



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

1 Company details

Company number 0 9 2 0 9 2 2 4

Company name in full Livia's Health Foods Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Finbarr

Surname O'Connell

3 Administrator's address

Building name/number 45 Gresham Street

Street

Post town London

County/Region

Postcode E C 2 V 7 B G

Country

4 Administrator's name ①

Full forename(s) Clare

Surname Lloyd

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 45 Gresham Street

Street

Post town London

County/Region

Postcode E C 2 V 7 B G


Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6	Period of progress report															
From date	d	1	d	7	m	0	m	2	y	2	y	0	y	2	y	3
To date	d	1	d	6	m	0	m	8	y	2	y	0	y	2	y	3
7	Progress report															
<input checked="" type="checkbox"/> I attach a copy of the progress report																
8	Sign and date															
Administrator's signature	Signature 															
Signature date	d	1	d	5	m	0	m	9	y	2	y	0	y	2	y	3

**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 Hollie Couldridge

Company name Evelyn Partnes LLP

Address 45 Gresham Street

Post town London

County/Region

Postcode EC2V 7BG

Country

DX

Telephone

**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**

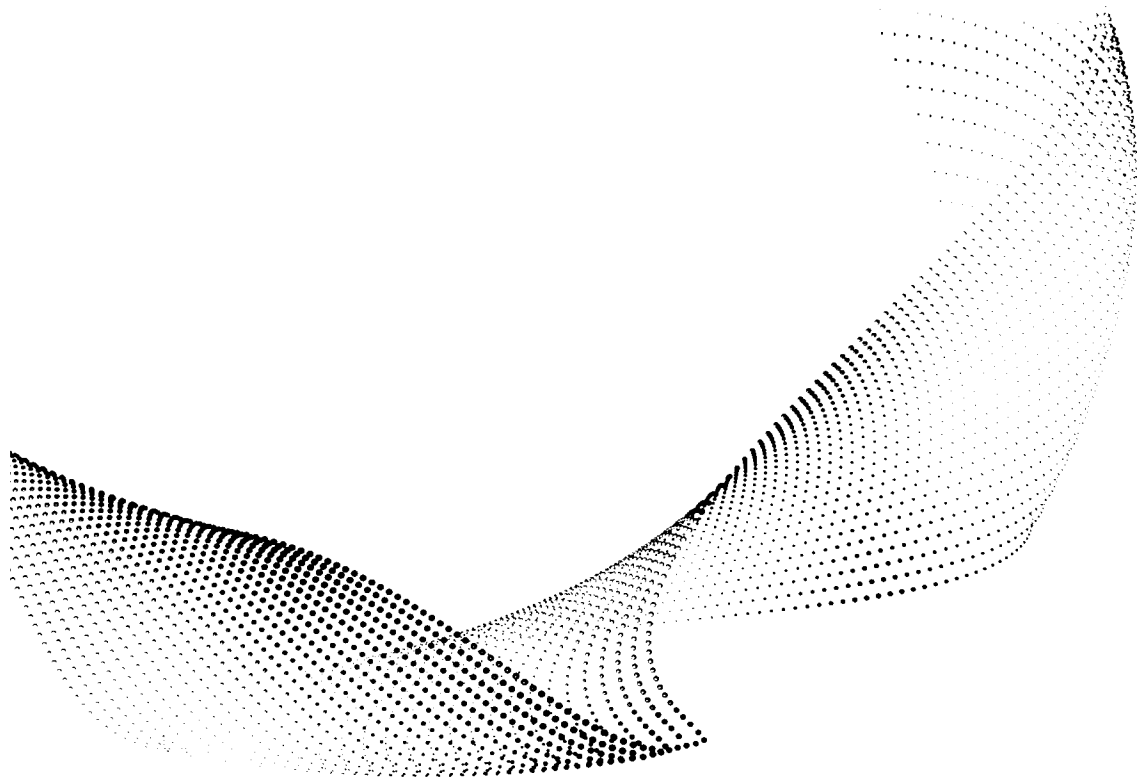
You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

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



Livia's Health Foods Limited (in administration)

The joint administrators' progress report for the period from 17 February 2023 to 16 August 2023

15 September 2023

Contents

1. Glossary	1
2. Introduction and Summary	2
3. Key points	2
4. Progress of the administration	2
5. The joint administrators' remuneration	3
6. The joint administrators' expenses	4
7. Estimated outcome for creditors	4
8. Outstanding matters	5
9. Privacy and data protection	6
10. Ending the administration	6
11. Creditors' rights	6
12. Next report	7

Appendices

I Receipts and payments account	9
II Time analysis for the period	11
III Cumulative time analysis	13
IV Future Estimate	14
V Staffing, charging, subcontractor and adviser policies and charge out rates	15
VI Administrators' expenses	18

