

AM03

Notice of administrator's proposals



Companies House

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

1 Company details

Company number 0 9 7 9 6 7 2 0

Company name in full Health Made Easy Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Christopher Robert

Surname Pole

3 Administrator's address

Building name/number c/o Interpath Ltd

Street 2nd Floor, 45 Church Street

Post town Birmingham

County/Region

Postcode B 3 2 R T

Country

4 Administrator's name ①

Full forename(s) Ryan

Surname Grant

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number c/o Interpath Ltd

Street 2nd Floor, 45 Church Street

Post town Birmingham

County/Region

Postcode B 3 2 R T


Country

② Other administrator

Use this section to tell us about
another administrator.

AM03

Notice of Administrator’s Proposals

6		Statement of proposals		
		<input checked="" type="checkbox"/>	I attach a copy of the statement of proposals	
7		Sign and date		
Administrator’s Signature	Signature		<div><div>✕</div><div></div><div>✕</div></div>	
Signature date	<div><div><div>d</div><div>0</div></div><div><div>d</div><div>8</div></div></div> <div><div><div>m</div><div>0</div></div><div><div>m</div><div>9</div></div></div> <div><div><div>y</div><div>2</div></div><div><div>y</div><div>0</div></div><div><div>y</div><div>2</div></div><div><div>y</div><div>2</div></div></div>			

AM03

Notice of Administrator's Proposals



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Francine Pearlman
Company name	Interpath Ltd
Address	5th Floor, 130 St Vincent Street Glasgow
Post town	G2 5HF
County/Region	
Postcode	
Country	
DX	
Telephone	Tel +44 (0) 121 817 8600



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 and dated 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

Joint Administrators' proposals

Health Made Easy Limited - in Administration

8 September 2022

Deemed delivered: 9 September 2022

Notice to creditors

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

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

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

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

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, www.ia-insolv.com/case+INTERPATH+HM81962305.html. We hope this is helpful to you.

Please also note that an important legal notice about this statement of proposals is attached (Appendix 9).

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1 Executive summary

Health Made Easy Limited (the 'Company' or 'HME') was the non-trading holding company of the UK's largest independent health foods and wellness products distribution platform. The Company's principal assets were the shareholdings of four trading entities: Tree of Life UK Limited ('TOL'), Health Stores (Wholesale) Limited ('THS'), Higher Nature Ltd ('Higher Nature') and Freshly Cut Ltd ('Freshly Cut') (together with the Company, the 'Group'). The Company had no employees.

Interpath Limited ('Interpath') was initially introduced to the Company in January 2022 to undertake an independent business review following a request by the Company to HSBC Bank UK Plc (the 'Bank') to defer its loan repayments and extend the term of the loan. The review identified a funding requirement and an agreement in principle was reached that this would be funded through capital deferrals and shareholder injections.

However, due to the continued deterioration of sales and increasingly challenging liquidity position, the directors of the Company (the 'Directors') took the decision to explore alternative investment, refinance and sale options available to the Group. The Group initially instructed PWC LLP ('PWC') in April 2022 to run a debt and equity options process.

Interpath was subsequently engaged by the Company on 14 June 2022 to extend the options process to additional equity and trade parties. This engagement ultimately concluded in an offer being received to purchase the shares of Higher Nature Ltd and Freshly Cut Ltd.

Since the options process resulted in no viable solvent or insolvent offers for the remainder of the Group, the Directors appointed us, Chris Pole and Ryan Grant, as Joint Administrators of Tree of Life UK Limited and Health Stores (Wholesale) Limited on 22 August 2022.

Subsequently, the Directors appointed us as Joint Administrators of the Company on 26 August 2022. Immediately following the appointment, the Joint Administrators sold 100% of the share capital and share rights of Higher Nature and Freshly Cut to CGK Consulting Limited (the 'Purchaser'), an unconnected party, for consideration of £500,000 (the 'Transaction'). (Section 4 – Strategy and progress of the administration to date).

The future strategy of the Joint Administrators is to investigate the Company's affairs as to satisfy ourselves whether there are further assets to realise, and attending to all other statutory matters (Section 4 – Strategy and progress of the administration to date).

The Company has two secured creditors, the Bank and HSBC Invoice Finance (UK) Limited ('HIF') (together the 'Secured Creditors').

The Bank provided a term loan and a Coronavirus Business Interruption Loan ('CBILS') to the Group, with total indebtedness of £1.9 million, cross guaranteed across all companies within the Group. Based on current estimates, we expect that there will be a distribution to the Bank, although we do not expect them to recover their outstanding debt in full. (Section 5 – Dividend prospects).

HIF provided Higher Nature with an invoice discounting facility, cross guaranteed across all companies in the Group, with funds in use of £56,000 as at the date of our appointment. The Transaction included settlement on completion of all amounts owed to HIF by the Group (Section 5 – Dividend prospects).

We are not currently aware of any ordinary preferential creditors. Based on current estimates, we do not anticipate that there will be sufficient funds to enable a dividend to, ordinary or secondary, preferential creditors (Section 5 – Dividend prospects).

Based on current estimates, we do not anticipate that there will be sufficient funds to enable a dividend to unsecured creditors (Section 5 – Dividend prospects).

We intend to seek approval of our Proposals by deemed approval. They will be deemed approved eight business days following their delivery to creditors (Section 7 – Approval of proposals).

