

WU15

Notice of final account prior to dissolution in a winding up by the court



Companies House

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

1 Company details

Company number 0 8 5 3 7 9 1 4

Company name in full Viola Group Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Jason Mark

Surname Evans

3 Liquidator's address

Building name/number 1st Floor. Pembroke House. Charter Court

Street Swansea Enterprise Park, Llansamlet

Post town Swansea

County/Region

Postcode S A 7 9 F S

Country

4 Liquidator's name

Full forename(s)

Surname

Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

Other liquidator

Use this section to tell us about
another liquidator.

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6

Liquidator's release

Did any of the creditors object to the liquidator's release?

☐ Yes

☒ No

7

Date of final account

Date

^d0^d2 ^m0^m2 ^y20^y2^y3

8

Final account

☒ The final account is attached

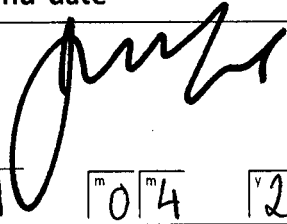
9

Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d1^d1 ^m0^m4 ^y20^y2^y3

WU15

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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.

J. M. Evans

Evans Insolvency

1st Floor, Pembroke House, Charter Court

Swansea Enterprise Park, Llansamlet

Swansea

Postcode

S A 7 9 F S

DX

01792 630640



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

Liquidator's Statement

Viola Group Limited - In Compulsory Liquidation

I, J M Evans of Evans Insolvency, 1st Floor, Pembroke House, Charter Court, Swansea Enterprise Park, Llansamlet, Swansea, SA7 9FS, hereby confirm that the report dated the 2nd February 2023 contained within these documents, is the same report that was uploaded to a secure website on 2nd February 2023 for creditor's viewing, with a deadline date set at 6th April 2023 at 23:59pm for creditors to object to the Liquidator's release.

Signed: _____


J M Evans BSc FCA FABRP
Liquidator of Viola Group Limited

Dated: 11th April 2023

(Licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England & Wales and is bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment)

Viola Group Limited – In Compulsory Liquidation

Final Report

2nd February 2023

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1. INTRODUCTION

This is my Final Report on the progress of this Liquidation, following my appointment as Liquidator on 28th July 2020 by the Secretary of State.

This report has been prepared for the sole purpose of updating the creditors and members for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

The principal role as Liquidator is to realise the company's assets and if sufficient funds are received, to agree creditors' claims and distribute the proceeds in accordance with their legal priorities.

The "Review Period" refers to the progress period following on from my previous report to creditors, to the date of this report (28th July 2022 to 2nd February 2023)

The "Total Period of Appointment" refers to the progress period starting from the date of my appointment as Liquidator, to the date of this report (28th July 2020 to 2nd February 2023).

Statutory Information

Court	Cardiff District Registry
Court Number	000004 of 2020
Company Name	Viola Group Limited
Former Trading Name	N/A
Company Number	08537914
Registered Office	1st Floor, Pembroke House, Charter Court, Swansea Enterprise Park, Llansamlet, Swansea, SA7 9FS
Former Registered Office	Unit 3, Waterton Park, Bridgend, CF31 3PH
Former Trading Address	Unit 3, Waterton Park, Bridgend, CF31 3PH
Officeholders	J. M. Evans
Officeholders Address	Evans Insolvency, 1st Floor, Pembroke House, Charter Court, Swansea Enterprise Park, Llansamlet, Swansea, SA7 9FS
Date of Appointment	28/07/2020
Changes to Officeholder	None

2. EXECUTIVE SUMMARY

A summary of key information in this report is detailed below.

Assets

Asset Name	Estimated to realise as per Official Receiver (£)	Realisations made in Review Period (£)	Total Realisations (£)
Leasehold at Ground Floor, Unit C, Bridgend Industrial Estate, Bridgend CF31 3PH	£1.00	NIL	NIL
Leasehold at Second Floor, Unit E, Bridgend Industrial Estate, Bridgend CF31 3PH	£2.00	NIL	NIL
Book Debts	NIL	NIL	NIL
Research & Development Credits	NIL	NIL	NIL
Intellectual Property	NIL	NIL	NIL
Computer Equipment	NIL	NIL	NIL
Post-Liquidation Credits	NIL	NIL	£4.09
Fixtures & Fittings	NIL	NIL	NIL
Refund of Commission Charged on Bank Account	NIL	NIL	£1,688.52
Return of Overpayment	NIL	NIL	£1,200.00
Total	£3.00	NIL	£2,892.61

Expenses

Expense	Amount per fees and expenses estimates	Expense incurred in Review Period (£)	Total Expense (£)
Official Receivers' Fees	£9,440.00	NIL	£9,440.00
Specific Bond	£225.40	NIL	£80.50
Statutory Advertising	£87.50	NIL	£87.50
Land Registry Search Fees	£15.00	NIL	£15.00
Case Management System	£110.00	NIL	£110.00
Quarterly Banking Fee	£264.00	£66.00	£242.00
HMCTS Court Fee	Not estimated	NIL	£99.00
Total	£10,141.90	£66.00	£10,074.00

Dividends

Creditor class	Total distribution / dividend paid
Secured creditor	NIL
Preferential creditors	NIL
Unsecured creditors	NIL

Closure

There are no further matters that the Liquidator's considers can be progressed and therefore the Liquidation may now be concluded.

