



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 Thomas
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	2
To date	d	1	d	6	m	0	m	8	y	2	y	0	y	2	y	2

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

Furlan O'Connell

X

Signature date

d	1	d	5	m	0	m	9	y	2	y	0	y	2	y	2
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

**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 Partners LLP**

Address **45 Gresham Street**

Post town **London**

County/Region

Postcode **E C 2 V 7 B G**

Country

DX

Telephone **020 7131 4000**

**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**

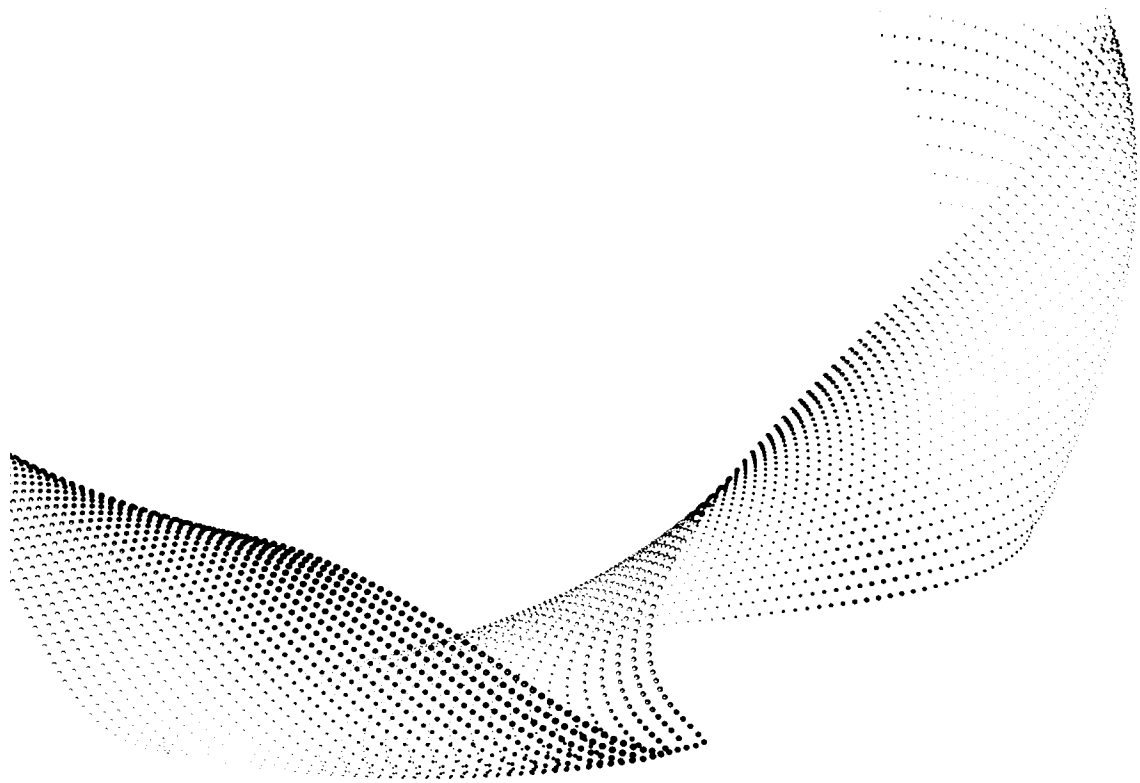
You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

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)

Joint administrators' progress report for the period from 17 February 2022 to 16 August 2022

evelyn

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1. Glossary

Abbreviation	Description
CVL	Creditors' Voluntary Liquidation
HMRC	His Majesty's Revenue and Customs
IA86	Insolvency (England and Wales) Act 1986
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
Pre-pack	Pre-packaged sale of a business
SPA	Sale and Purchase Agreement
SIP	Statement of Insolvency Practice (England & Wales)
SOA	Statement of Affairs
the administrators/joint administrators	Finbarr O'Connell and Clare Lloyd
the Company	Livia's Health Foods Limited
The Proposals	The joint administrators' statement of proposals dated 18 February 2022

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 2022. It should be read in conjunction with our previous report, namely that sent with the Proposals. By way of reminder, we, 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.

