

AM03

Notice of administrator's proposals



Companies House

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1 Company details

Company number	1	2	5	7	7	4	3	7
Company name in full	Bothongo Hygiene Solutions UK Limited							

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

2 Administrator's name

Full forename(s)	Timothy
Surname	Dolder

3 Administrator's address

Building name/number	1 Radian Court
Street	Knowlhill
Post town	Milton Keynes
County/Region	Buckinghamshire
Postcode	M K 5 8 P J
Country	

4 Administrator's name ①

Full forename(s)	Trevor
Surname	Binyon

① **Other administrator**
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number	4th Floor, Euston House
Street	24 Eversholt Street
Post town	London
County/Region	
Postcode	N W 1 1 D B
Country	

② **Other administrator**
Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

6 Statement of proposals

☒ I attach a copy of the statement of proposals

7 Qualifying report and administrator's statement ¹

☐ I attach a copy of the qualifying report

☐ I attach a statement of disposal

¹As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8 Sign and date

Administrator's Signature

Signature

X



X

Signature date

^d 2 ^d 5

^m 0 ^m 4

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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 Timothy John Edward Dolder

Company name Opus Restructuring LLP

Address Knowlhill

1 Radian Court

Post town Milton Keynes

County/Region Buckinghamshire

Postcode M K 5 8 P J

Country

DX

Telephone 01908 087220



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

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



Further information

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Your ref:
Our ref: BO00166



TO ALL CREDITORS AND MEMBERS

1 Radian Court
Knowlhill
Milton Keynes
Buckinghamshire
MK5 8PJ

22 April 2022

+44 (0) 1908 087 220

Dear Sirs

miltonkeynes@opusllp.com

Bothongo Hygiene Solutions UK Limited (In Administration) ("the Company")

I refer to my appointment as Joint Administrator of the Company on 21 February 2022 and I now provide my Statement of Proposals.

In accordance with Paragraph 52(1) of Schedule B1 of the Insolvency Act 1986, I am not seeking a decision from creditors on the approval of the Proposals. Section 10 of the attached Statement explains how creditors may request a decision on the Proposals, if they so desire.

Separately, I am seeking certain creditors' approval of a number of proposed decisions from the preferential creditors, including that the Joint Administrators' fees be fixed by reference to the time given by them and their staff in attending to matters arising in the Administration.

A statement of the pre-Administration costs is attached at Appendix IV to the Proposals. Payment of any unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Insolvency (England & Wales) Rules 2016 and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Insolvency Act 1986.

Yours faithfully
For and on behalf of
Bothongo Hygiene Solutions UK Limited

Timothy John Edward Dolder
Joint Administrator

Enc.

The affairs, business and property of Bothongo Hygiene Solutions UK Limited (in Administration) are managed by the Joint Administrators, who act as agents of the Company and without personal liability.

In the High Court of Justice Reference No. 000346

Bothongo Hygiene Solutions UK Limited (In Administration)

THE JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS

Timothy John Edward Dolder and Trevor John Binyon
Joint Administrators

Opus Restructuring LLP

1 Radian Court, Knowlhill, Milton Keynes, Buckinghamshire, MK5 8PJ

01908 752 945

Emma.Johnson@opusllp.com

Disclaimer Notice

- This Statement of Proposals has been prepared by Timothy John Edward Dolder and Trevor John Binyon, the Joint Administrators of Bothongo Hygiene Solutions UK Limited, solely to comply with their statutory duty under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 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.
- Any estimated outcomes for creditors included in this Statement of 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 this document for any purpose or in any context other than under Paragraph 49 of 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 this Statement of Proposals.
- The Joint Administrators act as agents for Bothongo Hygiene Solutions UK Limited and contract without personal liability. The appointment of the Joint Administrators is personal to them and, to the fullest extent permitted by law, Opus Restructuring LLP does not assume any responsibility and will not accept any liability to any person in respect of this Statement of Proposals or the conduct of the Administration.

Contents

Executive Summary.....	4
Background to the Company	5
Events leading to the Administration	6
The Objective of the Administration	8
Events since the Joint Administrators' Appointment	8
The Joint Administrators' Fees.....	12
The Joint Administrators' Expenses	13
The Joint Administrators' Discharge	13
Approval Process.....	13
Appendix I: Definitions.....	15
Appendix II: Statutory and Financial Information.....	16
Appendix III: Summary of Financial Information	17
Appendix IV: Statement of Pre-Administration Costs	18
Appendix V: Estimated Financial Position as at 21 February 2022.....	19
Appendix VI: Receipts and Payments Account	28
Appendix VII: Estimated Outcome Statement as at 21 February 2022	29
Appendix VIII: The Joint Administrators' Fees Estimate	30
Appendix IX: Breakdown of the Joint Administrators' Time Costs	37
Appendix X: Charge-out Rates and Expenses Policy	39
Appendix XI: The Joint Administrators' Expenses Estimate	41
Appendix XII: Summary of the Joint Administrators' Proposals.....	42

Executive Summary

- 1.1** This Statement of Proposals is being delivered to creditors on 13 April 2022.
- 1.2** The principal activity of the Company was retailing soaps, cleaning fluids, sanitisers and other similar items, trading from Briary Barn, 1st Floor Pury Hill Business Park Towcester Northamptonshire NN12 7LS. On 21 February 2022, Timothy John Edward Dolder and Trevor John Binyon of Opus Restructuring LLP were appointed Joint Administrators of the Company by the Directors.
- 1.3** The Joint Administrators are currently pursuing the second statutory objective 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).
- 1.4** A summary of the current and anticipated future positions are detailed below.

Assets

Asset	Realisations to date £	Anticipated future realisations	Total anticipated realisations
Cash at Bank	14,608.84	Nil	14,608.84
Stock	Nil	TBC	TBC
Research & Development Refund	Nil	TBC	TBC
Book Debts	Nil	30,000	30,000
Website, Company name etc.	Nil	TBC	TBC

Expenses

Expense	Expense Incurred to date £	Anticipated further expense £	Total anticipated expense £
Joint Administrators' fees	19,445.00	20,892.50	40,337.50
Opus Restructurings Pre-Administration Fee	10,000.00	10,000.00	10,000.00
Agents' fees			TBC
All other expenses	793.40	4,500	5,293.40

Dividend prospects in Administration

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend
Secured creditor (fixed charge)	Nil	100 p/£ within 12 months
Secured creditor (floating charge)	N/A	N/A
Preferential creditors	Nil	Uncertain
Secondary Preferential creditors	Nil	Uncertain
Unsecured creditors	Nil	Uncertain

- 1.5** The main work remaining to be done to conclude the Administration is to realise the Company's assets, finalise the position in regard to the book debts, discharge

the balance to the charge holder, and undertake initial investigations. The Administration is expected to be concluded within 12 months by exiting to CVL.

1.6 Definitions of the terms used in this Proposal are provided in Appendix I.

Background to the Company

1.7 The business was established in April 2020, with the principal activity of the Company being the retailing of soaps, sanitisers and cleaning products. It traded from premises at Briary Barn, 1st Floor Pury Hill Business Park Towcester Northamptonshire NN12 7LS.

1.8 The Company was part of the Bothongo Group of companies, who have business operations in South Africa and Canada. The Group's unique selling point was that its products were based on green technology. These products were sold in the UK through InnuScience UK Holdings ('InnuScience').

1.9 The COVID Pandemic required products that contained chemicals (alcohol) and the group saw an opportunity to expand into this market. The sale of the chemical-based products was to be operated through a separate company, in order to protect the rest of the Group's green technology integrity.