3. ADMINISTRATION AND PLANNING

The Liquidator is required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration of the case, which ensures that work is carried out to high professional standards. A detailed list of these tasks may be found in **Appendix 2**.

The Liquidator has met his statutory and regulatory duties to report to creditors, as listed below. In consideration of the need for transparency and engagement with creditors, care has been taken to ensure that reports and other communications with creditors have provided useful details of the strategies pursued and the outcomes anticipated.

During the Review Period, the following material tasks in this category were carried out:

- Maintaining case files, which must include records to show and explain the administration and any decisions made by the Liquidator that materially affect the administration;
- Monitoring and maintaining an adequate statutory bond;
- Conducting periodic case reviews to ensure that the liquidation is progressing efficiently, effectively and in line with the statutory requirements;
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments;

4. ENQUIRIES AND INVESTIGATIONS

Upon my appointment as Liquidator, I carried out an initial review of the Company's affairs. This work was carried out with the objective of making an initial assessment of whether there were any matters that may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have past dealings with the Company.

The initial assessment revealed matters that the Liquidator considered merited further investigation.

Intercompany Transactions

Upon my review of the company's bank statements, it is noted that prior to Liquidation, there were many transactions being received from and paid out to the different Viola companies.

- Viola Services (India) Private Ltd

Viola Services (India) Private Ltd was incorporated on 15th June 2015 by Tanveer Shahid. Mr Christopher Hamilton, one of the directors of Viola Group Ltd, was appointed director of Viola Services (India) Private Ltd on 2nd September 2016.

As per opencorporates.com, it is stated that Mr Hamilton resigned as a director at some point during the period of 1st April 2021 to 11th May 2021.

Upon reviewing the company's accounting records, it would appear that Viola Services (India) Private Ltd are a debtor of the company for the sum of \$1,470.64 USD in relation to a partially paid invoice. I would note that this is also confirmed by the director Ashley Hollington in his completed questionnaire provided to the Official Receiver.

Further in reviewing the company's accounting records and bank transactions, it appears that Viola Group Ltd have provided numerous loans to Viola Services (India) Pvt Ltd, of which amount to £76,899.98.

Accordingly, we wrote to Viola Services (India) Ltd on 19th October 2021 requesting repayment of the debt. The Google search results showed 3 alternative addresses for Viola Services (India) Pvt Ltd, therefore our letter was sent to all 3 addresses. No response was received therefore a further letter was sent again to all addresses on 1st December 2021.

I have concluded that pursuing the debt against this company would prove expensive with no guaranteed prospect of making a recovery.

- Viola Money (Europe) Ltd

As per the company's accounting software, Viola Money (Europe) Ltd is shown to be a creditor of the Company for the sum of £11,838.00.

In reviewing the Company's bank statements, it could be noted that payments had been made to Viola Money (Europe) Ltd, totaling £16,976.00, which had not been inputted onto the accounting software.

As a result, it would appear that Viola Money (Europe) Ltd is actually a debtor of the Company for the sum of £5,138.00.

Viola Money (Europe) Ltd entered into a Special Administration on 21st December 2021. An unsecured claim in the sum of £5,138.00 was submitted in the Administration on behalf of the Company, however the Special Joint Administrators have advised that a dividend to unsecured creditors is highly unlikely.

- ViolaCard LLC

ViolaCard LLC was a Limited Liability Company incorporated in Texas, USA by Mr Michael Levine.

The directors have advised that the concept for creating ViolaCard LLC was for plans of future expansion into the USA which did not materialise.

As per the company's accounting software, ViolaCard LLC was shown to be a debtor of the Company for the sum of £25,558.79.

In reviewing the transactions between both companies, it could be seen that Viola Group Ltd provided ViolaCard LLC with various loans and covered expenditure such as office rent and payments to the director of ViolaCard LLC, Mr Michael Levine.

ViolaCard LLC was dissolved on 8th February 2019 and as a result we were unable to pursue the outstanding balance.

We were unable to locate copies of any agreements in place, in respect of any of the intercompany transactions detailed above.