We propose that our remuneration will be drawn on the basis of the time properly given by us and our staff in accordance with the fees estimate and charge out rates provided. We will seek approval for our remuneration and pre-administration costs as an expense of the administration, together with other decisions, from secured creditors (Section 8 – Joint Administrators' remuneration, expenses and pre-administration costs).

We anticipate that the most likely exit route will be dissolution of the Company (Section 6 – Ending the administration).

This document in its entirety is our statement of proposals. A summary list of the proposals is shown in Section 9 together with all relevant statutory information included by way of appendices. Unless stated otherwise, all amounts in the proposals and appendices are stated net of VAT.



Chris Pole
Joint Administrator

2 Group structure



HME was a non-trading holding company.

TOL was a wholesale distributor of healthy, natural and organic products to large retailers, both in store and online. TOL operated from leasehold premises in Newcastle-Under-Lyme and had 121 employees. We were appointed Joint Administrators of TOL on 22 August 2022. Please visit <http://treeoflife.ia-insolv.com> for further information on this Administration.

THS was a wholesale distributor of healthy, natural and organic products to multiple independent retailers. THS operated from leasehold premises in Bulwell, Nottingham and had 85 employees. We were appointed Joint Administrators of THS on 22 August 2022. Please visit <http://healthstores.ia-insolv.com> further information on this Administration.

Freshly Cut sells natural confectionary and chewing gum under the 'Peppersmith' brand. All manufacturing and packaging of the product is outsourced to third parties. Higher Nature is a multi-channel vitamins, minerals and supplements brand, with established sales channels across direct-to-consumer, online, retail and export. Brewhurst Health Food Supplies Ltd and The Health Store Ltd are dormant entities

3 Background and events leading to the administration

3.1 Background information

The Company was incorporated on 27 September 2015 and operated as a holding company for the entities in the Group as detailed in Section 2. The Company had no employees, and its principal asset was the four trading entities it owned.

The Company entered Administration on 26 August 2022 and immediately completed a sale of certain of its assets to the Purchaser, an unconnected company.

3.2 Funding and financial position of the Company

The most recent set of accounts filed at Companies House are for the year ended 31 March 2020, audited by BDO LLP. In the latest draft accounts dated 31 March 2021, the Company had net assets of £2.0 million, and losses after tax of £3.0 million for the year to 31 March 2021.

The Bank provides a term loan and Coronavirus Business Interruption Loan to the Group, with total exposure of £1.9m. The Bank's exposure is cross guaranteed across all companies in the Group.

HIF provided Higher Nature with an Invoice Discounting Facility, with funds in use of £56,000 as at 26 August 2022.

Our lawyers will be engaged to review and confirm the validity of the Bank's security.

3.3 Events leading to the administration

Interpath was initially introduced to the Company in January 2022 to undertake an independent business review following a request by the Company to the Bank to defer its loan repayments and extend the term of the loans. The review identified a funding requirement and an agreement in principle was reached that this would be funded through capital deferrals and shareholder injections.

However, due to the continued deterioration of sales and worsening cash and creditor position the Directors took the decision to explore alternative investment and sale options available to the Group.

The Group initially instructed PWC to run a debt and limited equity options process in April 2022. PWC undertook a marketing exercise to identify equity options as well as progressing with an investment fund who had been previously identified as a potential equity party. PWC's process identified limited competitive offers.

Interpath was subsequently engaged on 14 June 2022 to extend the process to a wider equity pool together with trade parties, to identify additional options running alongside the PWC process.

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

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

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

3.4 Pre-administration work

As detailed above, we were engaged by the Company on 14 June 2022 to extend the existing options process to additional equity and trade parties.

Over the course of the options process the business was marketed extensively as set out in our SIP16 memorandum (Appendix 7), however, no solvent offers were received for the Company or the Group as a whole. The majority of our unpaid pre-administration time (see Section 8.2) relates to time spent negotiating the sale of business, preparing and reviewing the sales contract, liaising with our lawyers on the sale and dealing with the appointment related formalities which ultimately resulted in the pre-pack sale as detailed in Section 4.1.

Prior to our appointment, solicitors Squire Patton Boggs LLP ('Squires') assisted with the preparation and filing of the appointment documents and preparation of the sale of certain assets of the Company. In addition to this, Eversheds Sutherland LLP ('Eversheds') prepared the debt settlement and waiver agreement that was executed prior to the Transaction. The costs incurred in relation to this pre-administration work are set out in Section 8.2.

3.5 Appointment of Joint Administrators

The Directors resolved on 26 August 2022 to appoint us as Joint Administrators.

The notice of appointment was lodged at the High Court of Justice, Business and Property Courts in Birmingham on 26 August 2022 and we were duly appointed.

Eversheds will be engaged to undertake an independent review of the validity of appointment.

4 Strategy and progress of the administration to date

4.1 Strategy to date

Strategy and sale of business

As set out in our SIP16 memorandum (see Appendix 7), a number of options were considered. The objective at the outset was to identify a solvent solution for the Group through sale or investment. However, the sales process ultimately concluded in an offer to purchase the shares of Higher Nature and Freshly Cut only. Given the insolvency position of the Group this was to be transacted via a pre-pack administration of the Company.