1. Glossary

Abbreviation	Description
administrators/joint administrators	Finbarr O'Connell and Clare Lloyd
Company	Livia's Health Foods Limited
CVL	Creditors' Voluntary Liquidation
HMRC	His Majesty's Revenue and Customs
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
Sch B1	Schedule B1 to the Insolvency Act 1986 If preceded by P this denotes a paragraph number
SIP	Statement of Insolvency Practice
SOA	Statement of Affairs

2. Introduction and Summary

This report provides an update on the progress in the administration of the Company for the six-month period ended 16 August 2023. It should be read in conjunction with our previous reports. By way of reminder, Finbarr O'Connell and Clare Lloyd, of Evelyn Partners LLP, 45 Gresham Street, London, EC2V 7BG, were appointed as the joint administrators of the Company on 17 February 2022.

3. Key points

- Objective 3 (1) (b) of Schedule B1 of the IA86 is being pursued in the administration, namely, that a better result can be achieved for the creditors than would be the case had the Company been wound up without first being in administration. The joint administrators remain confident that this objective will be achieved.
- The Company's business and assets were sold as a going concern, by way of a pre-packaged sale, to S Ventures Plc on 17 February 2022 for an initial consideration of £355,000, comprising cash of £130,000 upon completion and 321,429 shares in S Ventures Plc. We are continuing to take steps to realise the shares.
- The sale contract included a clause whereby further deferred consideration could be realised if the Purchaser achieved a target level of revenue from the business in the 10 months following the acquisition. We have now been provided with the necessary financial information to verify the position and can confirm that the additional consideration will not be received.
- It is possible that any ordinary preferential creditor claims (none have yet been received) and all secondary preferential creditors, being HMRC, may receive a dividend in the administration. We will confirm the position in this regard in our next report.
- We can confirm that there will not be a sufficient surplus to enable a dividend to the Company's unsecured creditors.
- The administration was extended by consent of the Company's creditors, via deemed consent, on 23 January 2023 for a period of up to one year ending on 16 February 2024.
- In the event that the administration is not ready to conclude by 16 February 2024, an application to Court will be necessary, in order to extend the administration. The administration will only be extended if there are still realisations to be made to the estate.

4. Progress of the administration

Attached at Appendix I is our receipts and payments account for the period from 17 February 2023 to 16 August 2023. This account includes cumulative figures for the period from 17 February 2022 to 16 August 2023. The receipts and payments account also includes a comparison with the directors' SOA values.

4.1 Shares (Consideration from pre-packaged sale)

As a reminder, the Company's business and assets were sold by way of the pre-packaged sale of the Company's business on 17 February 2022 to S Ventures Plc. As part of the sales consideration, the joint administrators received 321,429 shares in S Ventures Plc.

The joint administrators have been taking steps to dispose of these shares. During the period, trading of S Venture shares was suspended due to a delay in S Ventures filing their statutory accounts. This suspension has now been lifted and the joint administrators expect that these shares will be disposed of shortly.

4.2 Book debts

The directors' SOA detailed outstanding debtor amounts due to the Company with a book value of £160k and an estimated to realise value of £125k. A total of £156,037 has been collected in the administration in respect of book debts. Of the amount

outstanding per the ledger, £24,073 was paid into the Company's bank account prior to the administration. A further £131,964 has been collected since our appointment. No further realisations are anticipated in respect of book debts.

4.3 Litigation

By way of reminder, prior to the Company's administration, the Company filed a claim against a former manufacturer for a number of alleged breaches of contract which were deemed to have caused financial loss to the Company. The joint administrators reached an agreement with one of the Company's former directors, whereby the director would largely fund the litigation, with some limited support from the administration estate. In return, the administration would receive a proportion of the litigation proceeds, should the litigation be successful.

We can confirm that a settlement has been reached in respect of this litigation, which has allowed for certain costs incurred in pursuing the litigation to be recovered, including the £20k loan provided by the administration estate. There are insufficient proceeds to enable an additional return to the administration estate.

4.4 Administration strategy

As detailed in the Proposals, objective 3(1)(b) of Schedule B1 of the IA86 is being pursued in the administration, namely that a better result will be achieved for the creditors than would have been the case had the Company been wound up without first being in administration. The joint administrators remain confident that this objective will be achieved.

5. The joint administrators' remuneration

The creditors approved, on 9 March 2022, that the basis of the administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the administration. This was granted following the joint administrators providing a fees and expenses estimate and the requisite majority of creditors voting in favour by means of a resolution by correspondence.