Miscellaneous Transactions

Further in reviewing the company's bank statements, it can also be noted that there were transactions with numerous individuals and unconnected companies. I have obtained explanations from the directors in regards to the majority of these queries.

As per my last report, I advised that I had two queries outstanding a response from the directors.

I have since been contacted by the representatives of Mr Hamilton, who have advised that due to extradition proceedings that are currently taking place against Mr Hamilton, Mr and Mrs Hamilton cannot respond to our investigation queries as such responses are potentially incriminatory.

It is not known as to how long these extradition proceedings will last, and furthermore, whether anything can be pursued following receipt of Mr and Mrs Hamilton's responses to my outstanding queries.

I have therefore concluded that there would be no benefit to creditors in keeping this case open to receive responses to the outstanding queries.

Directors Remuneration

In reviewing the payroll records and employment contracts, it could be seen that the directors were receiving large monthly salaries, I requested an explanation from the directors in regard to how their salaries were set. I can confirm that the directors provided me with an adequate explanation.

Bank Accounts

It came to my attention that the company may have held multiple bank accounts that have not been previously disclosed. I wrote to the relevant banks to request information of any accounts held, however I can advise that no further bank accounts were identified.

Wrongful Trading

I have investigated the possibility of wrongful trading by the directors. In reviewing the company's bank statements, there are suggestions that the company began to experience financial difficulties towards the latter months of 2019.

However, there is evidence to show that investors were supporting the Company's trading activities.

While the Company had always been "Balance sheet insolvent", the continued investment funds being received supported cashflow solvency.

I have concluded that it would be difficult to challenge the directors for wrongful trading and therefore the matter will not be pursued.

5. ASSET REALISATIONS

Detailed below is key information about asset realisation and strategy, however, more details about the work undertaken may be found at **Appendix 2**. The Liquidator formulated and worked through a realisation strategy that sought to maximise realisations net of costs.

Leasehold

- *Ground Floor, Unit C, Bridgend Industrial Estate, Bridgend CF31 3PH and*
- *Second Floor, Unit E, Bridgend Industrial Estate, Bridgend CF31 3PH*

The company owned the leasehold at the above stated properties. As per the HM Land Registry, the leasehold known as Second Floor, Unit E was purchased by the company for the price of £130,000 plus VAT on 14th June 2016 and the leasehold known as Ground Floor, Unit C was purchased by the company for the price of £145,000 plus VAT on 18th November 2016.

As at 31st May 2020, prior to my appointment, the directors provided information to the Official Receiver stating that they estimated the Ground Floor, Unit C to have a value of £145,755 as at 31st May 2020, and Second Floor, Unit E to have an estimated value of £121,499 as at 31st May 2020. I can confirm that these figures match those on the company's accounting software.

The company borrowed money against the properties and as a result they are held as security by Bluerock Secured Finance Ltd. The charges were created on both properties on 16th September 2019.

On 9th June 2020, Bluerock Secured Finance Ltd appointed Mr Nicholas Myers and Mr Adam Stephens of Smith & Williamson as LPA Receivers over the properties.

I regularly contacted the LPA Receivers, in order to obtain updates on the position of the properties. It can be noted that the LPA Receivers did not gain access to the properties until 15th October 2020, due to lack of co-operation from the directors.

On 27th January 2021, I requested an update on the properties to which the LPA Receivers advised that they were awaiting information from the freeholder.

I received an email on 5th March 2021 from the LPA Receivers, advising that they had been requested to resign from office by their appointor.

Immediately upon receiving this notification, I wrote to Bluerock Secured Finance Ltd, requesting that they provide us with an update on the properties. Shortly after, I was advised by Bluerock Secured Finance Ltd's solicitor that the properties had been sold at auction on 24th December 2020 for the total sum of £120,000.00 to Viola Ins. Ltd.

Black Ford Transit Connect 200 LIMIT Registration Number: YD66 GXA

The company purchased the above vehicle for the sum of £13,700.00. On 16th September 2019, the company sold the vehicle to Bluerock Secured Finance Ltd and subsequently hired it back as part of a Secured Sale and Hire Back Agreement.

The vehicle was being held at the residential address of a former employee of Viola Group Ltd and was registered SORN.

As per the company's accounting software, the vehicle had a value of £1,165.42 as at the date of liquidation.

The vehicle was collected by Bluerock Secured Finance Ltd on 16th October 2020 as part of their security agreement.

Intellectual Property

The company owned a multitude intellectual property, which included the following:

- Trademarks registered in both UK and internationally
- Domain Names
- Software

On 26th September 2019, the intellectual property was sold and subsequently hired back as part of a Secured Sale and Hire Back Agreement to Bluerock Secured Finance Ltd.