1.10 Following the start of the COVID pandemic, there was initially a shortfall in the sanitiser products being available. The group saw an opportunity to use its reputation in this market.

1.11 The margins in the chemical-based sanitisers were much lower than on those produced on green technology. The initial stock to start this new business was purchased through InnuScience and then later transferred to the new company, Bothongo Hygiene Solutions Limited.

1.12 Initially Bothongo traded successfully, and secured a large contract to supply Amazon with hand sanitisers for its UK based operation. While the margins were small, the company could operate profitably on high levels of turnover. But, essentially the company was operating as a broker, providing products for clients, that they did not produce. Bothongo initially sourced products for several suppliers, but as the business progressed, the majority of the stock was purchased through one main supplier.

1.13 There were three members of the board, two based in South Africa and one based in the UK. The day to day running of the UK operation was controlled by Mr Winston, who reported to the two directors based in South Africa.

1.14 Accounts were to be prepared by the Group Holding Company, from financial information provided by Bothongo.

1.15 The Board of Directors had been exploring the possibility of purchasing a manufacturing facility to enable the Company to manufacture its products in the UK, which would be more cost efficient in the long-run. During 2021 Bothongo worked towards completing this purchase, but the deal could not be finalised and in late summer 2021, Bothongo withdrew from the sale process.

1.16 Unfortunately, after failing to complete on the purchase of a manufacturer, the Company was left in a difficult trading position. The Amazon contract had concluded, and across the industry the requirement for hand sanitiser and other

similar products had greatly diminished. This left Bothongo with a reduced turn-over and still operating on low profit margins, resulting in the business being loss making.

- 1.17** Further, following the COVID-19 pandemic, the market in which the Company operated had become oversaturated with other suppliers who sold similar products, again hitting margins and profitability.
- 1.18** The Company's position left the Board with few options other than to look to sell the Company and its business. A main supplier was interested in purchasing the Company, and a sale process was engaged, in October 2021. Initially good progress was made, and a sale looked likely to be concluded. This would have allowed all creditors to be paid in full and the business to continue.
- 1.19** However, this potential sale fell apart in mid-February 2022, and the remaining option was to seek to place the Company into Administration to preserve the value of its brand name and assets.
- 1.20** Statutory information on the Company and extracts from the most recent accounts are provided at Appendix II. Please note that this information has not been verified by the Joint Administrators or by Opus Restructuring LLP

Events leading to the Administration

- 1.21** Prior to the commencement of Administration, the Company was in the process of negotiating a sale to a major creditor. Opus Restructuring LLP ("Opus") met with the Board of Directors ("the Board") to discuss the options available to the directors, should a proposed sale of the business to this creditor not proceed.
- 1.22** The sale was progressing well, and was expected to complete in mid-February 2022, but on 15 February 2022 the directors in South Africa advised that there was now a prospect that a sale would not be completed.
- 1.23** The Board, following the advice from Opus and their solicitors, opted to protect its position by filing a Notice of Intention (NOI) to Appoint Administrators at Court. At this stage, negotiations were still on-going, with solicitors acting for both the purchaser and Bothongo in communication.
- 1.24** Shortly after the filing of the NOI, the sale process stalled and it became clear that a sale would most likely not be achieved.
- 1.25** With the expiry of the NOI looming and no other potential purchasers or funders, the Board had no choice but to conclude that the best course of action for the Company was to place it into Administration, rather than pursue the other courses of action discussed, as follows;

Continuing to trade outside insolvency or through a Moratorium

The board were aware that the company had not been trading profitably. The reason they continued to trade, was their firm belief that a sale of the business could be concluded, which would have allowed all creditors to be paid in full. Once that sale fell through, the directors concluded that they could not continue to trade any longer, as there was no realistic prospect of the company returning to profitability..

Company Voluntary Arrangement ("CVA")

Although a CVA would have given the Company some immediate relief from creditor pressure, without securing additional funding, the directors were not confident that the CVA would be approved nor that the Company would be successful in trading through its difficulties, considering its debts and the over-saturation of the market.

Liquidation

The possibility of placing the Company into Liquidation was also considered. However, it was concluded that this was not the best outcome in this scenario.

Due to the associated stigma, a liquidation would devalue the Company's name and brand, and impact upon the value of its stock and book debts, meaning that realisations in the liquidation proceedings would result in a significantly smaller return to the Company, particularly potentially the secured charge holder's recovery prospects.

Pre-packaged Administration Sale ("Pre-Pack")

Administration is an effective restructuring option where a business can be rescued by either the current management team or a third-party purchaser.

A purchaser does not acquire any liabilities but is free to take on obligations by choice e.g., contacts with suppliers, leases etc. The only liabilities that transfer by law are the existing employees' contract under the TUPE Regulations. A purchaser of a business cannot contract out of this.

When a purchaser is identified and a sale agreed in principle prior to Administration, which is then executed immediately after the commencement of Administration, it is referred to as a pre-packaged Administration sale.

As mentioned, one of the main creditors were engaged to purchase the business but this deal failed to progress. Unfortunately, the Company had insufficient working capital to facilitate trading while an alternative purchaser of the business was found and consequentially a pre-pack Administration is not attainable in this case.

- 3.2** Attached at Appendix VI is an account of the work undertaken prior to the Joint Administrators' appointment and the costs associated with that work.
- 3.3** On 21 February 2022, Timothy John Edward Dolder and Trevor John Binyon of Opus Restructuring LLP were appointed Joint Administrators of the Company following the filing of a Notice of Appointment of Administrators by the Directors.
- 3.4** These proceedings are proceedings to which the EU Regulation do not apply.

Ethical Considerations

3.5 Prior to the Joint Administrators' appointment, a review of ethical issues was undertaken and no ethical threats were identified. A further review has been carried out and no threats have been identified in respect of the management of the insolvency appointment to date.

The Objective of the Administration

1.26 Administrators must perform their functions with the objective of:

- rescuing the company as a going concern;
- or if that is not possible, then achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration);
- or if that is not possible, realising property in order to make a distribution to one or more secured or preferential creditors.

1.27 The Joint Administrators would comment that the first objective, to rescue the Company as a going concern, was not viable as it was not possible to restructure the existing business, obtain a capital injection, achieve a sale or propose a CVA.

1.28 The second objective is normally achieved by means of a sale of the business and assets as a going concern or a more orderly sales process than in liquidation. As stated above, a sale of the whole business will not be achievable in this situation and instead a sale of the Company's stock, which will obtain a greater sale value than it would in Liquidation proceedings.

1.29 The Joint Administrators would comment that the third objective will be achieved as they expect that the secured creditor, Bibby Financial Services Limited ("Bibby"), will be paid in full during the Administration. Additionally, it is possible that dividend will be paid to the preferential creditors outside of the prescribed part.

1.30 The third objective is attainable because an Administration will allow the Company's book debts to be collected. It is anticipated that Bibby, who hold an invoice factoring agreement with the Company, will be able to be paid in full and there will be a surplus of funds available to the Administration estate. This outcome could not be obtained in a liquidation because the associated stigma would de-value the debts and make them harder to collect, therefore diminishing the realisable value.

1.31 A detailed account of how the Joint Administrators have sought to achieve the objective of the Administration is set out below.

Events since the Joint Administrators' Appointment

1.32 Immediately upon appointment, the Joint Administrators undertook a review of the Company's affairs with particular regard to its financial and resource requirements. This assessment was carried out in liaison with the remaining management of the Company.