The administrators' time costs are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
17 February 2022 to 16 August 2022	192	76,996	401	-
17 August 2022 to 16 February 2023	171	75,082	437	-
17 February 2023 to 16 August 2023	87	20,790	227	-
Total	450	172,868	384	-

Attached as Appendix II is a time analysis which provides details of the activity costs incurred by Evelyn Partners LLP staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the administrators and their staff in attending to matters arising in the administration. Details of work carried out in the Period are also included in the body of this report.

Also attached as Appendix III is a cumulative time analysis for the period from 17 February 2022 to 16 August 2023 which provides details of the administrators' time costs since appointment. Approved fees of £85,000 will be drawn by the joint administrators in due course.

The costs for the period were £20,790 as above. The joint administrators' costs to date are £172,868, as above, compared to our revised estimate provided in our previous progress report of £179,225. Appendix IV provides a copy of the authorised time costs.

As our approved fee level has been exceeded, we will be seeking the appropriate authority from the creditors to draw an additional amount of fees. Subject to the relevant authority being granted by the creditors, the revised total time costs of £125,000 plus VAT may be drawn by the joint administrators for the duration of the administration without further recourse to the creditors. This includes costs of £15,000 payable to the Evelyn Partners LLP Forensics Team and £10,000 payable to the Evelyn Partners LLP Tax team.

The joint administrators anticipate the future costs to be in the region of £25,000. A detailed narrative explanation of these costs can be found in the 'Outstanding matters' section, at Section 8 of this report. Please note that this estimate is based on present information and may change due to unforeseen circumstances arising. In the event that any fee estimate is likely to be exceeded, the joint administrators will provide an update and seek approval from the appropriate creditors before drawing any additional sums. Creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. Examples may include preparing and issuing the joint administrators' progress reports and dealing with the Company's tax affairs.

A copy of "A creditor's guide to administrator's fees", as produced by R3, is available free on request or can be downloaded from their website as follows:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page1/administration-a-guide-for-creditors-on-insolvency-practitioner-fees/>

As we have foretold, following a change to this firm's financial year-end, we have reviewed our charge-out rates on 1 January 2023. In common with other professional firms, our scale rates rise to cover inflationary cost increases (which readers will be aware have been particularly high of late) and accordingly our rates have risen on average by approximately 5% with effect from 1 January 2023. This increase takes into account that only six months have passed since the date of the last increase to avoid prejudice to creditors and stakeholders. Rate reviews will now revert to being annual.

Details of Evelyn Partners LLP's charge out rates (including any changes during the case) along with the policies in relation to the use of staff are provided at Appendix V. We have no business or personal relationships with the parties who approve our fees. We have no business or personal relationships with any parties who provide legal or professional services to the administration where the relationship could give rise to a conflict of interest.

6. The joint administrators' expenses

Expenses are amounts properly payable by us as the joint administrators from the estate and should be read in conjunction with the receipts and payments account at Appendix I which shows expenses actually paid during the period and the total paid to date.

6.1 Subcontractors

We have not utilised the services of any subcontractors in this case.

6.2 Professional advisers

No professional adviser costs have been incurred in the reporting period and no costs remain outstanding.

6.3 Administrators' expenses

The table setting out the joint administrators' expenses is at Appendix VI.

6.4 Policies regarding use of third parties and expense recovery

Appendix V provides details of Evelyn Partners LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of expenses.

7. Estimated outcome for creditors

The estimated outcome for each class of creditors is set out below.

7.1 Secured creditors

The Company has no known secured creditors and there are no unsatisfied charges or debentures outstanding at Companies House.

7.2 Prescribed Part

The Company did not grant any floating charges therefore the Prescribed Part requirements do not apply.

7.3 Ordinary preferential creditors

No ordinary preferential creditor claims were listed in the directors' SOA and none have been received by the joint administrators.

7.4 Secondary preferential creditors

As from 1 December 2020 certain liabilities due to HMRC, that arose after this date, were given secondary preferential status. These claims which will rank below any ordinary preferential creditors, are in respect of outstanding taxes 'paid' by employees and customers of the business. These include Value Added Tax (VAT), Pay As You Earn (PAYE), employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions. It is important to note that there is no cap or time limit on what HMRC can recover in respect of the above.

We have received a secondary preferential claim from HMRC totalling £84,071, which is subject to formal adjudication. At present, it is possible that realisations may be sufficient to declare a dividend to the secondary preferential creditors. The timing and quantum of any possible dividend cannot be confirmed at this juncture.

The secondary preferential creditors will only be entitled to receive a dividend after all the ordinary preferential creditors have been paid in full, of which there are none in this administration. HMRC will continue to be an unsecured creditor for corporation tax and any other taxes owed directly by a company/business.