Computer Equipment

The company owned numerous computer equipment including laptops, mobile phones, scanners, printers, cables, monitors, computers, Apple watches, webcams and a video conference camera.

On 26th September 2019, the intellectual property was sold and subsequently hired back as part of a Secured Sale and Hire Back Agreement to Bluerock Secured Finance Ltd.

Fixtures and Fittings

The company owned numerous fixtures and fittings including office furniture and Viola Arena signage.

On 26th September 2019, the fixtures and fittings were sold and subsequently hired back as part of a Secured Sale and Hire Back Agreement to Bluerock Secured Finance Ltd.

Research & Development Claim

The directors advised prior to Liquidation the company had submitted a Research and Development (R&D) claim for the sum of £221,635.21, in respect of the financial year ended 31.07.2019. My investigations in this matter gleaned that no such claim had been submitted, and that this figure was included as a provision in the draft accounts.

As the 2019 accounts were not published and were still in draft format, the accuracy of the estimated claim is uncertain. Nevertheless, an R&D Consultant would need to have been instructed to prepare a financial report in support of any claim.

Typically, an R&D tax consultant can charge from 12% to 25% of the final claim value which would decrease the amount of funds received into the Liquidation.

In addition to the above, as HMRC is a creditor of the Company, they would have the right to set-off the Company's R&D tax claim against their own claim in the Liquidation.

Unfortunately, as a result of the length of time it took to confirm the situation in regards to the claim, the deadline to submit the R&D claim had passed.

Book Debts

In a witness statement provided to the Court, in relation to the company's winding-up hearing, the Company's assets were stated to include two book debts in the sums of £56,550.30 and £73,500.00, inclusive of VAT. This witness statement was signed by Mr Ashley Hollington, being one of four active directors. Copies of the invoices in respect of the work completed were enclosed with said witness statement, and appear to be in relation to website and software development which Viola Group Ltd had provided to two unconnected companies.

In reviewing the alleged book debts, it could be seen that these invoices had not been inputted onto the company's accounting software. Furthermore, it was not clear as to why the company would have been involved in providing such services to other companies, and we could not locate evidence of such work being completed.

I wrote to Mr Hollington, requesting further information on these alleged book debts. Mr Hollington advised that details of these assets had been provided to him by the company's new financial controller, Mr Mark Cooling, who had been brought into the Company by the newest investor. Mr Hollington was not able to provide us with any further information.

I would note there is no trace of Mr Cooling in the Company's payroll records, contracts of employment, accounting software or any other books and records.

Contact details were requested for Mr Cooling so that we may redirect our queries. Mr Hollington provided us with a mobile phone number and an email address in this respect.

Despite numerous attempts to contact Mr Cooling, we have not received any response. A postal address was also later located for Mr Cooling, however still no response has been received. I have therefore been unable to pursue the matter any further.

Return of Overpayment

Mr David Barclay was one of the four active directors of the Company. Mr Barclay was appointed as director by the new Company investor, who brought him on board to complete a due diligence report on the Company. We have requested a copy of the due diligence report, however, Mr Barclay has advised that the report was on an old laptop, which could not be recovered.

In reviewing the bank statements, it could be seen that Mr Barclay had received a payment of £13,200.00 from the Company. When queried, Mr Barclay advised that this payment represented the investors' money being taken back out of the Company, in order to pay for an invoice.

We requested a copy of said invoice, to which when reviewed, it could be seen that invoice amounted to only £12,000.00 inc VAT. As a result, Mr Barclay had received an extra £1,200.00 which did not relate to the payment of the invoice, and was requested to return these funds.

The overpayment was returned to the Liquidation Estate by Mr Barclay on 25th January 2022.

Refund of Commission

The sum of £1,688.52 was received on 18th June 2021. The payment included the reference "Refund of commission on BB&T account". Despite our investigations into the source of these funds, including writing to multiple financial institutions to enquire as to whether the Company held an account with them, we have not been able to identify the account in which the funds came from.

Post Liquidation Credits

The sum of £4.09 was received from Barclays Bank on 8th December 2021, in respect of funds that had been received into the company's bank account after it had entered into Liquidation.

VAT Refunds

Prior to liquidation, the company had submitted a VAT return for the period ended 30.11.2019, of which the refund had not yet been received. Upon my appointment, I completed and submitted a further two VAT returns for the periods 01.12.2019 to 29.02.2020 and 01.03.2020 to 21.05.2020.

HMRC is entitled to set-off any pre-insolvency credits against pre-insolvency debt owed by the company. As a result, HMRC applied Crown Set Off to their unsecured claim, which I can advise reduced their claim in the liquidation by the amount of £211,631.36. Therefore, there will be no realisations from this source.