Sale of Company's Assets and Retention of Title

Richard Birch & Co ("RBC"). were instructed by the Board to identify and secure the Company's assets prior to the appointment of the Joint Administrators. Following the commencement of administration and the appointment, RBC proceeded to agree, and where appropriate arrange for, the return of assets subject to Retention of Title ("ROT") and market the assets which were wholly owned by the Company.

On appointment the book value of the stock shown in the company's records was £326,800. This contained a high quantity of stock that was out of date and could not be sold for full value.

In addition, approximately 50% of the stock was subject to Retention of Title ('RoT') claims. The main supplier claimed RoT over stock they delivered but which had not been paid for. This claim has been reviewed and agreed and stock totalling £140,839 has been returned, with this value being offset against their claim.

Most of the stock held by the Company is hand sanitiser. As a result of the COVID - 19 pandemic, there has been a large uplift in the production of sanitiser and the consequential saturation of the market means that it is difficult to sell the product to a third-party purchaser, because it is widely available elsewhere at a reasonable price. RBC have combatted this issue by contacting an alcohol distiller as a potential purchaser of the stock.

Due to the clean nature of the Company's products, there are few other ingredients, meaning that the sanitiser is potentially quite appealing to an alcohol distiller because they can utilise the ethanol in the sanitiser as part of their own manufacturing process.

Creditors should note that at the time of writing, a sale had not yet been agreed and the Joint Administrators will report on this matter at the next available opportunity.

Other steps taken as regards assets

Cash at Bank

- 1.33** The Joint Administrators requested the transfer of the cash at bank that the Company held to Opus' client account, amounting to £14,608.84, which has since been transferred into the Administration estate account. No further material realisations are expected in this regard.

Research & Development ("R&D") Claim

- 1.34** It is anticipated that the Company will be able to claim R&D tax relief from HMRC. The quantum of this claim is currently not known and it will likely be offset against any claim that HMRC in the insolvency proceedings. Current information suggests that HMRC will still have a claim in these proceedings, but the amount would be off-set against any refund due under the R&R tax relief.
- 1.35** The position is unclear and it remains to be seen if the reclaim will result in a net benefit to the insolvency estate in this case. The Joint Administrators are liaising

with the Company's former accountants Kene Partners, who were instructed prior to insolvency by the board of directors.

Book Debts

1.36 As stated above, Bibby have an invoice factoring agreement with the Company. It is anticipated that there are sufficient book debts to discharge the sums due to Bibby and there will be a surplus of funds which will be made available to the Company. It is estimated that there will be surplus funds of £10,000 to £30,000 and Bibby have stated they believe that the debts will be realisable in this case.

1.37 Creditors should note that the figures for this asset are an estimate and there can be considerable variability in book debt realisations depending on the nature of the debt and the debtor's position. This will be further examined by the Joint Administrators in due course.

Website, Company Name etc.

1.38 The names "Bothongo" and "Bothongo Hygiene" was relatively well known and regarded in relation to cleaning and sanitisation products, due to the Company's focus on being environmentally friendly and cruelty free. For this reason it is possible that the Company's trading/registered name and its website domain may hold value to a connected or third party, or even a competitor who may wish to have control of the name. This possibility is being explored by the Joint Administrators and their agents.

1.39 Furniture and Office Equipment

RBC attended the Company's premises on the day after appointment. They concluded that the costs of removal of the assets as against the value of the office furniture and equipment, meant that the cost to remove the items would be higher than the value that could be obtained. Therefore these items were left in situ at the Company's premises.

Steps taken as regards creditors

1.40 Immediately following the appointment of the Joint Administrators, members of the Joint Administrators' staff attended the Company's site to advise employees of the Joint Administrators' appointment and present each employee with a formal letter regarding their redundancy.

1.41 The Joint Administrators' staff have been assisting the Company's former employees to submit claims to the Redundancy Payments Service ("RPS").

1.42 The Joint Administrators' staff have handled creditors' queries as they have arisen, which has included telephone calls and correspondence.

1.43 As stated above, ROT claims have been reviewed and handled by RBC, with stock being rightfully returned to the title holders. The claim was reviewed and approved by the Joint Administrators, prior to the stock being released.

Steps Taken in Regard to Administration of the Case

1.44 The following routine work has been undertaken since appointment:

- Setting up electronic files and a record on our case management system
- Opening and maintaining a case bank account
- Filing advertisements
- Filing forms with Companies House
- Sending notice of appointment to all creditors
- Completing a case strategy
- Undertaking an initial review of the case
- Setting up an insurance bond
- Arranging asset insurance

Instruction of specialists

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

- Richard Birch & Co ("RBC") – Valuation agents

1.46 The fees charged by RBC will be based upon a percentage basis for asset realisation and an initial valuation fee. Approval for this fee will be sought from the creditors.

Investigation into the Company's affairs prior to the Administration

1.47 The Joint Administrators have commenced a detailed review of the Company's trading activities in order to establish whether or not there are actions that may be taken for the benefit of the Administration and consequently to enable a report to be submitted to the Insolvency Service on the conduct of the Company's directors.

1.48 Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring them to the attention of the Joint Administrators as soon as they are able.

1.49 The Joint Administrators will be reviewing the relationship between InnuScience and Bothongo. In particular, there is a focus on the initial set-up of Bothongo and the subsequent repayment of amounts purportedly owed to InnuScience. At this stage I cannot comment as to whether there have been any transactions that would warrant the Joint Administrators taking recovery action. Details of all investigations will be provided to creditors once they have been concluded.

2. The Estimated Financial Statement and the Outcome for Creditors

- 2.1** To date, a Statement of Affairs has not been completed and signed by all directors. Figures have been provided and a complete Statement of Affairs will be finalised in due course. Creditors will be furnished with the Statement of Affairs alongside the Joint Administrators' 6 month report on the Administration.
- 2.2** In accordance with the standard format of a Statement of Affairs, no provision has been made in the Statement for the costs of the Administration.

Prospects for creditors

- 2.3** Attached at Appendix VI is the Joint Administrators' receipts and payments account for the period from 21 February 2022 to 8 April 2022.
- 2.4** Also attached at Appendix VII is an Estimated Outcome Statement, which illustrates the anticipated outcomes for creditors.
- 2.5** The Act requires administrators to make a prescribed part of the company's net property, which is the balance remaining after discharging the preferential and secondary preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts.
- 2.6** In this case, it is anticipated that the prescribed part provision will not apply, as it is likely that the secured creditor will be paid in full from book debt recoveries and thus there will be no residual liability due under its floating charge.
- 2.7** In summary, it is anticipated that there will be insufficient funds to pay a distribution to preferential and/or secondary preferential or unsecured creditors.

The Joint Administrators' Fees

- 2.8** The Joint Administrators propose to fix their fees on the following basis:
- the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, such time to be charged at the prevailing standard hourly charge out rates used by Opus Restructuring LLP at the time the work is performed;
- 2.9** Attached at Appendix VIII is the Joint Administrators' Fees Estimate. Attached at Appendix IX is a breakdown of the time costs incurred in the Administration to 8 April 2022 and the charge-out rates of the Joint Administrators and their staff are provided at Appendix X. Where you do not expect full recovery of your fees: Creditors will note from the information provided that the current estimated realisable value of all assets totals £44,608.84 and, as described elsewhere, necessary expenses have been incurred payable to independent parties, which will need to be paid in priority to the Joint Administrators' fees. Therefore, it is anticipated that a significant proportion of those fees will not be recovered from the estate.