7.5 Unsecured creditors

We have received claims totalling £449,291 from 15 creditors. Total unsecured claims as per the directors' SOA were £448,448. It is not expected that a dividend will be paid to the Company's unsecured creditors.

8. Outstanding matters

The joint administrators' costs to date are £172,868, as detailed in Section 5, compared to our estimate of £179,225 for the first two years of the administration. Our anticipated future costs are estimated to total £25,000, bringing the total fees expected to be incurred for the first two years of the administration to £197,868. Appendix IV provides a detailed breakdown of our anticipated costs for the second year of the administration.

A detailed narrative explanation of the outstanding matters in the administration can be found below.

Asset realisations

As detailed at Section 4 of this report, we are continuing to pursue recoveries for the benefit of the Company's creditors. The work involved in asset realisations may enable the joint administrators to declare dividends to the Company's creditors and will therefore provide a direct financial benefit.

Dividends

It is possible that there may be a dividend to the preferential creditors of the Company. At such time that a dividend is declared, the joint administrators and their staff will incur some time costs in dealing with the adjudication of claims and the distribution itself. This work will provide a direct financial benefit to the Company's creditors.

Statutory obligations

Some work conducted by the joint administrators and their staff must be done in order to comply with statutory obligations and internal compliance requirements. This work includes general case management, reporting to creditors, conducting case reviews and time incurred by cashiers in maintaining the administration bank account.

Closure

At the appropriate time, once the joint administrators are satisfied that they have realised all available assets, discharged all costs and distributed funds to the creditors of the Company, if possible, the closure of the administration will commence. This work will include preparing and issuing the joint administrators' final report in the administration, which is required by statute.

9. Privacy and data protection

As part of our role as joint administrators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at www.evelyn.com/rrsgdpr. If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact us if you believe this applies.

10. Ending the administration

It is proposed that, at the appropriate time, the joint administrators will use their discretion to exit the administration by way of one of the following means, as set out below.

Exit from administration by way of a liquidation distribution and dissolution

If, having realised the assets of the Company, the joint administrators think that a part distribution will be made to the unsecured creditors, they may file a notice with the Registrar of Companies which will have the effect of bringing the appointment of the joint administrators to an end and will move the Company automatically into CVL in order that the distribution can be made, but only if they consider that the associated incremental costs of a CVL are justified. In these circumstances, Finbarr O'Connell and Clare Lloyd will become the joint liquidators of the CVL. The acts of the joint liquidators may be undertaken by either or both of them.

Administrators have the power to bring claims against former officers of the Company in respect of transactions that may have caused or exacerbated the Company's insolvency. Claims with a good prospect of success may also be pursued by administrators but there may be cases where it would be more appropriate if a liquidator brought the claim or where the timeframe would not be long enough, given the maximum extension period available to administrators. The proposed exit route would, in this case, be liquidation/CVL.

Exit from administration (with or without an administrators' distribution), followed by dissolution

If the joint administrators have, with the permission of the court, made a distribution to unsecured creditors, or they think that the Company otherwise has no property which might permit a distribution to its unsecured creditors, subject to there being a need for further investigations as described below, they will file a notice, together with their final progress report, at court and with the Registrar of Companies for the dissolution of the Company. The joint administrators will send copies of these documents to the Company and its creditors. The joint administrators' appointment will end following the registration of the notice by the Registrar of Companies.

The administrators will be discharged from liability under P98(3) of Sch B1 IA86 immediately upon their appointment as administrators ceasing to have effect. Authorisation for discharge from liability was granted by the creditors on 9 March 2022.

11. Creditors' rights

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that the administrators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the administrators, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Finbarr O'Connell or Clare Lloyd in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 45 Gresham Street, London EC2V 7BG or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

- i) Email: insolvency.enquiryline@insolvency.gov.uk
- ii) Telephone number: +44 300 678 0015
- iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

12. Next report

We are required to provide a further report on the progress of the administration within one month of the end of the next six month period of the administration unless we have concluded matters prior to this, in which case we will write to all creditors with our final report.



Finbarr O'Connell and Clare Lloyd

The joint administrators

Date: 15 September 2023

Finbarr O'Connell and Clare Lloyd have been appointed as the joint administrators of the Company on 17 February 2022. The affairs, business and property of the company are being managed by the joint administrators as agents and without personal liability. Both of the joint office-holders are authorised and licensed in the UK by the Institute of Chartered Accountants in England and Wales and are bound by their code of ethics. Further details of their licensing body along with our complaints and compensation procedure can be accessed at: www.evelyn.com/insolvency-licensing-bodies. The joint administrators may act as controllers of personal data, as defined by the UK data protection law, depending upon the specific processing activities undertaken. Evelyn Partners LLP may act as a processor on the instructions of the joint administrators. Personal data will be kept secure and processed only for matters relating to the joint administrators' appointment. The Fair Processing Notice in relation to the UK General Data Protection Regulation can be accessed at www.evelyn.com/rsgdpr.