6. CREDITORS' CLAIMS

Irrespective of whether sufficient realisations are achieved to pay a dividend to creditors, the Liquidator has had to carry out key tasks which are detailed in the list at **Appendix 2**. The following sections explain the anticipated outcomes to creditors and any distributions paid.

Secured creditors

The Company had granted the following security: -

Type of charge	Date created	Beneficiary
Secured Charge	16 th September 2019	Bluerock Secured Finance Ltd
Secured Charge	16 th September 2019	Bluerock Secured Finance Ltd
Fixed and Floating	26 th September 2019	Bluerock Secured Finance Ltd

Secured Charge

The company borrowed money against its properties and as a result they are held as security by Bluerock Secured Finance Ltd. The properties were sold at auction by Bluerock Secured Finance Ltd on 24th December 2020 for the total sum of £120,000.00. Bluerock Secured Finance Ltd have advised that they will not be submitting a claim in the liquidation in respect of their unsecured shortfall.

Fixed and Floating

On 26th September 2019, the company entered into a Secured Sale and Hired Back Agreement. As per the agreement, all intellectual property, fixtures and fittings, motor vehicles and computer equipment were to be sold to Bluerock Secured Finance Ltd and hired back by Viola Group Ltd.

Bluerock Secured Finance have advised that the agreement termination figure and fees due from the company amounted to £968,280.00. Further to the sale of the properties, and the waiver of their security fee and various other fees, the outstanding balance is confirmed to be £755,270.00. To date, they have not provided me with a Statement of Account in support of this figure.

Preferential creditors

Employee claims

11 employees were made redundant on 22nd May 2020, being the date of the winding up order. The relevant information for employees to submit claims was submitted to the Redundancy Payments Services.

It also came to my attention that former of employees of the company, who were not employed as at the date of winding up, were also owed arrears of wages, holiday pay, loss of notice and redundancy pay by the company. Therefore, information was submitted to the Redundancy Payments Services in respect of a further 11 employees.

Pension claims

The company had arrears of contributions to their pension scheme dating back to December 2019.

A claim was submitted to the Redundancy Payments Service on behalf of the company, in order that the employees' unpaid pension contributions could be paid up to date. The pension scheme has now been closed.

I can advise that the Redundancy Payments Services have submitted a preferential claim of £18,735.63 in the Liquidation, which represents unpaid employee pension contributions, arrears of wages and holiday pay.

I have also received a claim of £1,190.38 from a former employee in respect of unpaid wages and holiday pay accrued, in which they were not able to recover from the Redundancy Payments Services.

Unsecured creditors

Employee claims and pension claims

The Redundancy Payments Services have submitted an unsecured claim of £47,866.15 in the Liquidation, which represents unpaid employer pension contributions, redundancy pay and loss of notice pay.

HMRC

As per the company's accounting software, HMRC was not shown to be owed anything. I can advise that a claim of £147,774.43 has been received, in respect of tax and national insurance contributions due for the periods of 2018/2019, 2019/2020 and 2020/2021.

Bank

Barclays Bank have submitted a claim of £25,158.30 in respect of the company's overdraft facility.

Trade and Expense

As per the company's accounting software, the trade and expense creditors, totalled £1,210,918.73 To date, I have received claims from 11 trade and expense creditors which have a total value of £312,710.72.

Council Rates

Bridgend County Borough Council. Have submitted a claim of £4,761.33 in respect of non-domestic rates.

Loans

I can advise that I have received a claim of £41,986.36 from the Executor of David John Harris' Estate. Mr Harris acted as a director of the company until 25th March 2020. I have requested a breakdown of the claim, however to date I advise that I have not been provided with this information.

I have also received a claim of £10,000.00 from Mr Harris' wife, in respect of a loan she had personally provided to the company.

In addition, I would note that Christopher and Janet Hamilton, directors of the company, have advised that they have previously provided loans to the company which have not been repaid, however, to date no claims have been received from them in this matter.

In total, 17 creditors have submitted unsecured claims amounting to £590,257.29.

Dividends

There were insufficient asset realisations to pay a dividend to any class of creditor in this case.

7. ETHICS

Please also be advised that Liquidator is bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

General ethical considerations

Prior to the Liquidator's appointment, a review of ethical issues was undertaken and no ethical threats were identified. In the review period, no new threats to compliance with the Code of Ethics were identified.

Specialist Advice and Services

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Liquidator is obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment.

I can advise that no specialist advice and services have been used in this case.

8. FEES AND EXPENSES

Official Receiver's fees

An Official Receiver administers the initial stages upon a company being wound up by a court.