2.10 The Estimated Outcome Statement at Appendix VII provides an overview of the financial benefit that this work is expected to bring to creditors.

2.11 Creditors may access a Guide to Administrators' Fees at <http://thecompliancealliance.co.uk/cgfdm.pdf> or a hard copy will be provided on request.

The Joint Administrators' Expenses

2.12 Attached at Appendix XI are details of the expenses that the Joint Administrators expect to incur in the Administration.

2.13 Expenses fall into two categories: Category 1 and Category 2.

- Category 1 expenses are payments to persons providing the service to which the expense relates who are not associates of the Joint Administrators. Administrators may discharge Category 1 expenses from the funds held in the insolvent estate without further recourse to creditors.
- Category 2 expenses are payments to associates or which have an element of shared costs. Payments may only be made in relation to Category 2 expenses after the relevant creditors have approved the bases of their calculation.

2.14 The Joint Administrators do not anticipate incurring or charging any category 2 disbursements in this Administration.

The Joint Administrators' Discharge

2.15 The Act requires that the timing of the Joint Administrators' discharge from liability will be decided by the secured and preferential creditors. The Joint Administrators propose that this discharge will take effect when their appointment ceases to have effect and a decision will be sought in respect of this.

Approval Process

Approval of the Statement of Proposals

2.16 Attached at Appendix XII is a summary of the Joint Administrators' Statement of Proposals. For further information on how the Company's affairs will continue to be managed, if these Proposals are approved, please refer to Appendix VIII, which sets out in detail what further work the Joint Administrators propose to undertake.

2.17 The Joint Administrators are seeking creditors' approval of the Statement of Proposals by means of the process set out in Rule 15.7 (Deemed Consent) of the Rules.

2.18 The Joint Administrators currently consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors (other than by virtue of Section 176A(2)(a) of the Act). Therefore, pursuant to Paragraph [52(1)(a) of Schedule B1 of the Act, Joint Administrators are not required to seek creditors'

approval of the Statement of Proposals. Notwithstanding this, the Joint Administrators shall be required to seek a creditors' decision on whether to approve the Statement of Proposals, if it is requested by creditors whose debts amount to at least 10% of the Company's total debts. Such request must be delivered to the Joint Administrators within 8 business days from the date on which the Statement of Proposals was delivered. Security must be given for the expenses of seeking such a decision. If no decision is requested, the Statement of Proposals will be deemed to be approved pursuant to Rule 3.38(4) of the Rules.

2.19 As noted above, it is anticipated that the secured creditor holds a fixed charge which will be discharged in full, and consequentially it is unlikely that prescribed part will apply in this case.

Other Decisions

2.20 The Joint Administrators are inviting the preferential creditors to decide on the following matters:

- Whether to establish a creditors' committee
- The timing of the Joint Administrators' discharge from liability
- In the event that a creditors' committee is not established:
 - The basis on which the Joint Administrators' fees shall be fixed
 - The approval of the unpaid pre-Administration costs
 - The approval of the basis of Category 2 expenses

2.21 To assist those creditors who are requested to vote on these matters, the relevant forms have been provided under separate cover.

If any creditor has any queries in relation to the above, please do not hesitate to contact either of the Joint Administrators or Emma Johnson, on 01908 752 945 or by email to Emma.Johnson@opusllp.com.

Dated this 22nd day of April 2022



Timothy Dolder
Joint Administrator

Timothy John Edward Dolder and Trevor John Binyon were appointed Joint Administrators of Bothongo Hygiene Solutions UK Limited on 21 February 2022. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

Appendix I: Definitions

The Act	The Insolvency Act 1986
The Rules	The Insolvency (England & Wales) Rules 2016
The Statement of Proposals	The Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
The Joint Administrators	Timothy John Edward Dolder and Trevor John Binyon
The Company	Bothongo Hygiene Solutions UK Limited (in Administration)
The Court	High Court of Justice
EBIT	Earnings before interest and tax
SPA	Sale & Purchase Agreement
RPO	The Redundancy Payments Office
HMRC	HM Revenue & Customs
ROT	Retention of Title
EOS	Estimated Outcome Statement
PP or Prescribed Part	The Prescribed Part of the Company's net property subject to Section 176A of the Act
QFCH	Qualifying Floating Charge Holder
SIP	Statement of Insolvency Practice (England & Wales)
TUPE	Transfer of Undertakings (Protection of Employment) Regulations

Appendix II: Statutory and Financial Information

Company name	Bothongo Hygiene Solutions UK Limited
Previous name(s)	Healthguard Hygiene Limited (29 April 2020 to 3 December 2020)
Trading name(s)	Bothongo Hygiene
Proceedings	In Administration
Court	High Court of Justice
Court reference	000346
Date of appointment	21 February 2022
Appointed by	Nicholas Winstone (director)
Joint Administrators	Timothy John Edward Dolder and Trevor John Binyon Opus Restructuring LLP 1 Radian Court, Knowlhill, Milton Keynes, Buckinghamshire, MK5 8PJ
Statement required by Paragraph 100(2) of Schedule B1 of the Act	The Joint Administrators are authorised to carry out all functions, duties and powers by either one or by both of them
Registered office	c/o Opus Restructuring LLP, 1 Radian Court, Knowlhill, Milton Keynes, Buckinghamshire, MK5 8PJ
Company number	12577437
Incorporation date	29 April 2020
Company Secretary at date of appointment	None
Directors at date of appointment	Nicholas Winstone / Ramanlal Lakhoo / Mohaduba Bothongo
Directors' / Secretary's shareholdings	Nicholas Winstone = 25 Ordinary Shares (20%) Dr Keith Mogola Khupe Bothongo – 100 Ordinary Shares (80%) Ramanlal Lakhoo

Appendix III: Summary of Financial Information

The Joint Administrators have been advised that management accounts were not prepared by the Company or the controller of the group which is based in South Africa. The Company did not trade for long enough to meet the requirement to file statutory accounts.

Appendix IV: Statement of Pre-Administration Costs

On 21 February 2022 the Board of Directors agreed with the proposed Joint Administrators that Opus Restructuring LLP be paid fees for work done prior to the Administration as a set fee of £10,000 plus VAT and related expenses for the following tasks and matters that were considered to be necessary to placing Bothongo Hygiene Solutions UK Limited into Administration.

Setting the Joint Administrators' fees in the sum of £10,000 is considered to be a fair and reasonable reflection of the work undertaken, as the fixed fee covered the work set out below. In addition, if the Joint Administrators were to charge their fees on the basis of time costs incurred by them and their staff, this would result in a fee in excess of that proposed.