From 14 June 2022, we are operating under a single new brand and the firm's name has changed to Evelyn Partners LLP. Please note that this is a change to our brand only and that the services provided are unaffected. Please also be aware that we have recently changed our postal and registered office address to 45 Gresham Street, London EC2V 7BG. Please update your records accordingly.

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, comprised of cash of £130,000 upon completion and 321,429 shares in S Ventures. We are currently taking steps to realise the shares held, now that the minimum holding term has expired.
- As part of the pre-packaged sale agreement, there was a further deferred consideration element of £75,000 in cash and a further issue of 35,714 shares in S Ventures Plc may also be realised in the administration. The deferred element is only realisable subject to the Purchaser achieving a target level of revenue from the business in the 10 months following the acquisition, i.e. by 17 December 2022.
- Three of the Company's four employees were subject to the TUPE Regulations and transferred accordingly to the Purchaser. One of the directors, who also held a contract of employment, was made redundant prior to the transaction, on a consensual basis.
- It is expected that any ordinary preferential creditor claims (none have yet been received) and all secondary preferential creditors will receive a distribution in the administration. We are not able to confirm the timing or quantum of any preferential dividend at this juncture.
- At present, it is uncertain whether there will be a sufficient surplus to enable a distribution to the Company's unsecured creditors. We will be in a position to provide an update with regards to an unsecured creditor dividend, if and when the outstanding assets as detailed at Section 4 are realised.
- The Proposals were approved via a creditors' decision by correspondence on 9 March 2022.
- 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 approval was granted, following the joint administrators providing a fees and expenses estimate, by the requisite majority of creditors by means of a resolution by correspondence.

4. Progress of the administration

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

Following the completion of the pre-packaged sale of the Company's business and assets on 17 February 2022 to S Ventures Plc, the joint administrators received cash of £130,000 and 321,429 shares in S Ventures Plc. We are currently in the process of disposing of the shares currently held.

The cash consideration was allocated as follows, as detailed in the receipts & payments account at Appendix I:

- Plant & Machinery - £76,293
- Stock - £53,707

It is possible that additional consideration, comprised of £75,000 cash and a further 35,714 shares, will be realised in the administration. This is subject to the Purchaser achieving a target level of revenue from the business in the 10 months following the acquisition, i.e. by 17 December 2022 and we will be in a position to provide an update on the final amount received in respect of the pre-packaged sale in our next progress report to creditors.

Further information regarding the pre-packaged sale can be found in the Proposals.

We have recovered monies totalling £7,831 from the Company's pre-appointment bank account.

As detailed in the Proposals, the remaining principal asset of the Company was the sales ledger, which had a book value of c. £160k, although the SOA showed an estimate to realise value for book debts of £125k. To date, we have received funds totalling £131,568 directly from debtors of the Company and we are continuing to liaise with the debtors to reconcile the amounts received.

As part of the pre-packaged sale agreement, it was agreed that for a period of six months following the sale agreement, the Purchaser would work to collect in the outstanding book debts for a commission of 2.5% (if required).

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 Claim'). The joint administrators have reached an agreement with one of the Company's former directors, whereby the director will largely fund the Claim, with some limited support from the administration estate. In return, the administration will receive a proportion of the Claim proceeds, should the Claim be successful. Unless a settlement is reached, the Claim is not expected to conclude until around mid-2023.

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.

It remains possible, during the course of the administration, dependent on the level of future realisations, that the first objective, as in Paragraph 3(1)(a) of Schedule B1 of the IA86, namely rescuing the Company as a going concern, might be achieved. There are a number of variables which will determine if this is achievable and we will continue to monitor the position and provide an update in our next report to creditors.

5. Investigations

Under the Company Directors Disqualification Act 1986 we have a duty to make a submission to the Secretary of State for Business, Energy & Industrial Strategy on the conduct of all those persons who were directors at the date the Company entered administration or who held office at any time during the three years immediately preceding the administration. We have complied with our duty in this regard. As all submissions are strictly confidential, we are unable to disclose their content.