The Joint Administrators completed a sale of the Company's main assets, being the 100% share capital and share rights of Higher Nature and Freshly Cut, shortly following their appointment on 26 August 2022 to an unconnected party, CGK Consulting Limited for a total consideration of £500,000.

In the circumstances, the Joint Administrators are of the opinion that the pre-packaged sale of the Company's assets was the best value offer available and has enabled the objective of achieving a better outcome for the Company's body of creditors as a whole.

Full details of the sale are set out in the SIP16 memorandum (Appendix 7).

Future strategy

We are not currently aware of any other material assets of the Company that need to be realised for the benefit of creditors. As such, the Joint Administrators future strategy for the administration will be:

- Investigate the Company's affairs as to satisfy ourselves that there are no further assets to realise;
- Making distributions to the Company's secured creditor;
- Reviewing, agreeing and paying all outstanding costs of the administration; and
- Complying with all legal and statutory matters arising in the administration;

4.2 Asset realisations

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

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

Sale of business

The transaction to sell certain of the Company's assets to the Purchaser completed immediately following the appointment of the Joint Administrators on 26 August 2022.

Sales consideration of £454,000 was received for the business and assets. This has been allocated as below:

Sales consideration	
Shares in Higher Nature Limited	363,200
Shares in Freshly Cut Limited	90,799
Total	454,000

Following completion of the transaction the funds were remitted to our lawyers, Squires, and will shortly be transferred to the administration bank account. As this has not yet been received into the administration bank account, it has not been reflected in our receipts and payments account (Appendix 2).

To facilitate the transaction a debt settlement and waiver agreement was executed prior to the pre-pack transaction with regards to the intercompany balances owed to the other Group companies. To settle the intercompany position, the Purchaser has paid additional consideration of £33,000 to TOL in regards to Higher Nature. The Purchaser has also paid £13,000 to THS, in regards to Freshly Cut.

Investigations

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

In this regard, if you wish to bring to our attention any matters which you believe to be relevant, please do so by writing to George Berridge at Interpath Advisory, 5th Floor, 130 St Vincent Street, Glasgow G2 5HF, United Kingdom.

4.3 Costs

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

Payments made from the date of our appointment to 2 September 2022 are set out in the attached receipts and payments account (Appendix 2).

5 Dividend prospects

5.1 Secured creditor

The Bank provided a term loan and Coronavirus Business Interruption Loan to the Group, with total exposure of £1.9m on appointment. The Bank's exposure is cross guaranteed across all companies in the Group.

As at the date of appointment Higher Nature and Freshly Cut had cash at bank of £74,832 and £124,432 respectively. The Transaction involved the retention of these cash balances by the Bank as partial settlement of their exposure.

Based on current estimates, we expect that there will be a future dividend to the Bank, although we do not expect them to recover their outstanding debt in full.

HIF provided Higher Nature with an invoice discounting facility, with funds in use of £56,000 as at 26 August 2022. On completion of the transaction HIF's indebtedness was settled in full by the Purchaser.

5.2 Ordinary preferential creditors (employees)

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially (in advance of floating charge holders and ordinary unsecured creditors) and in priority to other preferential creditors (see 5.3 below). These claims are therefore referred to as "ordinary preferential creditors".

We are not aware at this time of any ordinary preferential claims against the Company.

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

Claims from the HMRC, in relation to VAT, PAYE, employees' National Insurance contributions, rank preferentially, but secondary to the employee ordinary preferential creditors above. These claims are therefore referred to as "secondary preferential creditors".

The amount of secondary preferential claims is currently unknown.

Based on current estimates, we do not anticipate that there will be sufficient funds to enable a dividend to secondary preferential creditors

5.4 Unsecured creditors

Based on current estimates, we do not anticipate that there will be sufficient funds to enable a dividend to unsecured creditors

6 Ending the administration

6.1 Exit route from administration

We consider it prudent to retain all of the options available to us, as listed in Section 9 to bring the administration to a conclusion in due course.

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

6.2 Discharge from liability

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

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

Should the circumstances of the administration change, we reserve the right to revert to the secured and preferential creditors in order to obtain discharge from liability

7 Approval of proposals

7.1 Deemed approval of proposals

The administrators' proposals will be deemed approved, with no requirement to seek deemed consent or use a decision procedure, as it appears that the Company has insufficient property to enable us to make a distribution to the unsecured creditors.

On expiry of eight business days from the date our proposals were delivered to the creditors, they will be deemed to have been approved by the creditors unless 10% in value of creditors request that a decision procedure is convened. Further details of the steps to convene a procedure are detailed below.

7.2 Creditors' right to request a decision

We will use a decision making procedure or deemed consent to seek approval of our proposals (1) if asked to do so by creditors whose debts amount to at least 10% of the total debts of the Company, and (2) if the procedures set out below are followed.

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

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

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

If you wish to request a decision, please complete and return the decision requisition form available on <http://healthmadeeasy.ia-insolv.com>.

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

8.1 Approval of the basis of remuneration and expenses

We propose to seek approval from the secured creditors that:

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

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

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

Should the circumstances of the administration change, we reserve the right to revert to the preferential or unsecured creditors in order to seek approval for the basis of remuneration and the drawing of Category 2 expenses.

Time costs

From the date of our appointment to 2 September 2022, we have incurred time costs of £23,083. These represent 58 hours at an average rate of £396 per hour.

Expenses

We have incurred no expenses during the period.

