLP Appendix A details requirements
The **Company**	TheVegankind Limited
The **Proposed Purchaser**	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

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

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 "Accidently Vegan" and "Love Plants"
- Registered trademarks "Love Plants", "TheVeganKind" and "TVK"
- Domain name "theveganikind.com"
- Customer data
- The right to the ecommerce website 'www theveganikind 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 an 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

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

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3. Evaluator's opinion

3.1 Evaluator's Opinion

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 Authentification

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@hlca.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

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

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

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

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A.3 Independence

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

A.4 Exclusions from providing a Qualifying Report

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

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Henderson Loggie

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Glasgow 100 West George Street, G2 1PP	T: 0141 471 9870	

Appendix 8 Glossary

Bank/ RBS/ Secured creditor	Royal Bank of Scotland
Company	TheVeganKind Ltd - in Administration
Joint Administrators/we/our/us	Alistair McAlinden and Blair Nimmo
Interpath/Interpath Advisory	Interpath Ltd
Hilco	Hilco Appraisal Ltd
Morton Fraser	Morton Fraser LLP
AMB	AMB Law Limited
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
the Purchaser	Lillie SPV Limited

Any references in this progress report 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.

Appendix 9 Notice: About this report

This report 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 to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress 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.

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

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

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its 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 this report to any such person.

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.

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 this report or the conduct of the administration.

www.interpathadvisory.com