Additionally, we have a duty to investigate transactions to establish whether there may be any worth pursuing for the creditors' benefit from, for example, legal proceedings. Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either following our initial appointment or as a response to our request to complete an investigation questionnaire. Our investigations have not revealed any issues requiring further work. This clearly excludes the legal proceedings issued by the Company prior to administration, as referred to above.

6. Pre-administration costs

On 9 March 2022 the following amounts, in respect of pre-administration costs, were approved:

Recipient	Brief description of services provided	Amount agreed £	Amount paid £
Evelyn Partners LLP	Pre-administration costs	77,837	-
Pinsent Masons LLP	Advice with regard to the insolvency of the Company and the legal and financial options available to it, drafting the SPA for the pre-pack, preparing the administration appointment documentation and various attendant matters.	31,625	31,625
Setfords Law Limited	Legal services prior to Pinsent Masons LLP being retained.	5,000	-
Wyles Hardy & Co Ltd	Valuation and disposal advice	3,400	-
Total		114,465	31,625

7. Administrators' remuneration

The creditors approved 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 on 9 March 2022. 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	191	73,800	386	-
Total	191	73,800	386	-

Attached as Appendix II is a time analysis which provides details of the activity costs incurred by 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.

The joint administrators' costs to date are £73,800, as above, compared to our original estimate of £85,000 for the first year of the administration. Appendix III provides a copy of the previously authorised time cost estimate breakdown for comparison purposes. Going forward, the joint administrators anticipate future costs to be in the region of £56,932 and Appendix IV provides

a detailed breakdown of our anticipated future costs. Please note that of this amount, £15,000 relates specifically to time expected to be incurred by the Evelyn Partners LLP Forensic team to assist with the ongoing litigation as detailed at Section 4.4. In addition, £5,000 is expected to be incurred by the Evelyn Partners Tax Team in due course.

As our original time costs estimate will be exceeded, we will be seeking the appropriate authority from the creditors to draw an additional amount of fees, as shown in Appendix IV. Subject to the relevant authority being granted by the creditors, the revised incurred time costs which may be drawn by the joint administrators will be £130,732 without further recourse to the creditors.

A detailed narrative explanation of these costs can be found in the 'Outstanding matters' section, at Section 10 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. Fee estimates may be given up to a certain event/stage or for a designated period, if it is not possible to provide an accurate estimate at any given point.

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:

On 1 September 2020, the Smith & Williamson Group merged with the Tilney Group to extend our financial and professional services offering. In common with many professional firms, our scale rates rise to cover annual inflationary cost increases (which readers will be aware have been particularly high of late) and, accordingly, our rates have risen on average by approximately 7% with effect from 1 July 2022. Following the merger, please note that there has been a change to our financial year-end and, as a result, we will be reviewing our charge-out rates again on 1 January 2023 (reverting to annual reviews thereafter). The rate of any increase on 1 January 2023 will take into account that only six months will have passed from the date of the last increase and so will not cause any prejudice to creditors and stakeholders.

Details of Evelyn Partners LLP's charge out rates (including any changes during the period of this 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 professional advisors which provide services to the administration where the relationship could give rise to a conflict of interest.

8. Administration expenses

The tables in Appendices VI and VII provide details of our expenses. Expenses are amounts properly payable by us as administrators from the estate. The tables exclude distributions to creditors. The tables also exclude any potential tax liabilities that we may need to pay as an administration expense because the amounts becoming due will depend on the position at the end of the tax accounting period.

The tables 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.

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

As you will be aware, our estimated expenses included the cost of instructing professional advisors and the table at Appendix VI discloses the costs incurred and paid, along with the original estimates and estimated future costs. On this assignment we have used the professional advisers listed in the table at Appendix VI. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

The table setting out details of the joint administrators' expenses is at Appendix VII.

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.

9. Estimated outcome for creditors

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

The Company has no known secured creditors, neither does it have any unsatisfied charges or debentures outstanding at Companies House.

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

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

Claims from the secondary preferential creditors mainly include His Majesty's Revenue and Customs (HMRC) which will rank below the ordinary preferential creditors in relation to outstanding taxes 'paid' by employees and customers of that 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.