Additional information

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Interpath for the period from our appointment to 2 September 2022. We have also attached our charging and expenses recovery policy.

8.2 Pre-administration costs

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

Interpath fees	-	25,680.50	25,680.50
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Legal fees – Eversheds	-	6,478.00	6,478.00
Legal fees - Squires	-	16,491.50	16,491.50
Legal disbursements – Squires	-	85.31	85.31
Total	-	48,735.31	48,735.31

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

9 Summary of proposals

As it was not possible to achieve a sale of the business as a going concern, rescuing the Company in accordance with Paragraph 3(1)(a) is not achievable.

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

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

We propose the following:

General matters

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

Distributions

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

Ending the administration

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

- apply to Court for the administration order to cease to have effect from a specified time and for control of the Company to be returned to the Directors;
- formulate a proposal for either a company voluntary arrangement (CVA) or a scheme of arrangement and put it to meetings of the Company's creditors, shareholders or the Court for approval as appropriate;

place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, Chris Pole and Ryan Grant, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;

petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, Chris Pole and Ryan Grant, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together;

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

Alternatively, we may allow the administration to end automatically.

Joint Administrators' remuneration and pre-administration costs

We propose that:

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

Category 2 expenses (as defined in Statement of Insolvency Practice 9) will be charged and drawn in accordance with Interpath Advisory's policy as set out in Appendix 5;

unpaid pre-administration costs be an expense of the administration.

Discharge from liability

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

Appendix 1 Statutory information

Company and Trading name	Health Made Easy Limited
Date of incorporation	27 September 2015
Company registration number	09796720
Trading address	Coaldale Road Lymedale Business Park Newcastle-Under-Lyme Staffordshire ST5 9QX
Previous registered office	Coaldale Road Lymedale Business Park Newcastle-Under-Lyme Staffordshire ST5 9QX
Present registered office	Interpath Ltd, 2nd Floor, 45 Church Street, Birmingham, B3 2RT
Company Directors	Michael John Cole Simon Mark Cuthbertson – 171,513 shares held Margaret Lorraine Ellison John Frederick Gibson John William Weaver – 81,571 shares held
Company Secretary	Alison Husbands
Administration appointment	The administration appointment granted in High Court of Justice, Business and Property Courts in Birmingham, 000393 of 2022
Appointor	Directors
Date of appointment	26 August 2022
Joint Administrators	Chris Pole and Ryan Grant
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2).
Current administration expiry date	25 August 2023
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is £Nil. Estimated Prescribed Part is £Nil
Prescribed Part	If funds do become available for a distribution under the Prescribed Part, the Joint Administrators may make a distribution to the unsecured creditors; or if appropriate, may apply to the Court to obtain an order that the Prescribed Part shall not apply on the grounds that the cost of making a distribution to the unsecured creditors would be disproportionate to the benefits. Alternatively, the Prescribed Part will be automatically disapplied if the Net Property is less than £10,000 and the costs of making a distribution would be disproportionate to the benefits.
Application of EU Regulations	EU Regulations apply and these proceedings will be the COMI Proceedings as defined in Article 3 of the EU Regulations.

Appendix 2 Joint Administrators' receipts and payments account

Health Made Easy Limited - in Administration			
Abstract of receipts & payments			
Statement of affairs (£)		From 26/08/2022 To 02/09/2022 (£)	From 26/08/2022 To 02/09/2022 (£)
	FIXED CHARGE ASSETS		
500,000.00	Investments	NIL	NIL
		NIL	NIL
	FIXED CHARGE CREDITORS		
(1,883,946.63)	Fixed charge creditor	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
6,090.97	Cash at bank	NIL	NIL
		NIL	NIL
	PREFERENTIAL CREDITORS		
0.00	HMRC secondary preferential	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(16,731,468.29)	Unsecured creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(572,796.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(18,682,119.95)		NIL	NIL

Appendix 3 Joint Administrators' fees estimate

Statutory and compliance – appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy	Note 1	39.00	15,425.00	395.51
Cashiering – processing receipts, payments and bank reconciliations	Note 2	6.00	1,610.00	268.33
Tax – VAT & Corporation tax, initial reviews, pre and post appointment tax	Note 3	11.50	5,017.50	436.30
General – books & records, fees & work in progress	Note 4	10.00	5,165.00	516.50
		66.50	27,217.50	409.29
Employees – correspondence	Note 5	11.00	5,810.00	528.18
Creditors and claims – general correspondence, notification of appointment, statutory reports	Note 6	-	-	-
	Note 7	25.00	9,765.00	390.60
		25.00	9,765.00	390.60
Directors – correspondence, statement of affairs, questionnaires	Note 8	25.00	11,110.00	444.40
Investigations – director conduct and affairs of the Company	Note 9	28.00	9,255.00	330.54
		53.00	20,365.00	384.25
Total		155.50	63,157.50	406.16

Note 1 – Statutory and compliance

Statutory and compliance related matters to include arranging bonding, reviewing and documenting the administration strategy and dealing with closure matters.

Note 2 – Cashiering

Cashiering costs relate to the processing of receipts and payments, performing bank reconciliations and day to day administration of all bank accounts.

Note 3 – Tax

Tax and VAT specialists within Interpath will be reviewing the tax and VAT affairs of the Company. We will also submit post appointment tax and VAT returns as required.