Should you wish to be supplied with a hard copy of any notice, attachment or document relating to a case matter, please contact the staff member dealing with this matter at any time via telephone, email or by post and this will be provided free of charge within five business days of receipt of the request. The word partner is used to refer to a member of Evelyn Partners LLP. A list of members is available at the registered office. Evelyn Partners LLP is registered in England at Gresham Street, London EC2V 7BG No OC369631. Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities

Appendices



I Receipts and payments account

Receipts and payments account to 16 August 2023

Statement of Affairs £		From 17/02/2023 To 16/08/2023 £	From 17/02/2022 To 16/08/2023 £
	ASSET REALISATIONS		
	Bank Interest Gross	1,314.74	2,254.39
125,000.00	Book Debts	NIL	131,963.75
	Cash at Bank	NIL	7,830.63
141,000.00	Goodwill	NIL	NIL
	Litigation Loan repayment	20,000.00	20,000.00
125,000.00	Plant & Machinery	NIL	76,292.87
87,995.00	Stock	NIL	53,707.13
		<u>21,314.74</u>	<u>292,048.77</u>
	COST OF REALISATIONS		
	Admin Pre-Appointment Fees	77,837.01	77,837.01
	Agents/Valuers Expenses	NIL	247.50
	Agents/Valuers Fees (1)	NIL	4,130.00
	Bank Charges	0.40	3.60
	Collection charges	NIL	1,725.00
	Insurance	NIL	2,433.21
	IT & Network Costs	NIL	1,058.00
	Legal Fees	4,798.50	46,769.20
	Litigation funding loan	NIL	20,000.00
	Pre Appointment Legal Expenses	NIL	118.45
	Pre-Appointment Legal Fees	NIL	36,507.30
	Professional fees	NIL	4,200.00
	Statutory Advertising	NIL	100.30
		<u>(82,635.91)</u>	<u>(195,129.57)</u>
	SECONDARY PREFERENTIAL CREDITORS		
(104,151.71)	PAYE/NIC	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(230,000.00)	Employees/Directors	NIL	NIL
(218,448.45)	Trade & Expense Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(1,057.37)	Ordinary Shareholders	NIL	NIL
(4,359,387.84)	Share Premium	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(4,434,050.37)		<u>(61,321.17)</u>	<u>96,919.20</u>
	REPRESENTED BY		
	Clients Deposit Acocunt (IB)		96,919.20
			<u>96,919.20</u>

Notes and further information required by SIP 7

- No payments have been made to us from outside the estate.
- No expenses were paid or incurred in the period, further details can be found in Appendix VI.
- Information concerning our remuneration and expenses incurred is provided in the body of the report.
- Information concerning the ability to challenge remuneration and expenses of the administration is provided in our report.
- All bank accounts are interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT.

II Time analysis for the period

From 17 February 2023 to 16 August 2023

Period	Partner	Director & Associate Director	Manager	Other Professionals	Total	Cost	Average rate
	Hours	Hours	Hours	Hours	Hours	£	£/hr
Administration & planning							
Statutory & Regulatory	-	1.85	4.28	12.50	18.63	5,481.37	294
Case administration	0.65	2.17	4.93	7.13	14.88	5,314.86	357
Sub-total Administration & planning	0.65	4.02	9.22	19.63	33.52	10,796.23	651.27
Investigations							
Directors	-	0.40	0.18	-	0.58	318.04	545
Records and investigations	-	-	3.48	-	3.48	1,476.96	424
Sub-total Investigations	-	0.40	3.67	-	4.07	1,795.00	441
Realisation of assets							
Other assets	-	-	4.92	1.08	6.00	2,314.40	386
Tax assets	-	-	0.27	-	0.27	94.31	354
Business sale	-	-	0.95	-	0.95	402.80	424
Legal actions (civil recoveries)	-	4.90	1.88	-	6.78	3,742.48	552
Sub-total Realisation of assets	-	4.90	8.02	1.08	14.00	6,553.99	468
Creditors							
Employees, Pensions & RPS	-	-	0.38	-	0.38	162.52	424
Unsecured creditors (exc. Staff)	-	-	0.22	0.33	0.55	147.31	268
Sub-total Creditors	-	-	0.60	0.33	0.93	309.83	332
Shareholders							
Shareholders/members	-	-	0.58	-	0.58	247.32	424
Sub-total Shareholders	-	-	0.58	-	0.58	247.32	424
Forensics							
Forensics	-	-	2.00	-	2.00	1,088.00	544
Sub-total Forensics	-	-	2.00	-	2.00	1,088.00	544.00
Grand total hours	1.30	13.33	33.30	40.68	88.62	20,790.37	234.61

Explanation of major work activities undertaken

Administration and Planning

This section of the analysis encompasses the cost of the office holders and their staff in complying with their statutory obligations, internal compliance requirements, and all tax matters.