The secondary preferential creditors will only be entitled to receive a dividend after all the ordinary preferential creditors have received 100p in the pound (£). HMRC will continue to be an unsecured creditor for corporation tax and any other taxes owed directly by a company/business (for example employer National Insurance Contributions).

We set out below a summary of the secondary preferential claims received.

Secondary preferential creditor	SOA claims £	Claims received £
HMRC	104,152	84,071
Total	104,152	84,071

At present, we expect that realisations will be sufficient to declare a dividend to the secondary preferential creditors. We have not yet taken steps to agree the secondary preferential creditor claims and anticipate that we will be in a position to do so following realisation of the share consideration as referred to at Section 4.1.

We have received claims totalling £361,311 from 14 creditors. Total unsecured claims as per the directors' SOA were £448,448.

At present, a distribution to the Company's unsecured creditors remains uncertain and is subject to future potential realisations as detailed at Section 4 above. We hope to be in a position to confirm whether or not there will be a distribution to unsecured creditors in our next progress report.

10. Outstanding matters

The joint administrators' costs to date are £73,800, as detailed in Section 7, compared to our original estimate for the first year of the administration of £85,000 and only the incurred time costs within the approved estimate will be drawn without further recourse to creditors.

Going forward, the joint administrators anticipate future costs to be in the region of £56,932 and Appendix IV provides a detailed breakdown of our anticipated future costs. A detailed narrative explanation of the outstanding matters in the administration can be found below.

As detailed at Section 4 of this report, we are continuing to deal with recovering as much as possible for the benefit of the Company's creditors. The work involved in asset realisations will enable the joint administrators to declare distributions to the Company's creditors and will therefore provide a direct financial benefit.

We anticipate that there will be a distribution to the preferential creditors of the Company. In addition, we are continuing to work to realise all outstanding assets in order to recover sufficient funds to enable a distribution to the unsecured 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 may include having to deal with HMRC regarding certain tax deductions. This work will provide a direct financial benefit to the Company's creditors.

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.

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, 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.

11. 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 [https://www.liviasfoods.com/insolvency-appointments](#). 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.

12. 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 by way of administration followed by 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 by way of administration only (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.

Exit by way of administration, followed by a partial or in-full CVA distribution, culminating with the return of the Company to its directors.

In certain circumstances, the Joint Administrators might propose a Company Voluntary Arrangement ('CVA') as the most appropriate exit route from Administration, if they conclude that distributing funds to the unsecured creditors through that route would be more advantageous to the unsecured creditors rather than receiving funds either through a CVL or directly from the Joint Administrators. A CVA is a formal procedure introduced by Part 1 IA86 which enables a company to agree with its creditors how their debts should be paid/settled and in what proportions. It requires the approval of a majority of 75% or more in value of the creditors voting by proxy or in person on the resolution to implement the CVA. It is, essentially, a contract between the Company and its creditors and also requires the approval of the Company in general meeting (i.e. approval by the Company's shareholders). Once approved, a CVA binds all creditors which received notice of the meeting and who were entitled to vote at it, whether they actually did vote or not. It also binds creditors who, for whatever reason, did not receive notice but would have been entitled to vote if they had received notice. There are special provisions for valuing the votes of creditors who are connected with the Company.

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.

13. 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:
- ii) Telephone number: +44 300 678 0015
- iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

14. 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

Joint Administrators

Date: 15 September 2022

Finbarr O'Connell and Clare Lloyd were appointed as 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 officeholders 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:

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:

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. 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