Note 4 – General

General time costs include maintaining files, drawing and seeking approval for the basis of the Administrator's fees.

Note 5 – Asset realisations

This relates to time spent on the sale of the Company's assets (as detailed in SIP16 memo) and investigating any potential further assets.

Note 6 – Employees

We are not aware of any employees of the Company, therefore no time costs are anticipated.

Note 7 – Creditors and claims

This relates to time spent dealing with general communications and statutory reporting to creditors.

Note 8 – Directors

Our anticipated work will involve corresponding with Directors of the Company regarding their statutory duties, requesting the completion of the Statement of Affairs (since provided) and directors questionnaires. Along with submitting director conduct reports and other relevant reports to the Insolvency Service.

Note 9 – Investigations

This work will involve reviewing the affairs of the Company, directorship searches, correspondence with the Directors and any claims that may arise from the investigations.

Appendix 4 Joint Administrators' expenses estimate

Costs of realisation

Officeholder fees – pre-administration	1	25,681
Legal fees & disbursements – pre-administration	2	23,054
Legal fees & disbursements	2	2,500
Insurance	3	500
Bank charges	3	500
Books and records storage	3	2,000
Mailing costs	3	500
Other	3	2,000
Total		56,735

Note 1 – Administrators' fees and disbursements pre-administration

The Joint Administrators fees are charged on an hourly basis. Pre-administration fees include advising the Directors and preparing the appointment documents.

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

Squires assisted with the preparation of the sale and purchase agreements and advised in the lead up to the administration. Eversheds are advising us on any post-appointment matters arising in the administration. Disbursements relate to Court filing costs. We have estimated costs for the post-appointment work.

Note 3 – Insurance of assets and other statutory costs

Estimated insurance costs of the administration, which includes open cover insurance, and other estimated costs of carrying out the statutory requirements of an administration.

Appendix 5 Joint Administrators' charging and expenses policy

Joint Administrators' charging policy

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

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

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

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

If you are unable to access this guide and would like a copy, please contact George Berridge on 0203 989 2729.

Hourly rates

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

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

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

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

Policy for the recovery of expenses

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

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

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

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

Associates: are defined in the insolvency legislation but also extends to parties where a reasonable and informed third party might consider there would be an association between the third party and the office holder or their firm.

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

Mileage claims fall into three categories:

Use of privately-owned vehicle or car cash alternative – 45p per mile.

Use of company car – 60p per mile.

Use of managing director's car – 60p per mile.

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

We have incurred the following expenses during the period 26 August 2022 to 2 September 2022.

Total	NIL	NIL	NIL	NIL	NIL
--------------	------------	------------	------------	------------	------------

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

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

Narrative of work carried out for the period 26 August 2022 to 2 September 2022

The key areas of work have been:

Statutory and compliance	collating initial information to enable us to carry out our statutory duties, including creditor information and details of assets; providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment; arranging bonding and complying with statutory requirements; ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	briefing of our staff on the administration strategy and matters in relation to various work-streams; regular case management and reviewing of progress, including regular team update meetings and calls; reviewing and authorising junior staff correspondence and other work; dealing with queries arising during the appointment; reviewing matters affecting the outcome of the administration; allocating and managing staff/case resourcing and budgeting exercises and reviews; liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	providing written and oral updates to representatives of the secured creditor regarding the progress of the administration and case strategy.
Cashiering	setting up administration bank accounts and dealing with the Company's pre-appointment accounts; preparing and processing vouchers for the payment of post-appointment invoices; reconciling post-appointment bank accounts to internal systems; ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	gathering initial information from the Company's records in relation to the taxation position of the Company; submitting relevant initial notifications to HM Revenue and Customs; reviewing the Company's pre-appointment corporation tax and VAT position; analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations.
Shareholders	providing notification of our appointment; responding to enquiries from shareholders regarding the administration; providing copies of statutory reports to the shareholders.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; liaising with the joint appointee in relation to any relevant matters.
Asset realisations	collating information from the Company's records regarding the assets; reviewing the inter-company debtor position between the Company and other group companies.
Health and safety	liaising with health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with.
Open cover insurance	arranging ongoing insurance cover for the Company's business and assets.
Creditors and claims	drafting and circulating our proposals; creating and updating the list of unsecured creditors; responding to enquiries from creditors regarding the administration and submission of their claims.

Investigations/ Directors	reviewing Company and directorship searches and advising the Directors of the effect of the administration; liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies.
------------------------------	---

Time costs

Pre-Administration costs (15/08/2022 to 25/08/2022)							
	Hours						
	Partner / Director	Manager	Administrator	Support	Total	Time Cost (£)	Average Hourly Rate (£)
Pre-Administration							
Sale of business - preparation	29.00	1.0	22.9		52.9	25,680.50	485.45
Total	29.00	1.0	22.9		52.9	25,680.50	485.45

SIP 9 –Time costs analysis (26/08/2022 to 02/09/2022)			
	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Statutory and compliance			
Appointment and related formalities	18.7	7,106.75	381.06
Creditors			
Creditors and claims			
Statutory reports	15.9	3,935.50	247.52
Realisation of assets			
Asset Realisation			
Sale of business	23.8	12,041.00	505.92
Total in period	58.4	23,083.25	395.60
Brought forward time (appointment date to SIP 9 period start date)	0.0	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	58.4	23,083.25	
Carry forward time (appointment date to SIP 9 period end date)	58.4	23,083.25	

Appendix 6 Statement of Affairs, including creditor list

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

The Statement of Affairs was provided by one of the Directors, John Weaver.