The following work was undertaken prior to appointment:

- Corresponding with directors regarding the potential sale to a main creditor.
- Undertaking Anti-Money Laundering, ethical and due diligence checks on the Company, its directors and shareholders
- Identifying and suggesting an agent to the Board.
- Undertaking an internal conflict and risk assessment.
- Obtaining information from the director and employees on the Company's business, trading history, assets etc.
- Creating and maintaining a case record and file (filing of documents, emails etc.)
- Liaising with creditors who are seeking updates or applying pressure to the Company.
- Setting up "open cover" insurance for assets
- Providing advice to the Company/its Board in the interim period prior to Administration
- Regularly monitoring of Opus Restructuring, Timothy Dolder and Trevor Binyon's relationship with the Company/the Board and the advice given.
- Providing advice to the Company/its Board regarding the options available to it and how to proceed with those options.
- Liaising with the agent: answering queries, providing information, obtaining updates etc.
- Liaising internally regarding the securing and review of Company records
- Corresponding with Bibby regarding their charge and invoice factoring
- Liaising with the Company's employees, providing updates, answering queries and so forth.
- Reviewing the position in regard to ROT
- Corresponding with main creditors
- Corresponding with Freeths LLP regarding the NOI and Administration proceedings

In conducting the above work, the following costs were incurred and not paid:

	£
Opus Restructuring LLP's	10,000
Opus Restructuring LLP's other expenses	Nil

Opus Restructuring LLP have incurred time costs of £17,090.00 to 21 February 2022. As stated above, it was agreed with the Board of Directors that Opus Restructuring LLP would be paid £10,000 for dealing with all pre-appointment work.

There were not any expenses incurred prior to 21 February 2022.

Appendix V: Estimated Financial Position as at 21 February 2022

Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets Subject to Fixed charge:		
Book Debts	466,390.00	230,831.26
Bibby Factors		(220,330.26)
Assets Subject to a Floating Charge:		
Nil		
Uncharged Assets:		
Cash at Bank	12,000.00	12,000.00
Stock Not Subject to ROT	Uncertain	Uncertain
Website, Name etc.	Uncertain	Uncertain
R&D Claim	Uncertain	Uncertain
Property	40.00	40.00
Office Equipment	14,198.29	Uncertain
Estimated Total Assets Available to Preferential Creditors:	492,628.29	22,541.00

Notes

Bibby Financial Services hold a factoring facility with the Company under their charge.

The book debts will not be realised in full but there will be sufficient funds to clear the balance due to Bibby, with a small surplus being returned to the Company

		Estimated to Realise £
Estimated total assets available for preferential creditors		22,541.00
Liabilities		
Preferential Creditors:		
HMRC	Nil	
RPS	TBC	
		<u>0.00</u>
Estimated Deficiency / Surplus as Regards Preferential Creditors		22,541.00
Estimated Prescribed Part of Net Property Where Applicable (to carry forward)	Nil	<u></u>
Estimated Total Assets Available for Floating Charge Holders		22,541.00
Debts Secured by Floating Charge:		<u></u>
Bibby Factors discharged from book debt realisations	Nil	
		<u>0.00</u>
Estimated deficiency/surplus of assets after floating charges		22,541.00
Estimated Prescribed Part of Net Property Where Applicable (brought down)	Nil	<u></u>
		Nil
Total Assets Available to Unsecured Creditors		22,541.00
Unsecured Claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors		(1,420,141.77)
		<u>0.00</u>
Estimated Deficiency/Surplus as Regards Non-Preferential Creditors (excluding any shortfall to floating charge holders)		(1,397,600.77)
Estimated Deficiency as regards Unsecured Creditors		
Issued and Called Up Share Capital	125.00	<u></u>
Estimated total Deficiency / Surplus as Regards Members		(1,397,725.77)

COMPANY CREDITORS (excluding employees and consumers)

Name of creditor	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Abacas Studios Ltd	4 Aldwycks Close, Shenley Church End, Milton Keynes, Buckinghamshire, MK5 6HZ	881.64			0.00
Chemanglia t/a Anglian Chemicals	Anglian Chemicals, Millers Close, Fakenham Ind Est, Fakenham, Norfolk, NR21 8NW	722,773.51			0.00
Bandit Street Food Ltd	C/O Pury Hill Cafe, Pury Hill Business Park, Milton Keynes, MK19 7AH	121.78			0.00
CButt Ltd	Burryport Road, Brackmills Industrial Estate, Northampton, Northampton, NN4 7BB	14,169.54			0.00
Connolly Accountants & Business Advisors Ltd	The Stable Yard, Vicarage Road, Stony Stratford,, MK11 1BN	124.80			0.00
Digital Origin	Briary Barn, Pury Hill Business Park, Alderton Road, Towcester, NN12 7LS	180.00			0.00
DX Network Services (Courier)	Ditton Park, Riding Court Road, Datchet, SL3 9GL	3,964.27			0.00
EFM DISTRIBUTION	47, Caswell Road, Brackmills, Northampton, NN4 7PW	1,834.73			0.00
Employee Expenses	Various	2,694.63			0.00
Casual Labour	Various	1,600.00			0.00

Ethical Nation	Milton Keynes Business Centre, Foxhunter Dr, Milton Keynes, MK14 6GD	1,782.00			0.00
E-volve Solutions Ltd	St Matthew's House, Brick Row, Derby, Derbyshire, DE22 1DQ	272.24			0.00
FORTUS	54 Poland Street, London, W1F 7NJ	4,400.00			0.00
Freeths LLP	3rd Floor, The Colmore Building,, Birmingham, B4 6AT	2,172.00			0.00
Harrison Clark Rickerbys Solicitors	5 Deansway, Worcester, WR1 2JG	48,660.00			0.00
Henry Quinn	Cedar Avenue, Clubview, Centurion, 0157	49.06			0.00
ILG - International Logistics Group UK LTD (DHL CO	Logistics House, Charles Avenue, Burgess Hill, West Sussex, RH15 9TQ	181.85			0.00
Innu-Science UK (RH) Ltd	44 Burners Lane, Kiln Farm, Milton Keynes, MK11 3HD	62,458.17			0.00
Instantprint	Unit 25/Chelsea Wharf/Lots Rd, London SW10 0QJ	1.00			0.00
Intrinsica Vision Limited	Lynt House, Lynt Farm Lane, Inglesham, Wiltshire, SN6 7QZ	3,600.00			0.00
KSL CORPORATE	Lynt House, Lynt Farm Lane, Inglesham, Wiltshire, SN6 7QZ	10,800.00			0.00
Loo of the Year Awards	PO Box 103, Ledbury, HR8 9RB	175.00			0.00
Microsoft	Microsoft Campus; Thames Valley Park; Reading; RG6 1WG	28.20			0.00

Orcagel Hygiene Ltd	1-3 College Hill, London EC4R 2RA	60,885.84			0.00
Pury Hill Business Park	Pury Hill Business Park, Northampton Road, Towcester, Northamptonshire, NN12 7LS	15,530.00			0.00
Suzanne Howe Communications	27 Old Gloucester Street London WC1N 3AX	4,243.20			0.00
SpeedPac	Booth Drive,, Park Farm Industrial Estatet, Wellingborough, Northamptonshire, NN8 6GR	3,917.40			0.00
Tailored Solutions	Unit 9, Cutler Heights Business Park, Cutler Heights Lane, Bradford, BD4 9AW	452,640.91			0.00
Totals		1,420,141.77			0.00

EMPLOYEE CREDITORS

C -

Name of employee creditor	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Bates, Kieran		TBC			0.00
Flack, Nicola Louise		TBC			0.00
Minter, Ali		TBC			0.00
Norman, Peter		TBC			0.00
Reid, Andrew		TBC			0.00
Winstone, Nicholas		TBC			0.00
Totals		TBC			0.00

D -

CONSUMER CREDITORS

Note: include all creditors who are consumers (i.e. an individual acting for purposes that are wholly or mainly outside the individual’s trade, business, craft or profession) claiming amounts paid in advance for the supply of goods or services (and indicate whether any are also creditors under hire-purchase, chattel leasing or conditional sale agreements and any claiming retention of title over property in the company’s possession).

Name of creditor	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
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None.