The Official Receiver's fees in this case amounted to £9,440.00. I would advise that £6,547.39 of which remains outstanding due to insufficient realisations.

Petitioning Creditor's Costs

The petitioning creditor's costs amount to £20,201.30 and remain outstanding due to insufficient realisations.

The Liquidator's fees

It is the firm's practice to ensure that work is conducted by the appropriate staff member at the appropriate level of experience. Junior members of staff deal with the day-to-day administration on cases and a manager and partner then oversees the work undertaken. Where the issues are complex and litigious, the work will be closely supervised or undertaken by a senior administrator or a partner.

In my circular to creditors dated 12th August 2021, I called a Decision Procedure via Vote by Correspondence, requesting approval in relation to my current time costs and future estimated time costs. All creditors were provided with a notice of the Decision Procedure, a progress report on the Liquidation and an Analysis of my time costs incurred to date together with an estimate of further fees anticipated to be incurred over the duration of the liquidation. Also enclosed were the relevant voting forms to allow them to vote on the proposed decision.

Creditors were to return their votes so that they would be received by me before 23:59pm on 18th October 2021, being the decision date.

I can advise that I received one vote from creditors in respect of the proposed decision. The voting form was submitted by a former employee of the company. The voting form indicated the approval of my fees. However, I had queries outstanding in relation to the accuracy of the employees' claim, should he have a claim in the Liquidation. Therefore, I excluded the vote in the decision procedure.

As no other creditor voted, the proposed decision was rejected and thus the basis of my remuneration not approved.

In accordance with Rule 18.28 of The Insolvency (England and Wales) Rules 2016, I applied to the court on 25th October 2021 for their approval of my fees.

The basis of the Liquidator fees was approved by the Cardiff District Registry on 20th January 2022 in accordance with the following resolution:

"The court sanctions the Liquidator's remuneration to be based on outstanding time costs and an estimate of fees, amounting to £35,364.00, as detailed in the Application".

The time costs for the review period 28th July 2022 to 2nd February 2023 total £2,655.00, representing 24:48 hours at an average hourly rate of £107.06 and a breakdown at which can be found at **Appendix 3**.

The time costs during the period of appointment amount to £33,377.00 representing 336:48 hours at an average hourly rate of £99.10 and a breakdown of which can be found at **Appendix 4**.

Details of this firm's charge out rates can be found at **Appendix 5** and a comparison between the original fees estimate and the actual time costs incurred to date is detailed at **Appendix 6**.

In accordance with my fee estimate provided to court, my fees have been capped at £35,364.00. However, I would advise that I have been unable to draw any fees due to insufficient funds realised. All outstanding time costs will be written off.

Expenses

My expenses may be divided into two categories.

Category 1

Category 1 expenses are costs that can be specifically identified as relating to the administration of the case, these disbursements represent the simple reimbursement of actual out of pocket payments made on behalf of the assignment. The Liquidator is entitled to pay Category 1 expenses from the funds held in the Liquidation estate without approval from creditors.

I can advise that my Category 1 expenses incurred in the review period amount to £66.00 and relate to banking charges. Enclosed at **Appendix 7** is a full list of my Category 1 expenses incurred in this case, all of which remain unpaid due to insufficient realisations.

Category 2

Category 2 expenses are costs that are also directly referable to the appointment in question but not to a payment to an independent third party. Payments may only be made in relation to Category 2 expenses after the creditors have approved the basis of their calculation.

I did not seek creditors' approval in relation to Category 2 expenses, as I did not anticipate any to be incurred. I can confirm that no Category 2 expenses have been incurred in this case.

"A Creditors' Guide to Liquidators' Fees" is available to download at <https://bit.ly/3ICVskI> Should you require a paper copy, please send your request in writing and a copy will be provided at no cost.

Further information on the insolvency process may be found on the R3 Creditors website <http://www.creditorinsolvencyguide.co.uk/>

Other professional costs

There have been no other professional costs in this matter.

9. CREDITORS RIGHTS

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the J.M Evans's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the J.M Evans' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

At Evans Insolvency we always strive to provide a professional and efficient service however we recognise that disputes will arise from time to time. If you should have cause to complain, you should, in the first instance, put details of your complaint in writing to Evans Insolvency, 1st Floor Pembroke House, Charter Court, Swansea Enterprise Park, Llansamlet, Swansea, SA7 9FS for the attention of Mrs Pam Thorne This will ensure that all complaints received will be dealt with by a senior manager of the firm which is unconnected with the appointment.

Most disputes can be resolved amicably however in the event you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the Insolvency Service Complaints Gateway. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 1 City Walk, Leeds, LS11 9DA, you can also make a submission of your complaint online available at www.gov.uk/complain-about-insolvency-practitioner

10. CONCLUSION

On the filing of this final account with the Registrar of Companies and the Court, the Liquidator will vacate office. This concludes the liquidation of the Company.