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

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Rule 3.30

Statement of Affairs

Name of company Health Made Easy Limited	Company number 09796720
In the Business and Property Courts in Birmingham Insolvency and Companies List (ChD) <small>(full name of court)</small>	Court case number CR-2022-BHM-000393

Statement as to the affairs of (a)

Health Made Easy Limited Coaldale Road, Lymedale Business park, Newcastle-Under-Lyme, Staffordshire ST5

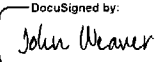
(a) Insert name and address of registered office of the company

on the (b) 26 Aug 2022 the date that the company entered administration.

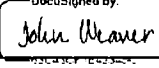
(b) Insert date of appointment

Statement of Truth

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

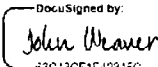
	DocuSigned by: 
Full name	<u>John Weaver</u>
Signed	<u>9/8/2022</u>
Dated	<u>John Weaver</u>

A - Summary of Assets

Assets		
	Book Value £	Estimated to Realise £
Assets subject to a fixed charge		
Intangible assets		
Investments	21,268,872.10	500,000.00
Property		
Plant and machinery		
Vehicles		
Vans		
Debtors		
Funds in blocked account		
Total assets subject to fixed charge	21,268,872.10	500,000.00
Less: Amount(s) due to fixed charge holder(s)	(1,883,946.63)	(1,883,946.63)
Shortfall/surplus to fixed charge holder(s) c/d	19,384,925.47	(1,383,946.63)
Assets subject to floating charge:		
Surplus from fixed charge assets		
Stock & WIP		
Prepayments	358,105.27	
Cars		
Office equipment		
Software		
Debtors		
Intercompany debtors	1,075,278.78	
Other		
Cash at bank	6,090.97	6,090.97
Other assets		
Total assets subject to floating charge	1,439,475.02	6,090.97
Uncharged assets:		
N/A - no uncharged assets		
Total uncharged assets	-	-
Estimated total assets available for preferential creditors		6,090.97
Signature 	Date 9/8/2022	

A1 - Summary of Liabilities

	£	Estimated to Realise £
Estimated total assets available for preferential creditors (carried from page A)		6,090.97
Liabilities		
Ordinary preferential creditors:		
Ordinary preferential (employee) creditors (No employees)		
Other preferential creditors		-
Estimated total assets available for secondary preferential creditors		6,090.97
Secondary preferential creditors (HMRC)		-
Estimated deficiency/surplus as regards preferential creditors		6,090.97
Less uncharged assets		
Net property		6,090.97
Estimated prescribed part of net property where applicable (to carry forward)		(3,045.49)
Estimated total assets available for floating charge holders		3,045.49
Debts secured by floating charges		(1,380,901.15)
Estimated deficiency/surplus of assets after floating charges		(1,380,901.15)
Estimated prescribed part of net property where applicable (brought down)		3,045.49
Uncharged assets		-
Total assets available to unsecured creditors		3,045.49
Unsecured (trade) (non preferential) creditors (7 creditors)		(216,009.32)
Unsecured HMRC claim		(1,365.00)
Accruals		(289,283.24)
Unsecured intercompany creditors		(16,224,810.72)
Unsecured (employee) creditors (No employees)		
Unsecured (pre-paid consumer) creditors (No pre-paid consumer creditors)		
Estimated deficiency/surplus as regards unsecured creditors		(16,728,422.81)
Shortfall to fixed charge holders (brought down)		-
Shortfall to preferential creditors (brought down)		
Shortfall to floating charge holders (brought down)		(1,380,901.15)
Estimated deficiency/surplus as regards creditors		(18,109,323.95)
Issued and called up capital		(572,796.00)
Estimated total deficiency/surplus as regards members		(18,682,119.95)

DocuSigned by:

 Signature 830420F1E433452

Date 9/8/2022

COMPANY SHAREHOLDERS

The addresses of the vlog channelers have been withheld for privacy and security reasons.

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
Anglia Home Living Unlimited	Goadale Road, Lymedale Business park, Newcastle-under-Lyme, Staffordshire ST16 9QX	319,712	319,712.00	Ordinary
Simon Cutbertson		171,513	171,513.00	Ordinary
Jonny Weaver		81,571	81,571.00	Ordinary
Total		572,796	572,796	

Date 9/8/2022

Appendix 7 SIP 16 memorandum

Health Made Easy Limited - in Administration

SIP 16 memorandum of sale of business

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

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

SIP 16 can be located via this link <https://www.icagw.com/-/media/corporate/files/technical/insolvency/regulations-and-standards/sips/england/sip-16-england-and-wales-200421.pdf>

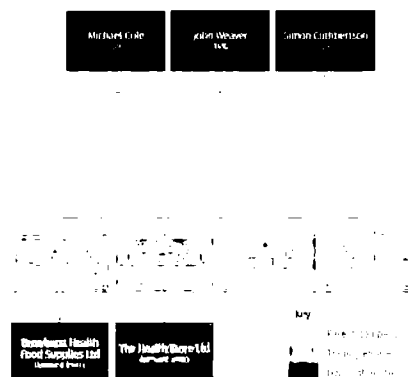
Initial introduction

Background

Health Made Easy Limited (the 'Company') is the holding company of the UK's largest independent health foods and wellness products distribution platform. The Group consists of four trading entities; Tree of Life UK Limited ('TOL'), Health Stores (Wholesale) Limited ('HIS'), Higher Nature Ltd and Freshly Cut Ltd (together 'The Group').