Totals		0.00			0.00
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E -

COMPANY SHAREHOLDERS

Name of shareholder	Address (with postcode)	No. of shares held	Nominal Value £	Details of shares held
Keith Mogola Khupe Bothongo	53 LINCESLADE GROVE, LOUGHTON, MILTON KEYNES, MK5 8DJ	100	1.00	Ordinary share
Nicholas Winstone	5 FRANKLIN COURT, YARDLEY GOBION, TOWCESTER, NORTHAMPTONSHIRE, NN127UP	25	1.00	B Ordinary Shares

Schedule of Secured Creditors

Secured Creditors

Secured creditor's name and address	Amount of claim (estimated)	Details of security	Date security was given	Value of security (per Statement of Affairs)
Bibby Financial Service	Nil (once discharged after book debt collection)	First legal mortgage. Invoice factoring agreement in place	18 June 2020	Nil (Please see body of report)

Appendix VI: Receipts and Payments Account

Bothongo Hygiene Solutions UK Limited - In Administration Joint Administrators' Abstract of Receipts & Payments

From 21 February 2022 to 8 April 2022

S of A £		£
RECEIPTS		
NIL	Cash at Bank	14,608.84
NIL		14,608.84
PAYMENTS		
NIL		NIL
0		(NIL)
0	CASH IN HAND	14,608.84

Appendix VII: Estimated Outcome Statement as at 21 February 2022

	Note	Estimated Financial Position £	Realised / paid to date £	Estimated future realisations/payments £	Total £
Assets Specifically Pledged					
Nil		Nil	Nil	Nil	Nil
Total Assets Available for Floating Charge Creditors		Nil	Nil	Nil	Nil
Assets Not Specifically Pledged					
Stock (subject to ROT)	1	0.00	0.00	0.00	0.00
Stock (not subject to ROT)	2	Uncertain	0.00	0.00	0.00
Website, Name etc.	3	Uncertain	0.00	0.00	0.00
R&D Claim	4	Uncertain	0.00	0.00	0.00
Book Debt Surplus	5	Uncertain	0.00	10,501.40	10,501.40
Cash at Bank		12,000.00	14,608.84	0.00	14,608.84
Property		40.00	0.00	0.00	0.00
Office Equipment	6	14,198.29	0.00	0.00	0.00
Total Assets		26,238.29	14,608.84	10,501.40	25,110.24
Estimated surplus to pay costs and other creditors			14,608.84	10,501.40	25,110.24
Less: Costs					
Pre-appointment Administration Fee		0.00	0.00	(10,000.00)	(10,000.00)
Agent's fees		0.00	0.00	(3,000.00)	(3,000.00)
Joint Administrators' Fees		0.00	0.00	(40,337.50)	(40,337.50)
Post Appointment Legal Fees	7	0.00	0.00	(20,000.00)	(20,000.00)
Joint Liquidators' Fees		0.00	0.00	(50,562.50)	(50,562.50)
Category 1 disbursements		0.00	0.00	(5,677.85)	(5,677.85)
Total			0.00	(129,577.85)	(129,577.85)
Estimated Funds Available for Preferential Creditors					(104,467.61)
Preferential Creditors					
RPS and Employees	8				TBC
					TBC
Floating Charge Holders					
None					Nil
					Nil
Estimated Funds Available for Unsecured Creditors					(104,467.61)
Unsecured Creditors as per SOA					(1,420,141.77)
					(1,420,141.77)
Summary of estimated outcomes for creditors					p/£
Distribution to floating charge creditors					N/A
Distribution to preferential creditors					Nil
Distribution to unsecured creditors					Nil

Notes:

- 1 ROT stock estimated at £112,473 by director. Stock has been returned to the title holders following the review of valid claims
- 2 Valuation to be provided by Richard Birch & Co
- 3 Has not yet been appraised, hence uncertain value
- 4 Records to be provided and reviewed before value of claim can be determined
- 5 Gross debt valued at £466,390 with estimated surplus of £10,501
- 6 Has not yet been appraised, figure provided by director
- 7 Cost shall only be incurred if legal advice is required as a result of investigations.
An estimate has been included based upon a similar case to give creditors an idea of the potential cost
- 8 Final RPS/employee claims have not been determined

Appendix VIII: The Joint Administrators' Fees Estimate

Please note that this estimate reflects the work undertaken and time anticipated to be incurred for the full period of the Administration and thus it includes the time already incurred, details of which are provided in Appendix IX.

The Fees Estimate has been compiled on the following assumptions:

- the Joint Administrators' initial investigations will not identify any matters that require further investigations or pursuit, other than those already known (see below);
- no exceptional work will be required to realise the remaining assets
- there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered by the Joint Administrators' Proposals; and
- there will be no need to extend the Administration

On these assumptions, the Joint Administrators do not anticipate that it will be necessary to seek additional approval from the relevant creditors for fees in excess of the Fees Estimate. However, in the event that the Administration does not proceed as envisaged, the Joint Administrators will seek approval for any fees in addition to those estimated that they wish to draw from the insolvent estate.

General Description	Includes	Estimate of no. of hours	Estimated blended hourly rate £	Estimate of total £
Administration (including statutory reporting)		69	259.06	17,875.00
Statutory/advertising	Filing and advertising to meet statutory requirements			
Document maintenance/file review/checklist	Filing of documents Periodic file reviews, including ethical, anti-money laundering and anti-bribery matters Maintenance of statutory and case progression task lists/diaries Updating checklists			
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments			
Planning / review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case			
Books and records / storage	Dealing with records in storage Sending case files to storage			
Creditor reports	Preparing proposal, six monthly progress reports, fee authority report to secured/preferential creditors (where appropriate), conversion to CVL (where appropriate) and final report			
Creditors' decisions	Preparation of decision notices, proxies/voting forms Collate and examine proofs and proxies/votes to			

General Description	Includes	Estimate of no. of hours	Estimated blended hourly rate £	Estimate of total £
	establish decisions Consider objections received and requests for physical meeting or other decision procedure Prepare a schedule of votes on the Joint Administrators' fee proposal and generate other documentation accordingly Issuing notice of result of decision on Proposals			
Investigations		32.5	296.54	9,637.50
SIP 2 Review	Collection, and making an inventory, of company books and records Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company Reviewing company's books and records Review of specific transactions and liaising with directors regarding certain transactions Liaising with the committee/creditors or major creditors about further action to be taken Liaising internally with the investigations department			
Statutory reporting on conduct of director(s)	Preparing statutory investigation reports Liaising with the Insolvency Service Submission of report to the Insolvency Service Preparation and submission of supplementary report (if required) Assisting the Insolvency Service with its investigations (if required)			
Realisation of Assets		18.5	304.05	5,625.00
Sale of Stock	Instructing and liaising with agents Assessment and review of offers received Pursuing deferred sale consideration (if applicable)			
Book Debts	Collecting supporting documentation Correspondence with debtors Reviewing and assessing debtors' ledgers Receiving updates from factoring companies and Liaising with debt collectors and solicitors (if required) Agreeing debt collection agency agreements			
R&D Claim	Reviewing financial records Liaising with/instructing accountants to assist with claim (if required) Corresponding with HMRC			
Cash at Bank	Corresponding with bank to ensure account is cleared to zero and closed			
Website, Company name etc.	Liaising with agents to obtain review of the items and gather advice Assist agent with creating sale particulars (if required) Liaising with interested parties			
Retention of Title Claims ("ROT")	Liaise with agent in regard to ROT claims Review relevant documentation Correspond with ROT creditor			
Insurance	Identification of potential issues requiring attention of insurance specialists			