If you require any further information, or have any queries regarding this report, please contact myself or my assistant Shauna Rees at this office or alternatively email: shauna@evansinsolvency.co.uk

Signed: _____


J. M Evans BSc FCA FABRP
Liquidator

Date: 2nd February 2023

Appendix 1

Viola Group Limited - In Compulsory Liquidation

Liquidator's Final Receipts & Payments Account

From 28 July 2022 to 02 February 2023

S of A £	As Previously Reported	28/07/22 to 02/02/23	Total £
<u>RECEIPTS</u>			
NIL Post Liquidation Credits	4.09	NIL	4.09
NIL Refund of Overpayment	1,200.00	NIL	1,200.00
NIL Refund of Commission	1,688.52	NIL	1,688.52
NIL	2,892.61	NIL	2,892.61
<u>PAYMENTS</u>			
BIS Bank Charges	(176.00)	(66.00)	(242.00)
Official Receiver	(9,440.00)	NIL	(9,440.00)
	(9,616.00)	(66.00)	(9,682.00)
FUNDS HELD IN INTEREST BEARING ACCOUNT	(6,723.39)	(66.00)	(6,789.39)

Appendix 2

Detailed list of work undertaken for Viola Group Limited – In Compulsory Liquidation

Below is detailed information about the tasks undertaken by the Liquidator for the total period of appointment.

General Description	Includes
Statutory and General Administration	
Statutory/advertising	Completion of pre-liquidation VAT returns Advertising in accordance with statutory requirements Bonding the case for the value of the assets Circulating notice to creditors of appointment and notice to submit claims Annual corporation tax returns
Document maintenance/file review/checklist	Filing of documents Periodic file reviews documenting strategy Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Maintenance of the estate cash book
Books and records / storage	Collecting books and records from trading premises Dealing with records in storage Sending job files to storage
Pension scheme	Identifying whether there is a pension scheme Submitting the relevant notices if a pension scheme is identified Liaising and providing information to be able to finalise winding up the pension scheme
Reports	Preparing annual progress reports and circulating to creditors
Decision Procedure via Vote by Correspondence	Preparation of notice of decision procedure and voting forms Collate votes to decide on resolutions
Case Specific Matters	
Application to Court for Liquidator's Fee Approval	Prepare application court for the approval of the Liquidator's fees Prepare Witness Statement and supporting exhibits File documents via HMCTS E-Filing Serving creditors with notice of the remote court hearing Attending remote court hearing
Investigations	
SIP 2 Review	Collection and making an inventory of company books and records Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reviewing company's books and records Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions
Intellectual Property	Searching on the ICO for trademarks owned by company Corresponding with the directors requesting information on any existing patents and licenses
Intercompany Transactions	Corresponding with the directors in regards to various connect companies and transactions Reviewing the company's accounting software Reviewing the company's bank statements Completing our own research into the connected companies via internet searches
Miscellaneous Transactions	Corresponding with the directors in regards to various receipts and payments identified via a review of the company's bank statements and accounting software
Directors Remuneration	Corresponding with the directors and obtaining their response in regards to how the value of their remuneration was determined.

General Description	Includes
Wrongful Trading	Review of financial information held Review of cash flow as per bank statements Review of credit obtain by company Review of creditors
Bank Accounts	Writing to main UK banks querying if accounts held in the name of company
Realisation of Assets	
Return of Overpayment	Correspond with Solicitor for David Barclay in regards to returning the overpayment
Post-Liquidation Credits	Correspond with bank to arrange transfer of post-liquidation credits
Refund of Commission	Correspond with The Insolvency Service regarding the receipt of refund of commission
Leasehold Properties	Corresponding with LPA Receiver Requesting regular updates from LPA Receiver
VAT Refunds	Obtaining figures from the company's accounting software, completion of VAT100 forms and sending to HMRC
Motor Vehicles	Report the whereabouts of the vehicle to the secured creditor
Research and Development Claim	Corresponding with the directors to determine whether a R&D tax claim had been submitted in respect of the year ended 31.07.2019 Correspondence with HMRC in regard to claims submitted Corresponding with the company's former R&D consultant
Computer Equipment	Corresponding with the directors requesting the whereabouts of the computer equipment Corresponding with the Secured creditor requesting they advise steps taken to realise their security over the computer equipment.
Fixtures & Fittings	Corresponding with the directors requesting the whereabouts of the fixtures and fittings Corresponding with the Secured creditor requesting they advise steps taken to realise their security over the fixtures and fittings.
Book Debts	Reviewing and assessing debtors' ledgers Requesting further information from directors
Creditors and Distributions	
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors via email and post Corresponding with Bluerock Secured Finance in regards to their fixed and floating charge Uploading of reports to secure website for creditors viewing
Dealing with proof of debt forms	Acknowledging claims received from creditors Filing copies of claim forms to filing system Registering claims to creditor database