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There are no employees in Health Made Easy Limited. The entity is a holding company, with its principal assets being its shareholding of the four trading companies.

Higher Nature Limited ('Higher Nature') was acquired in December 2017 and is a multi channel vitamins, minerals and supplements ('VMS') brand, with established sales channels across D2C, online, retail and export. 31 employees are employed by Higher Nature Limited.

Freshly Cut Limited ('Freshly Cut') was acquired in August 2018 and sells natural confectionary and chewing gum under the 'Peppersmith' brand name. All manufacturing and packaging of the product is outsourced to third parties. Two employees are employed by Freshly Cut Limited.

Introduction

Interpath Limited ("Interpath") was initially introduced to the Company in January 2022 to undertake an independent business review following a request by the Company to HSBC Bank UK Plc (the 'Bank' or 'HSBC') to defer its loan repayments and extend the term of the loan.

Interpath, along with other competitors, were invited to prepare a proposal outlining our credentials which was shared with the Company and the Bank. The Company ultimately chose Interpath to deliver the work and we were subsequently engaged on 12 January 2022.

Interpath had not had a prior professional relationship with the Company or any of its Directors prior to this engagement over the last three years. Interpath Limited has been engaged by the Group to carry out the following engagements:

Pre-appointment considerations

Pre-appointment involvement

Interpath Limited has been engaged by the Group to carry out the following engagements:

- **12 January 2022:** As detailed above, Interpath was engaged by HSBC and the Company to undertake an independent business review of the Company and its subsidiaries. The review identified a funding requirement and an agreement in principle was reached that this would be funded through capital deferrals and shareholder injections.
- **18 March 2022:** Variation of the 18 January 2022 engagement letter to include a high-level estimated outcome statement to the Bank.
- **14 April 2022:** Due to the continued deterioration of sales and worsening cash and creditor position the Directors took the decision to explore alternative investment and sale options available to the Group. Interpath was engaged by the Company to conduct preparatory work ahead of a potential options process.

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- **29 April 2022:** The Group initially instructed PWC LLP to run a debt and limited equity options process. Concurrently, Interpath was engaged by HSBC and the Company to support and advise the Bank in light of the options process being undertaken by an alternative advisor.
- **8 June 2022:** Variation of 29 April Engagement Letter extended to include contingency planning.
- **14 June 2022:** Interpath was subsequently engaged by the Company to extend the options process to further equity and trade parties.

The early options engagement ultimately concluded in an offer to purchase the shares of Higher Nature and Freshly Cut only. Given the insolvency position of the Group this was to be transacted via a pre-pack administration of the Company.

Since the sales process resulted in no viable solvent or insolvent offers for the remainder of the Group, as a result the directors took steps to appoint Chris Pole and Ryan Grant as Joint Administrators of Tree of Life UK Limited and Health Store (Wholesale) Ltd on 22 August 2022.

Chris Pole and Ryan Grant were subsequently appointed Joint Administrators of Health Made Easy Limited on 26 August 2022, with the pre-pack transaction of Higher Nature and Freshly Cut concluded shortly after on 26 August 2022.

Having considered the above engagements and the work undertaken for the Group, the Joint Administrators do not consider that this prior work represents a threat to their independence or gives rise to any conflict of interest.

Interpath's engagements have not included providing advice to the directors of the Group on their personal positions. Independent legal advice has been sought in this regard.

Alternative options

Interpath undertook a review of all possible courses of action, comparing the likely outcome for creditors from various options. Given that the two main trading businesses (THS and TOL) were placed into administration there is no value or realisations available to the Company as shareholder. The only remaining assets of value within the Company are the shareholdings in Higher Nature and Freshly Cut. Consequently, when looking at alternative options, these were limited to:

- **Administration of Higher and Freshly Cut** – Should the share sale not be concluded (which achieves the recapitalisation of the two entities, securing their solvency) then both entities would likely be placed into administration. This would result in a loss to secured and unsecured creditors of the businesses and the redundancy of employees. There would be no value realised for the Company as shareholder of the two entities.
- **Company voluntary arrangement ('CVA')** – A CVA is not a relevant restructuring option in this situation.
- **Trading administration** – As there is no business or trade within the Company this option is not considered relevant.
- **Liquidation** – an estimated outcome statement (detailed below) has been prepared which demonstrates that the completed pre-pack share sale would result in a better outcome to both the secured and unsecured creditors by securing the solvency of Higher Nature and Freshly Cut, thereby avoiding the consequences of insolvency and loss of any shareholder value. Given the time sensitive nature of the transaction, this would not be achievable via a liquidation.

Creditor consultation

HSBC in its capacity as secured (and major) creditor, was regularly consulted throughout the process and provided their consent to proceed with the administration and subsequent transaction on 26 August 2022.

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HSBC Invoice Finance Ltd provided Higher Nature with an Invoice Discounting Facility, with funds in use of £56,000 at 26 August 2022.