General Description	Includes	Estimate of no. of hours	Estimated blended hourly rate £	Estimate of total £
	Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers			
Creditors (inc. claims and distribution)		20.5	282.32	5,787.50
Creditor communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Assisting employees to pursue claims via the RPO Corresponding with the PPF and the Pensions Regulator			
Dealing with proofs of debt ('POD')	Receipting and filing POD when not related to a dividend Corresponding with RPO regarding POD when not related to a dividend			
Processing proofs of debt	Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication Seeking solicitors' advice on the validity of secured creditors' claims and other complex claims			
Case Specific Matters		5.00	282.50	1,412.50
Company Pension	Complete pension services Notify the Pensions Regulator that the company is no longer an employer Correspond with scheme trustee Correspond with Pensions Regulator Correspond with the Pension Protection Fund ("PPF") Seek further information from directors as and when required Complete submissions for missing contributions to RPS (if required)	-	-	-
Total		145.5	277.23	40,337.50

Administration (including Statutory Reporting)

The Joint Administrators are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration, which ensures that the Joint Administrators and their staff carry out their work to high professional standards.

This work includes tasks such as:

- Drafting these proposals
- Maintaining case records
- Administering the bank account
- Undertaking case reviews

Investigations

The Joint Administrators are aware that there have been a number of transactions between the Company and other related companies. Initial investigations will be undertaken by Opus Restructuring LLP's internal specialist investigations team. It is proposed that the Administration will in due course convert to a Creditors' Voluntary Liquidation, which will enable the investigations to continue, based on the findings of the internal specialist investigations team at Opus.

It is not yet clear whether any matters will be identified with the potential to generate additional recoveries for the insolvent estate. At this early stage, it is difficult to estimate the likely time costs and expenses that may be incurred in carrying out a detailed exploration and pursuit of any questionable matters. The Fees and Expenses Estimates reflect the anticipated work in carrying out basic investigations in order to identify any potential causes of action. If any are identified and the Joint Administrators consider that additional work is required in order to generate a net financial benefit for creditors, they may revert to the relevant creditors to seek approval for fees in excess of the estimate.

Realisation of assets

The receipts and payments account at Appendix VI sets out the realisations achieved to date and the Estimated Outcome Statement at Appendix VII sets out the total anticipated realisations and the financial benefit that this work is expected to generate for creditors. In brief, the following main tasks are yet to be completed:

- Sale of assets and collection of consideration
- Book debts: liaising with Bibby, reviewing ledgers and other documentation, writing to debtors to request payment, instructing/corresponding with debt collection agent
- R&D refund: review Company records, write to HMRC , instruct and correspond with specialist/Company accountant
- Website, Company name etc.: Instruct RBC and review in order to establish if any value held, correspond with potential purchases, help RBC with any sale particulars etc.
- Cash at Bank: Obtain confirmation from bank that the bank account is now at zero and may be closed.

Creditors (claims and distributions)

Irrespective of whether sufficient realisations are achieved to pay a dividend to preferential or secondary preferential or unsecured creditors, time will be spent in dealing with creditors' queries, assisting the employees in pursuing their claims via the RPs and submitting the Joint Administrators' counterpart information, dealing with ROT claims and issuing statutory reports to creditors (i.e. these proposals and periodic progress reports).

As stated above, it is anticipated that the secured creditor will be paid in full as part of the Administration proceedings: this will involve establishing their debt, reviewing documents and agreeing a final balance.

It is not anticipated that there will be sufficient realisations in the Administration to facilitate the payment of a dividend to the preferential creditors.

The Fees Estimate for the Liquidation

The Joint Administrators do not anticipate that it will be necessary to seek approval for fees in excess of this estimate. However, should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.

General Description	Includes	Estimate of No. of Hours	Estimated blended hourly rate £	Estimate of total £
Administration (including statutory reporting)		68.75	263.00	18,081.25
Statutory/advertising	Filing and advertising to meet statutory requirements			
Document maintenance/file review/checklist	Filing of documents Periodic file reviews, including ethical, anti-money laundering and anti-bribery matters Maintenance of statutory and case progression task lists/diaries Updating checklists			
Bank account administration	Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments			
Planning / review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case			
Books and records / storage	Dealing with records in storage Sending case files to storage			
Creditor reports	Preparing annual progress reports, final account, investigation and general reports to creditors			
VAT / Corporation Tax	Completing annual tax returns Completing periodical Vat returns and reclaims			
Investigations		60.25	300.62	18,106.25
SIP 2 review	Continue investigations into Company's history and financial affairs and its relationship with associated entities Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company Reviewing company's books and records Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with the creditors or major creditors about further action to be taken Liaising internally with investigations team Obtaining reports			
Examinations	Preparing brief to solicitor Liaising with solicitor(s) regarding examinations Attendance at examination			

General Description	Includes	Estimate of No. of Hours	Estimated blended hourly rate £	Estimate of total £
(where required)	Reviewing examination transcripts Liaising with solicitor(s) regarding outcome of examinations and further actions available			
Litigation / Recoveries (where required)	Strategy meeting regarding litigation Seeking funding from creditors Reviewing terms of solicitors' conditional fee agreements Preparing brief to solicitors/Counsel Liaising with solicitors regarding recovery actions Dealing with ATE insurers Attending to negotiations Attending to settlement matters			
Realisation of Assets		18.5	295.27	5,462.50
Debtors	Continuing work to realise any outstanding book debts due to the Company: corresponding with debtors/collection agency Reviewing documentation Requesting further information			
R&D Claim	Finalise R&D claim if not completed during the Administration proceedings			
Creditors (inc. claims and distributions)		27.5	297.73	8,187.50
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Corresponding with RPS regarding claim Corresponding with the PPF and the Pensions Regulator			
Processing proofs of debt	Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD Adjudicating POD Request further information from claimants regarding POD			
Dividend procedures	<i>Based upon current information, it is not anticipated that there will be a dividend paid to preferential or unsecured creditors in the Liquidation proceedings. Consequentially, this has not been estimated for.</i>			
Case specific Matters		2.5	290.00	725.00
Pension	Undertake final review of pension position Submit notice of scheme failure upon conclusion of Liquidation			
Total		177.5	284.86	50,562.50

Further explanation of work to be undertaken by the Joint Liquidators

It is currently difficult to estimate the time likely to be spent by the Joint Liquidators, not least because it is difficult to know when the Company will move from Administration to CVL and consequently what work will have been done by the Joint Administrators by the time that the move takes place.

It is anticipated that the investigations into the Company's history and financial dealings will continue from the Administration into the Liquidation. A liquidator has increased powers to deal with investigations and related proceedings which is why the majority of the investigative work will be undertaken during the Liquidation.

It is currently not anticipated that there will be funds to facilitate the payment of a dividend to the preferential or unsecured creditors in the Liquidation. However, it should be noted that this position may be subject to change depending upon the outcome of the Joint Liquidators'/Joint Administrators' investigations. Creditors will be updated upon the progress of this work.