Appendix 3

EVANS INSOLVENCY

Breakdown of time costs for the period 28/07/2022 to 02/02/2023

Client: V2820 Viola Group Limited

<u>Work Type</u>	<u>Partner</u>	<u>Manager</u>	<u>Senior Professionals</u>	<u>Assistants & Support</u>	<u>Total Time</u>	<u>Charge</u>	<u>vg. hourly rate</u>
Administration and planning	0:54		1:12	15:06	17:12	1821.00	105.87
Case specific matters				0:12	0:12	18.00	90.00
Creditors				2:18	2:18	207.00	90.00
Investigations	0:36			4:30	5:06	609.00	119.41
	1:30	0:00	1:12	22:06	24:48	2655.00	107.06

Total time costs incurred in the review period £2,655.00

Appendix 4

EVANS INSOLVENCY

Breakdown of time costs for the period 28/07/2020 to 02/02/2023

Client: V2820

Viola Group Limited

<u>Work Type</u>	<u>Partner</u>	<u>Manager</u>	<u>Senior Professionals</u>	<u>Assistants & Support</u>	<u>Total Time</u>	<u>Charge</u>	<u>vg. hourly rate</u>
Administration and planning	5:48		17:54	159:24	183:06	17421.00	95.14
Case specific matters			1:54	18:24	20:18	1900.00	93.60
Creditors			0:06	23:48	23:54	1948.00	81.51
Investigations	8:30		0:42	96:42	105:54	11684.00	110.33
Realisation of assets	0:24			3:12	3:36	424.00	117.78
	14:42	0:00	20:36	301:30	336:48	33377.00	99.10

Total time costs outstanding £33,377.00

Appendix 5

Hourly Charge-out Rates for Evans Insolvency for the period of 2020 to 2023

Time charging policy

- Support staff do charge their time to each case.
- Support staff include cashier, secretarial and administration support.
- The minimum unit of time recorded is 6 minutes.

Staff	Charge out rates 2020 £	Charge out rates 2021 £	Charge out rates 2022 £	Charge out rates 2023 £
Insolvency Practitioner / Partners	340.00	340.00	340.00	340.00
Manager	180.00	180.00	180.00	180.00
Senior Administrator	130.00	130.00	130.00	130.00
Junior Administrator	60.00- 110.00	90.00	90.00	90.00

Appendix 6

Time costs summary for period, cumulative & comparison with estimate for Viola Group Limited – In Compulsory Liquidation

Work category	Original fees estimate			Actual time costs incurred during the Review Period			Total time costs incurred to date		
	Number of hours	Blended hourly rate £ per hour	Total fees £	Number of hours	Average hourly rate £ per hour	Total time costs £	Number of hours	Average hourly rate £ per hour	Total time costs £
Administration and Planning	212:12	£111.22	£23,604.00	17:12	£105.87	£1,821.00	183:06	£95.14	£17,421.00
Case Specific Matters	3:12	£89.06	£285.00	0:12	£90.00	£18.00	20:18	£93.60	£1,900.00
Creditors	23:54	£81.34	£1,944.00	2:18	£90.00	£207.00	23:54	£81.51	£1,948.00
Investigations	82:54	£114.43	£9,486.00	5:06	£119.41	£609.00	105:54	£110.33	£11,684.00
Realisation of Assets	0:30	£90.00	£45.00	-	-	-	3:36	£117.78	£424.00
Total	322:42	£109.59	£35,364.00	24:48	£107.06	£2,655.00	336:48	£99.10	£33,377.00

Appendix 7

Expenses summary for period, cumulative & comparison with estimate for Viola Group Limited - In Compulsory Liquidation

Below are details of the Liquidator's expenses for the period under review and the total to date. Note that all expenses remain outstanding due to insufficient funds realised.

Category 1 Expense	Original expenses estimate £	Actual expenses incurred in the Review Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Case Management System Fee	£110.00	NIL	£110.00	
Specific Bond	£225.40	NIL	£80.50	
Banking Charges (Charged at £22.00 quarterly)	£264.00	£66.00	£242.00	
Statutory Advertising	£87.50	NIL	£87.50	
Land Registry Search Fees	£15.00	NIL	£15.00	
HMCTS Court Fee	-	NIL	£99.00	This expense was not originally estimated as it was not estimated that the Liquidator would require court approval in relation to approving the basis of his fees.
Total	£701.90	£66.00	£634.00	