- Maintaining physical case files and electronics case details on IPS (case management software).
- Case reviews (including 6 month reviews).
- Case bordereau and reviews.
- Case planning; administration; and general case progression, including adjustments in appointment strategy.
- Preparing reports to stakeholders.
- Maintaining and managing the appointment's cash book and bank accounts.
- Dealing with the Company's tax affairs.
- Preparing the 6 month progress report.

Investigations

Investigations include work carried out as a consequence of the obligations placed upon us to investigate the Company's affairs. The work undertaken is that described in SIP2 which governs both the investigations of the Company's failure and also examines the conduct of the directors.

- Review and investigation of stakeholders' complaints and responses into the failing of the business and actions of the Company's directors.

- Dealing with the litigation as detailed at section 4.2.

Realisation of assets

This section is in relation to the realisation of the Company's assets, which is explained in detail through the contents of our report.

- Book debt collection and management.
- Dealing with post sale-completion matters.

Creditors

Work under this section includes correspondence and other contact with the creditors of the Company.

- Dealing with creditor correspondence.
- Maintaining creditors' information on our insolvency database.

Shareholders

Work under this section includes correspondence and other contact with the shareholders of the Company.

- Maintaining members' information on IPS.
- Shareholder communications; including non-statutory reporting.

III Cumulative time analysis

From 17 February 2022 to 16 August 2023

Cumulative	Partner	Director & Associate Director	Manager	Other Professionals	Total	Cost	Average rate
	Hours	Hours	Hours	Hours	Hours	£	£/hr
Administration & planning							
Statutory & Regulatory	3.33	12.20	17.58	39.93	73.05	23,625.16	323
Case administration	42.60	9.37	18.18	31.82	101.97	44,184.49	433
Sub-total Administration & planning	45.93	21.57	35.77	71.75	175.02	67,809.65	756.73
Investigations							
Directors	-	2.60	4.43	-	7.03	2,678.04	381
Records and investigations	-	1.25	27.18	6.05	34.48	10,639.60	309
Sub-total Investigations	-	3.85	31.62	6.05	41.52	13,317.64	321
Realisation of assets							
Other assets	-	5.75	21.22	10.48	37.45	12,624.18	337
Tax assets	-	-	0.27	-	0.27	94.31	354
Business sale	5.33	-	1.73	-	7.07	3,871.71	548
Legal actions (civil recoveries)	-	24.40	20.35	0.25	45.00	20,148.32	448
Sub-total Realisation of assets	5.33	30.15	43.57	10.73	89.78	36,738.52	409
Trading							
Trading suppliers and expenses	-	1.05	-	-	1.05	514.50	490
Trading shut down/handover	-	-	0.60	-	0.60	180.00	300
Sub-total Trading	-	1.05	0.60	-	1.65	694.50	421
Creditors							
Chargeholders	-	0.70	-	-	0.70	367.50	525
Employees, Pensions & RPS	-	0.15	1.20	0.95	2.30	711.11	309
Unsecured creditors (exc. Staff)	-	7.75	11.30	10.08	29.13	9,698.83	333
Sub-total Creditors	-	8.60	12.50	11.03	32.13	10,777.44	335
Shareholders							
Shareholders/members	1.50	1.15	1.25	-	3.90	2,080.63	533
Sub-total Shareholders	1.50	1.15	1.25	-	3.90	2,080.63	533
Total of all £	32,956.70	35,221.35	41,854.62	23,105.71	519.02	131,418.38	253.21
Forensics							
Sub-total Forensics	0.75	-	75.08	3.00	78.83	41,449.54	525.79
Grand total hours	99.45	87.93	236.15	174.32	597.85		
Grand total £	33,619.70	35,221.35	82,029.16	23,717.71	597.85	172,867.92	289.15