Appendix IX: Breakdown of the Joint Administrators' Time Costs

Between 21 February 2022 and 8 April 2022

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning							
Meeting ,Travel & Waiting Time	0.00	0.00	0.70	0.00	0.70	157.50	225.00
Internal Documentation and IT	0.00	0.00	0.00	2.00	2.00	200.00	100.00
Case Planning	0.90	0.00	0.70	0.00	1.60	472.50	295.31
Case Reviews including MR1s/MR2s	0.00	0.00	0.50	0.00	0.50	112.50	225.00
Administrative Set Up	5.30	0.00	0.00	0.00	5.30	2,252.50	425.00
Appointment Notification	0.00	0.50	5.60	0.00	6.10	1,385.00	227.05
Maintenance of Records	0.00	0.00	13.40	0.00	13.40	3,015.00	225.00
Firms Administration - Feeing etc	6.30	0.00	2.10	0.00	8.40	2,677.50	318.75
Cashiering	0.00	0.00	0.40	0.50	0.90	140.00	155.56
Statutory forms	0.00	0.00	0.50	0.00	0.50	112.50	225.00
	12.50	0.50	23.90	2.50	39.40	10,525.00	267.13
Investigations							
Internal Documentation	0.90	0.00	0.00	0.00	0.90	315.00	350.00
Correspondence with director	0.00	0.00	4.00	0.00	4.00	900.00	225.00
ICI Team	0.20	0.00	0.00	0.30	0.50	110.00	220.00
	1.10	0.00	4.00	0.30	5.40	1,325.00	245.37
Realisation of Assets							
Debt Collection	0.90	0.00	0.00	0.00	0.90	382.50	425.00
Insurance	0.00	0.00	0.30	0.00	0.30	67.50	225.00
Retention of Title	4.20	0.00	0.00	0.00	4.20	1,470.00	350.00
Correspondence with Agent	3.80	0.00	0.00	0.00	3.80	1,330.00	350.00
Stock	0.00	0.00	0.60	0.00	0.60	135.00	225.00
Cash at Bank	1.20	0.00	1.00	0.00	2.20	645.00	293.18

	10.10	0.00	1.90	0.00	12.00	4,030.00	335.83
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Creditors							
Employee Communications	2.30	0.00	1.00	0.00	3.30	1,030.00	312.12
Communication with creditors	1.20	0.00	1.00	0.00	2.20	735.00	334.09
Employee claims	1.40	0.00	1.90	0.00	3.30	917.50	278.03
	4.90	0.00	3.90	0.00	8.80	2,682.50	304.83

Case Specific Matters							
Pension Scheme	0.40	0.00	3.30	0.00	3.70	882.50	238.51
	0.40	0.00	3.30	0.00	3.70	882.50	238.51

Total hours	29.00	0.50	37.00	2.80	69.30		
Time costs	10,700.00	125.00	8,325.00	295.00	19,445.00		
Average hourly rate	368.97	250.00	225.00	105.36	280.59		

Summary of Fees		
Time spent in administering the Assignment	Hours	69.30
Total value of time spent to 08 April 2022	£	19,445.00
Total Joint Administrators' fees charged to 08 April 202	£	0.00

Appendix X: Charge-out Rates and Expenses Policy

Opus Restructuring LLP

Information relating to **Opus Restructuring LLP's** Fees and Expenses

Explanation of **Opus Restructuring LLP's** charging and expense recovery policies

Time recording

Work undertaken on cases is recorded in 6-minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are:

	Rates from 04.05.2020 £'s
Partner	250 – 425
Senior Manager / Director	275 – 350
Assistant Manager / Manager	250 – 275
Junior Administrator / Administrator / Senior Administrator	100 – 225
Cashier	150
Support Staff	100

Expense recovery

In line with the revised Statement of Insolvency Practice 9 effective from 1 April 2021, creditors will note that in our previous circulars, expenses were known as disbursements. Should any creditor require any clarification on this point or the impact it will have on their claim, please contact us for further information

Expenses are categorised as either Category 1 or 2 Category 2.

Category 1 expenses will generally comprise of external parties which will include the supplies of incidental services specifically identifiable to the case. Where these have initially been paid by Opus Restructuring LLP and then recharged to the case, approval from creditors is required and are identified as Category 2 expenses. The amount recharged is the exact amount incurred.

Examples of Category 1 expenses include but are not limited to case advertising, invoiced travel, agents' costs and expenses, solicitors' fees and expenses, external room hire, bank charges, Insolv case management charge and properly reimbursed expenses incurred by personnel in connection with the case (including business mileage up to the HMRC approved rate for cases commenced before 1 November 2011). Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 expenses include elements of shared or allocated costs incurred by Opus and are recharged to the estate; they are not attributed to the estate by a third party invoice and they do not include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 expenses are photocopying, all business mileage (for cases commencing on or after 1 November 2011). Payment of Category 2 expenses require the approval of creditors.

Included in Category 2 expenses are costs incurred with associated parties. These include Forensic work undertaken by Opus Pear Tree Limited.

Examples of the current levels of Category 2 expenses recovered by Opus Restructuring LLP are as follows:

Postage	The current royal mail postage rates
Specific Bond	£360.00
Business mileage per mile	£0.45
Smartsearch per search – UK based. This is the exact cost to Opus, which is paid in advance and used as a credit.	£2.53 - £7.49
Smartsearch per search – rest of world. This is the exact cost to Opus, which is paid in advance and used as a credit.	£49.50 – £187.00
Physical file set-up cost (per file) this is the actual cost of the stationery used for the setting up of the file*	£6.00

*The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

Appendix XI: The Joint Administrators' Expenses Estimate

Please note that this estimate reflects the expenses anticipated to be incurred for the full period of the Administration and thus it includes expenses already incurred, details of which are provided elsewhere in this document.

Category 1 Expenses	Basis	Estimate of total £
Pension Specialist – Clumber consulting: review pension position and ensure there are not any outstanding contributions	Set fee	150.00
Agents and Valuers: providing a valuation and assisting with a sale of the company's assets. Estimate based on a similar case	Time-costs/%	3,000.00
Advertising (£99.45 per advertisement)	Set fee	248.40
Bank charges	Set fee	50.00
Bond premium (based upon assets of up to £500,000)	Set fee	360.00
Document collection, listing & storage	Set fee	750.00
Case management software and website document access	Set fee	185.00
Insurance (estimate premiums to be confirmed)	Set fee	500.00
Postage	Set fee	50.00
Total		5,293.40

Category 2 Expenses:

It is not anticipated that any category 2 expenses will be incurred or charged for in this case.

Expenses Estimate for the Liquidation

Below is the estimate of expenses that will be incurred by the Joint Liquidators once the Company has moved from Administration to CVL.

Category 1 Expenses	Basis	Estimate of total £
Advertising (£99.45 per advertisement)	Set fee	99.45
Bank charges	Set fee	50.00
Case management software and website document access	Set fee	185.00
Postage	Set fee	50.00
Total		384.45

Category 2 Expenses:

It is not anticipated that any category 2 expenses will be incurred or charged for in this case.

Appendix XII: Summary of the Joint Administrators' Proposals

In order to achieve the purpose of the Administration, the Joint Administrators formally propose to creditors that:

- The Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
 - (i) they sell the Company's assets at such time(s) and on such terms as they consider appropriate
 - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
 - (iii) they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- The Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- The Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
 - (i) However, in the unlikely event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
 - (ii) The Administration will end by placing the Company into Creditors' Voluntary Liquidation ("CVL") and propose that Timothy Dolder and Trevor Binyon be appointed as Joint Liquidators of the Company and that we be authorised to act either jointly or separately in undertaking our duties as Joint Liquidators.
 - (iii) Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at Section 10;
 - (iv) Should no further matters for investigation arise and all assets be realised during the Administration, the Joint Administrators will seek to end the Administration by applying for the Company to be dissolved.