Statement of Affairs £		From 17/02/2022 To 16/08/2022 £
	ASSET REALISATIONS	
	Bank Interest Gross	68.52
125,000.00	Book Debts	131,568.05
	Cash at Bank	7,830.63
141,000.00	Goodwill	NIL
125,000.00	Plant & Machinery	76,292.87
87,995.00	Stock	53,707.13
		<u>269,467.20</u>
	COST OF REALISATIONS	
	Bank Charges	1.40
	Professional fees	5,925.00
	Insurance	933.53
	IT & Network Costs	1,058.00
	Legal Fees	34,764.70
	Pre-Appointment Legal Fees	31,507.30
	Pre Appointment Legal Expenses	118.45
		<u>(74,308.38)</u>
	SECONDARY PREFERENTIAL CREDITORS	
(104,151.71)	PAYE/NIC	<u>NIL</u>
		NIL
	UNSECURED CREDITORS	
(230,000.00)	Employees/Directors	NIL
(218,448.45)	Trade & Expense Creditors	<u>NIL</u>
		NIL
	DISTRIBUTIONS	
(1,057.37)	Ordinary Shareholders	NIL
(4,359,387.84)	Share Premium	<u>NIL</u>
		NIL
<u>(4,434,050.37)</u>		<u>195,158.82</u>
	REPRESENTED BY	
	Clients Deposit Acocunt (IB)	181,679.13
	VAT Receivable	13,479.69
		<u>195,158.82</u>

- No payments have been made to us from outside the estate.
- Details of significant expenses paid are provided in the body of our report.
- 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

Period	Partner Hours	Director & Associate Director Hours	Manager Hours	Other Professionals Hours	Support Hours	Total Hours	Cost £	Average rate £/hr
Administration & planning								
Statutory & Regulatory	8.30	7.80	5.75	8.35	-	30.20	12,494.50	414
Case administration	4.34	4.83	7.87	12.93	-	29.97	10,327.99	345
Sub-total Administration & planning	12.64	12.63	13.62	21.28	-	60.17	22,822.49	379
Investigations								
Directors	2.26	2.20	3.90	-	-	8.36	3,604.00	431
Records and investigations	1.50	1.25	21.27	6.05	-	30.07	9,283.98	309
Sub-total Investigations	3.76	3.45	25.17	6.05	-	38.43	12,887.98	335
Realisation of assets								
Other assets	5.75	4.85	7.87	7.40	-	25.87	10,026.01	388
Business sale	3.45	1.05	0.75	-	-	5.25	2,809.50	535
Legal actions (civil recoveries)	11.25	6.15	5.70	0.25	-	23.35	11,586.36	496
Sub-total Realisation of assets	20.45	12.05	14.32	7.65	-	54.47	24,421.87	448
Creditors								
Employees, Pensions & RPS	-	0.15	0.82	0.95	-	1.92	548.59	286
Unsecured creditors (exc. Staff)	3.45	5.80	9.75	9.75	-	28.75	10,171.11	354
Sub-total Creditors	3.45	5.95	10.57	10.70	-	30.67	10,719.70	350
Shareholders								
Shareholders/members	2.15	1.15	0.22	-	-	3.52	1,918.51	546
Sub-total Shareholders	2.15	1.15	0.22	-	-	3.52	1,918.51	546
Forensics								
Forensics	-	-	0.83	3.00	-	3.83	1,029.91	269
Sub-total Forensics	-	-	0.83	3.00	-	3.83	1,029.91	269
Total	42.45	35.23	64.71	48.68	-	191.08	73,800.46	386.23

The following gives a summary of our original estimate, provided in our Proposals, and the actual time costs incurred at 16 August 2022 for ease of comparison. The estimate provided by the joint administrators is for the first 12 months of the administration and the comparison below indicated the fees incurred for the first 6 months of the administration.

	Estimated fees to be incurred	Actual fees incurred
Administration & planning	21,170	22,822
Investigations	13,750	12,888
Realisation of assets	27,230	24,422
Creditors	6,715	10,720
Shareholders	1,620	1,918
Corporate Tax	7,610	-
Forensics	6,905	1,030
Total	85,000	73,800

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.

- Post appointment dealings with the formalities of appointment.
- Statutory notifications and advertising.
- Preparing and issuing the joint administrators' proposals.
- Initial notification to creditors, banks and other relevant parties.
- Internal case reviews and strategy meetings.
- 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.

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.

- Investigating the reasons for the failure of the Company.
- Review and investigation of stakeholders' complaints and responses into the failing of the business and actions of the Company's directors.
- Review of transactions carried out by the Company in period leading to administration.
- Asset tracing (including company searches).
- Dealing with the litigation as detailed at section 4.4.
- Preparing a return/report pursuant to the Company Directors' Disqualification Act.
- Discussions and correspondence with relevant personnel and agents.