IV Future Estimate

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate Director	Manager / Assistant Manager	Other professional staff	Assistants & support staff			
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Administration and planning	6.00	1.00	9.00	7.89	0.00	23.89	10,885.00	455.61
Statutory compliance, reporting to stakeholders, accounting, protecting company records, travelling, bonding, case set-up, planning/reviewing and filing								
Statutory returns, reports & meetings	1.00	0.00	3.00	3.00	0.00	7.00	£2,790.00	£398.57
Cashiering, general, including bonding	0.00	1.00	1.00	1.00	0.00	3.00	£1,300.00	£433.33
Job planning, reviews and progression (inc 6 month reviews and planning meetings)	2.00	0.00	2.50	1.00	0.00	5.50	£2,820.00	£512.73
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.00	0.00	1.00	1.00	0.00	2.00	£690.00	£345.00
Agents and advisers, general	1.00	0.00	0.00	0.00	0.00	1.00	£/20.00	£/20.00
Director/manager review, approval and signing	1.00	0.00	0.00	0.00	0.00	1.00	£720.00	£720.00
Closure Costs	1.00	0.00	1.50	1.89	0.00	4.39	£1,845.00	£420.15
Realisation of assets	2.00	0.00	2.50	0.50	0.00	5.00	2,705.00	541.00
Identifying, securing, insuring assets, dealing with assets subject to retention of title and debt collections, Property, business and asset sales								
Debtors	0.00	0.00	0.50	0.50	0.00	1.00	£345.00	£345.00
Shares	2.00	0.00	2.00	0.00	0.00	4.00	£2,360.00	£590.00
Creditors	1.00	0.00	1.00	1.00	0.00	3.00	1,410.00	470.00
Communication with creditors, Creditors' claims (including employees and other preferential creditors and the Crown) dealing with the Prescribed part (if applicable), adjudicating and distributing								
Unsecured creditors	1.00	0.00	1.00	1.00	0.00	3.00	1,410.00	470.00
Total	9.00	1.00	34.59	33.39	0.00	77.98	£25,000.00	£320.60

V Staffing, charging, subcontractor and adviser policies and charge out rates

Introduction

Detailed below are:

- Evelyn Partner LLP's policies in relation to:
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Expense recovery
- Evelyn Partner LLP's

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director or consultant as the joint office-holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed, and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the case (including our cashiers (which is centralised in London), support and secretarial staff) charge time directly to the assignment and are included in any analysis of time charged. Each grade of staff has an hourly charge-out rate which is reviewed from time to time. Time up to 31 July 2020 is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1-minute units or multiples thereof. The minimum time chargeable is one minute. We do not charge general or overhead costs.

It may be necessary to utilise staff from both the regional and London offices, subject to the specific requirements, eg, geographical location of individual cases. This case is predominantly being conducted from the London office. We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Any such arrangements will be reviewed periodically to ensure that best value and service continue to be obtained..

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add best value and service to the assignment.
- The expertise and experience of the service provider;
- The provider holds appropriate regulatory authorisations; and
- The professional and ethical standards applicable to the service provider.

Arrangements will be reviewed periodically to ensure that best value and service continue to be obtained.

External professional advisers are third party entities. The insolvency practitioners and their firm do not have any association with any external provider of services and therefore they do not fall within the definition of an associate as defined in Section 435 of the Insolvency Act 1986 and in Statement of Insolvency Practice 9. Payments to external professional advisers for the services they provide are therefore not a category 2 expense as defined in Statement of Insolvency Practice 9 and therefore do not require prior approval from the committee or creditors.

Expenses

Category 1 expenses do not require approval by creditors. The type of expenses that may be charged as a Category 1 expense to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also, chargeable will be any properly reimbursed expenses incurred by Evelyn Partners LLP personnel in connection with the case.

Category 2 expenses do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 Evelyn Partners LLP's policy is to recover only one type of Category 2 expense, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 expenses.

Details of any Category 2 expenses incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

A schedule of Evelyn Partners LLP's charge out rates was issued to creditors at the time the basis of the administrators' remuneration was approved. The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2022 and subsequently 1 January 2023.

Evelyn Partners LLP Restructuring & Recovery Services Charge out rates from 1 July 2021	London Office £/hr
Partner	590-610
Director / Associate Director	395-530
Managers	290-430
Other professional staff	130-280
Support & secretarial staff	100-120

Evelyn Partners LLP Restructuring & Recovery Services Charge out rates from 1 July 2022	London Office £/hr
Partner	650-670
Director / Associate Director	420-570
Managers	280-460
Other professional staff	205-300
Support & secretarial staff	100-120

Evelyn Partners LLP Restructuring & Recovery Services Charge out rates from 1 January 2023		London Office £/hr
Partner		700-720
Director & Associate Director		440-610
Managers		340-500
Other professional staff		160-290
Support & secretarial staff		100-120