HSBC Bank UK plc provides a Term Loan and Coronavirus Business Interruption Loan ("CBILS") to the Group, with total exposure of £1.9 million. The Bank's exposure is cross guaranteed across all companies in the Group.

Marketing of the business and assets

The Group initially instructed PWC LLP to run a sale process in April 2022. The PWC process identified a preferred debt funder to re-finance the Bank's position, but the offer was predicated on an equity injection being introduced at the same time.

PWC undertook a marketing exercise to identify equity options as well as progressing with an investment fund who had been previously identified as a potential equity partner. PWC's process identified limited competitive offers.

Interpath was subsequently engaged on 14 June 2022 to extend the process to wider equity pool together with trade parties, to identify additional options running alongside the PWC process.

An initial timetable of 6-8 weeks. This was primarily driven by the material worsening of sales and the Group's cash position.

A confidential teaser document was prepared and circulated to a database of 25 specialist distressed investors and 42 trade parties identified by the directors of the Company and through market research.

The Group continued to progress with the investment fund who continued to be the preferred option. However, the party missed multiple milestones. Ultimately the continued delays resulted in an increased working capital requirement for the Group and, as a result, the party withdrew their offer on the 1 August 2022.

PWC were then disengaged by the Group on 1 August 2022 and Interpath subsequently mandated by the Group to explore all remaining options in the time available. We re-approached 7 previous parties and 10 new parties. A total of 12 parties signed non-disclosure agreements (10 trade and 2 financial investors), who were then provided with additional financial and non financial information.

An initial offer deadline was approved by the directors for 11 August 2022, following which four offers were received.

Valuation of the business and assets

An extensive marketing process has been undertaken by two independent advisors as detailed.

The offer progressed presents the highest realisable value.

An independent valuation of each Company has not been sought given the extensive marketing process undertaken.

An estimated outcome statement has been prepared comparing the returns to creditors of the pre pack transaction to that likely to be achieved on a wind down. The result is a higher return on completion of the pre pack transaction.

Additionally, Higher Nature and Freshly Cut both avoid insolvency and the consequent loss to their respective creditors and employees in such a scenario.

The transaction(s)

A sale of certain of the Company's assets (see below) was completed on 26 August 2022 to CGK Consulting Limited.

The Joint Administrators were advised by specialist insolvency lawyers from Squire Patton Boggs (UK) LLP.

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Purchaser and related parties

The purchaser of certain assets of the Company was CGK Consulting Limited which is unconnected to the Company, hence an Evaluator's report is not required.

Assets

The offer from the Purchaser of £560,000 was for 100% share capital and share rights of Higher Nature Limited and Freshly Cut Limited only. The transaction also involved the settlement of HSBC IF in full on completion and the retention of cash balances as partial settlement of HSBC Bank's loans.

No other assets or property of the Company other than those specifically mentioned above were transferred to the Purchaser.

Sale consideration

The allocation of consideration for the purchase of the shareholdings in both companies was £454,000. The consideration was apportioned as follows:

Health Made Easy Limited - Offer	
	Offer value
Fixed charge assets	
Shares in Higher Nature Limited	363,200
Shares in Freshly Cut Limited	90,799
Total	454,000

To facilitate the transaction a debt settlement and waiver agreement was executed prior to the pre-pack transaction with regards to the intercompany balances owed to the other Group companies. To settle the intercompany position, the Buyer has paid consideration of £33,000 to Tree of Life UK limited, in regards to Higher Nature. The Buyer has also paid £13,000 to Health Store (Wholesale) Limited, in regards to Freshly Cut.

There is no deferred consideration, buy back agreements or other conditions attached to the transaction and the sale was not part of a wider transaction.

Conclusion

As a rescue of the Company as a going concern was not possible, the Joint Administrators have pursued statutory objective Schedule B1 Para 3(1)(b) of the Insolvency Act 1986 of achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration). They are satisfied that this pre-packaged sale has enabled them to achieve this purpose as it facilitated the sale of the shares in Higher Nature and Freshly Cut which results in a better outcome to creditors.

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

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Appendix 8 Glossary

Bank	HSBC Bank UK Plc
Company or HME	Health Made Easy Limited- in Administration
CBILS	Coronavirus Interruption Loan
Directors	Michael John Cole Simon Mark Cuthbertson Margaret Lorraine Ellison John Frederick Gibson John William Weaver
Eversheds	Eversheds Sutherland (International) LLP
Freshly Cut	Freshly Cut Limited
Group	The Company together with; Tree of Life UK Limited – in Administration Health Stores (Wholesale) Limited – in Administration Higher Nature Limited Freshly Cut Limited
Joint Administrators/we/our/us	Chris Pole and Ryan Grant
Higher Nature	Higher Nature Limited
Interpath/Interpath Advisory	Interpath Ltd

KPMG	KPMG LLP
Purchaser	CGK Consulting Limited
PWC	PWC LLP
Secured creditor	HSBC Bank UK Plc HSBC Invoice Finance (UK) Limited
Squires	Squire Patton Boggs (UK) LLP
THS	Health Stores (Wholesale) Limited – in Administration
TOL	Tree of Life UK Limited – in Administration
Transaction	The sale of Higher Nature and Freshly Cut to the Purchaser

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

Appendix 9 Notice: About this statement of proposals

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

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

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

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

Christopher Robert Pole and Ryan Grant are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

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

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

www.interpathadvisory.com

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