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.
- Liaising with
- Dealing with post sale-completion matters.
- Dealing with certain VAT and tax matters relating to the sales process. This includes sourcing certain records (which may not be available at the time of any sale).

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.
- Dealing with retention of title claims from creditors.

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 Authorised fee 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	14.50	13.50	13.00	8.50	0.00	49.50	21,170.00	427.68
Statutory returns, reports & meetings	2.00	5.00	6.00	3.00	0.00	16.00	£6,140.00	£383.75
Initial post-appointment notification letters	0.00	0.50	0.50	0.50	0.00	1.50	£510.00	£340.00
Cashiering general, including bonding	0.00	1.00	1.00	0.00	0.00	2.00	£790.00	£395.00
Job planning, reviews and progression (inc 6 month reviews and planning meetings)	10.00	5.00	4.00	4.00	0.00	23.00	£10,570.00	£459.57
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.50	0.00	1.00	1.00	0.00	2.50	£830.00	£332.00
Agents and advisers, general	1.00	1.00	0.50	0.00	0.00	2.50	£1,240.00	£496.00
Director/manager review, approval and signing	1.00	1.00	0.00	0.00	0.00	2.00	£1,090.00	£545.00
Investigations	9.00	8.50	10.50	4.50	0.00	32.50	13,750.00	423.08
Directors' correspondence	0.50	0.50	1.00	0.50	0.00	2.50	£960.00	£384.00
Statutory books and accounting records review	0.00	1.00	2.00	1.00	0.00	4.00	£1,320.00	£330.00
Investigation of legal claims	8.00	6.00	5.00	2.00	0.00	21.00	£9,700.00	£461.90
SIP2 and SIP4 Obligations (inc liaising with the insolvency service)	0.50	1.00	2.50	1.00	0.00	5.00	£1,770.00	£354.00
Realisation of assets	17.00	17.25	21.50	9.25	0.00	65.00	27,230.00	418.92
Debtors	5.00	5.00	6.00	3.00	0.00	19.00	£7,940.00	£417.89
Cash at Bank	0.00	0.25	0.50	0.25	0.00	1.00	£330.00	£330.00
Sale of business - post completion matters, inc. shares	12.00	12.00	15.00	6.00	0.00	45.00	£18,960.00	£421.33
Creditors	1.25	3.50	6.50	10.00	0.00	21.25	6,715.00	316.00
Employees' claims, dealing with the RPS	0.00	0.50	1.00	1.00	0.00	2.50	775.00	310.00
Pensions	0.00	0.50	0.50	0.00	0.00	1.00	395.00	395.00
Crown (not RPO etc)	0.00	0.00	1.00	1.00	0.00	2.00	530.00	265.00
Unsecured creditors	0.50	1.00	1.50	4.00	0.00	7.00	2,160.00	308.57
Distributions	0.75	1.50	2.50	4.00	0.00	8.75	2,855.00	326.29
Shareholders	1.00	1.00	1.00	1.00	0.00	4.00	1,620.00	405.00
Shareholder general communications	1.00	1.00	1.00	1.00	0.00	4.00	£1,620.00	405.00
Corporate Tax	0.00	0.00	8.00	7.00	0.00	15.00	7,610.00	507.33
Corporate Tax	0.00	0.00	8.00	7.00	0.00	15.00	7,610.00	507.33
Forensics	5.00	0.00	6.50	8.50	0.00	20.00	6,905.00	345.25
Forensics	5.00	0.00	6.50	8.50	0.00	20.00	6,905.00	345.25
Total	52.75	43.75	81.50	64.25	0.00	242.25	£85,000.00	£350.88