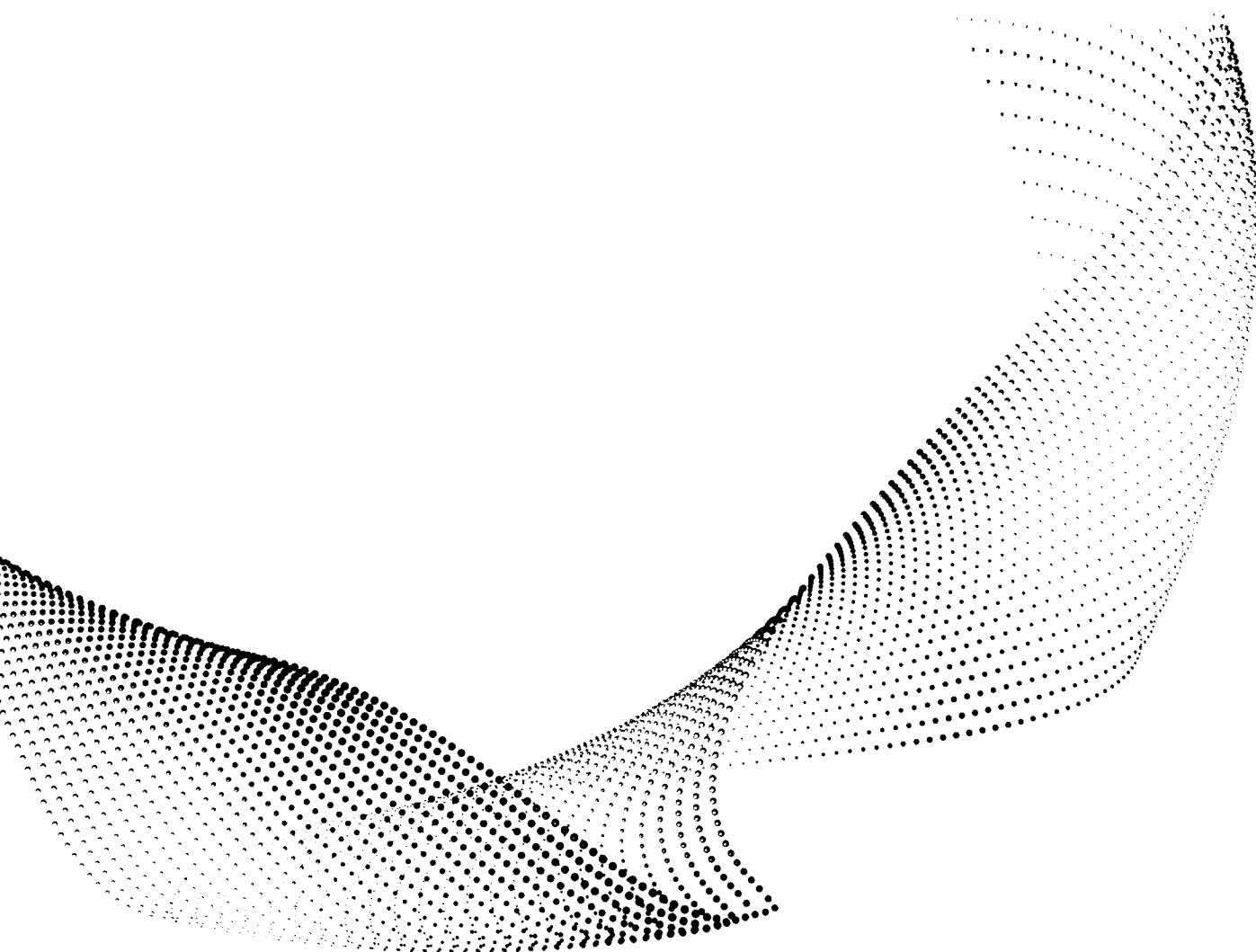
Notes

1. Up to 31 July 2020 time is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1-minute units or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. Up to 31 July 2020 the cashiering function time is incorporated within 'Other professional staff' rates. Following a change to our time reporting software, from 1 August 2020 the cashiering function time continues to be reported according to the seniority of staff undertaking the work in our time analyses and is split between 'Other professional staff', 'Managers' and 'Associate Director'.

VI Administrators' expenses

Description	B/F from previous period	Costs incurred in current period	Cumulative total £	Estimate for future £	Costs paid in current period £	Anticipated future total £
Statutory Advertising	100	-	100	-	-	100
Joint administrators' bonds	140	-	140	-	-	140
Auto Entry Credits	356	-	356	-	-	356
Total	596	-	596	-	-	596

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.



www.evelynpartners.com

Principal offices: London, Belfast, Birmingham, Bristol, Cheltenham, Dublin, Glasgow, Guildford, Jersey, Salisbury, and Southampton.

Evelyn Partners LLP is regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities and is registered in England at 45 Gresham Street, London, EC2V 7BG. No. OC 369631.

CLA Evelyn Partners Limited is registered to carry on audit work and regulated by the Institute of Chartered Accountants in England and Wales for a range of Investment business activities.

evelyn
PARTNERS