IV Revised fee 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	9.68	7.48	8.30	5.00	0.00	30.46	14,196.80	466.08
Statutory returns, reports & meetings	1.33	1.33	3.75	2.00	0.00	8.41	£3,266.05	£388.35
Initial post-appointment notification letters	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Cashiering general, including bonding	0.00	1.00	1.00	1.00	0.00	3.00	£1,090.00	£363.33
Job planning, reviews and progression (inc 6 month reviews and planning meetings)	6.45	2.75	2.05	1.00	0.00	12.25	£6,601.75	£538.92
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.50	1.00	1.00	1.00	0.00	3.50	£1,420.00	£405.71
Agents and advisers, general	0.75	0.75	0.50	0.00	0.00	2.00	£1,048.75	£524.38
Director/manager review, approval and signing	0.65	0.65	0.00	0.00	0.00	1.30	£770.25	£592.50
Realisation of assets	11.35	10.75	9.65	5.10	0.00	36.85	17,472.25	474.15
Debtors	0.00	2.75	4.25	3.45	0.00	10.45	£3,649.00	£349.19
Cash at Bank	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Sale of business - post completion matters, inc. shares	2.15	3.75	2.65	1.15	0.00	9.70	£4,517.50	£465.72
Creditors	1.25	1.80	4.15	5.60	0.00	12.80	4,470.00	349.22
Crown (not RPO etc)	0.00	0.00	1.00	1.00	0.00	2.00	565.00	282.50
Unsecured creditors	0.50	1.05	1.65	2.15	0.00	5.35	1,936.00	361.87
Distributions	0.75	0.75	1.50	2.45	0.00	5.45	1,969.00	361.28
Shareholders	0.50	0.50	0.50	0.50	0.00	2.00	875.00	437.50
Shareholder general communications	0.50	0.50	0.50	0.50	0.00	2.00	£875.00	437.50
Corporate Tax	0.00	0.00	5.50	7.50	0.00	13.00	4,917.50	378.27
Corporate Tax	0.00	0.00	5.50	7.50	0.00	13.00	4,917.50	378.27
Forensics	6.00	0.00	25.00	12.41	0.00	43.41	15,000.00	345.56
Forensics	6.00	0.00	25.00	12.41	0.00	43.41	15,000.00	345.56
Total	34.78	20.53	83.60	56.02	0.00	194.93	£56,931.55	£292.07

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

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 current charge out rates

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 joint officeholders, 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. Details of any subcontractors' services utilised in the period covered by this report are set out in appendix V.

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

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.

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 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.

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.

Evelyn Partners LLP	London	Regional
Restructuring & Recovery Services	Office	Offices
Charge out rates from 1 July 2021	£/hr	£/hr
Partner	590-610	480
Director / Associate Director	395-530	395-415
Managers	290-430	240-335
Other professional staff	130-280	160-215
Support & secretarial staff	100-120	90

Evelyn Partners LLP	London	Regional
Restructuring & Recovery Services	Office	Offices
	£/hr	£/hr

Charge out rates from 1 July 2022

Partner	650-670	528
Director / Associate Director	420-570	410-455
Managers	280-460	230-370
Other professional staff	205-300	165-240
Support & secretarial staff	100-120	88

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'.
4. Partner includes a Consultant acting as an office-holder or in an equivalent role.

VI Professional advisers

Name of professional advisor	Basis of fee arrangement	Initial / revised estimate £	Costs incurred in current period	Costs paid in current period £	Total costs outstanding at period end £	Estimate for future £	Anticipated future total £
Pinsent Masons LLP	Hourly rate and Expenses	30,000 2,000	19,097 -	19,097 -	- -	10,903 2,000	30,000 2,000
Northridge Law LLP	Hourly rate and expenses	-	15,668	15,668	-	-	15,668
Gratus Consultancy Ltd	Hourly rate and expenses	-	4,200	4,200	-	-	4,200
Total		32,000	38,964	38,965	-	12,903	51,868

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

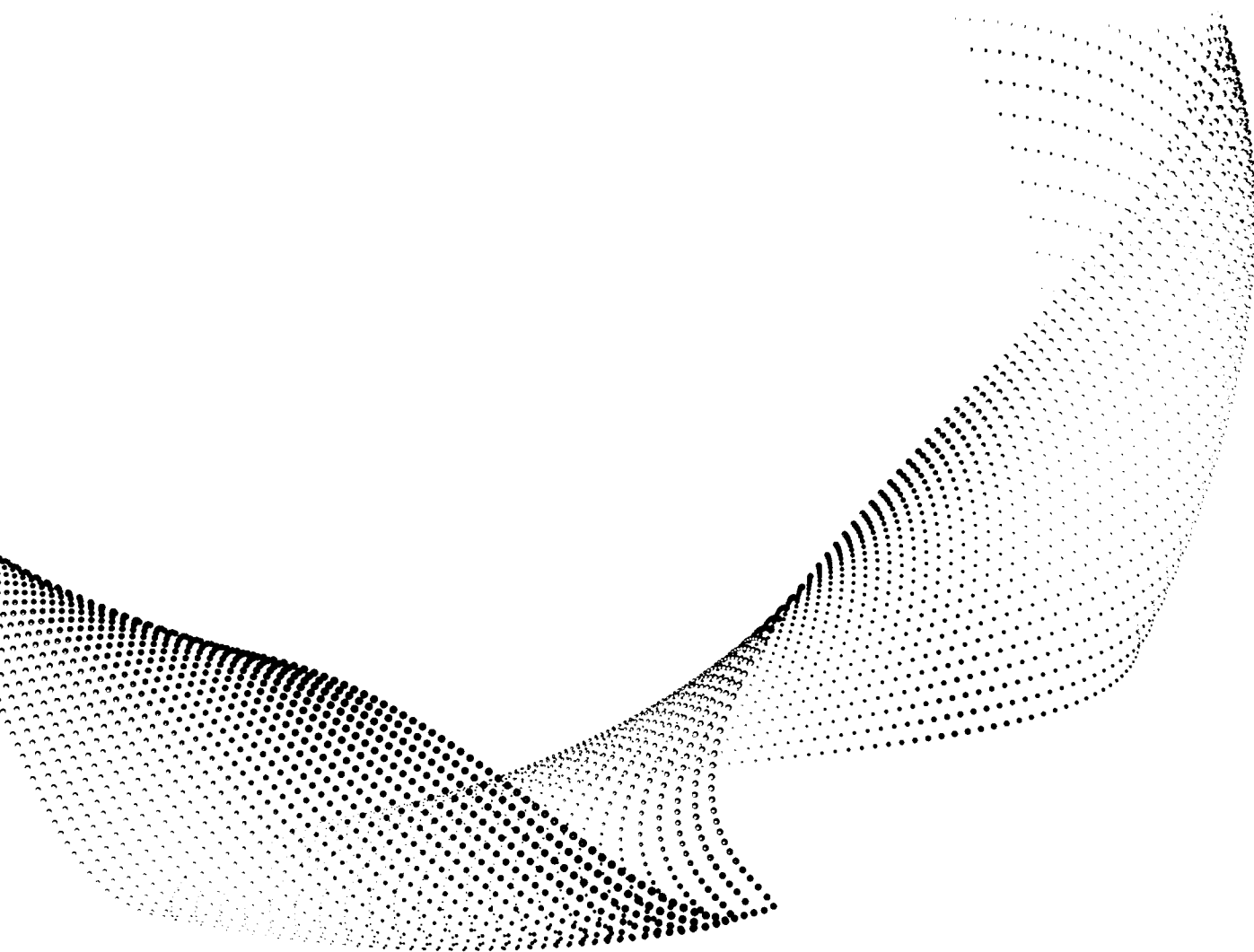
Pinsent Masons LLP ('Pinsents')- Pinsents has continued to provide the joint administrators with general legal advice in the administration. This advice has included advice regarding the legal claim against the previous manufacturer, the share consideration received and correspondence with investors. It is expected that the fee estimate provided in the joint administrators' proposals will be sufficient for the first year of the administration.

Northridge Law LLP ('Northridge') - Northridge was instructed by the Company prior to its administration to deal with the litigation as detailed at section 4.4. We do not expect that further legal costs in this regard will be incurred directly by the administration estate.

VII Administrators' expenses

Description	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding £	Future estimate £	Anticipated future total £
Statutory Advertising	95	-	95	95	190
Joint Administrators' bonds	140	-	140	-	140
Auto Entry Credits	356	-	356	-	356
Total	591	-	591	95	686

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



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

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