

LIQ03

Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



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04/10/2023

#39

COMPANIES HOUSE

1 Company details

Company number 0 2 0 2 5 9 5 7

Company name in full Island Trading Company Limited(The)

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) David

Surname Meany

3 Liquidator's address

Building name/number The Old Town Hall

Street 71 Christchurch Road

Post town Ringwood

County/Region

Postcode B H 2 4 1 D H

Country

4 Liquidator's name ①

Full forename(s) Andrew

Surname Watling

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Office D

Street Beresford House

Post town Town Quay

County/Region Southampton

Postcode S O 1 4 2 A Q

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

From date	^d 2	^d 4	^m 0	^m 7	^y 2	^y 0	^y 2	^y 2
To date	^d 2	^d 3	^m 0	^m 7	^y 2	^y 0	^y 2	^y 3

7 Progress report☒ The progress report is attached**8** Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 0	^d 2	^m 1	^m 0	^y 2	^y 0	^y 2	^y 3
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LIQ03

Notice of progress report in voluntary winding up



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 Laura Stevens

Company name Quantuma Advisory Limited

Address Office D
Beresford House

Post town Town Quay

County/Region Southampton

Postcode S O 1 4 2 A Q

Country

DX info@quantuma.com

Telephone 02380336464



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

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

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



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Island Trading Company Limited(The)
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 24/07/2022 To 23/07/2023 £	From 24/07/2020 To 23/07/2023 £
	ASSET REALISATIONS		
Uncertain	Blue Mountain Music Ltd Interco Debt	NIL	NIL
Uncertain	Island Trading Inc Intercompany Debt	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(1,000,000.00)	Directors	NIL	NIL
(590,000.00)	HM Revenue and Customs	NIL	NIL
(2,824,000.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(4,414,100.00)		NIL	NIL
	REPRESENTED BY		
			NIL

Island Trading Company Limited(The)

(In Creditors' Voluntary Liquidation)

("the Company")

THE JOINT LIQUIDATORS' PROGRESS REPORT

21 August 2023

David Meany and Andrew Watling of Quantuma Advisory Limited, The Old Town Hall, 71 Christchurch Road, Ringwood, BH24 1DH, were appointed Joint Liquidators of Island Trading Company Limited(The) on 24 July 2020.

David Meany and Andrew Watling are licensed to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales.

This report has been prepared for circulation solely to comply with the Joint Liquidators' statutory duty to report to Creditors under the provisions of The Insolvency (England and Wales) Rules 2016 and for no other purpose. This report is intended for the statutory recipients. The report cannot be used or relied upon by any party other than for its intended statutory purpose.

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Appendix 3	Schedule of Joint Liquidators' Time Costs
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ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used:

"the Act"	Insolvency Act 1986
"the Rules"	Insolvency (England and Wales) Rules 2016
"the Joint Liquidators"	David Meany and Andrew Watling of Quantuma Advisory Limited
"the Company"	Island Trading Company Limited(The) (in Liquidation)
"EOS"	Estimated Outcome Statement
"SIP"	Statement of Insolvency Practice (England & Wales)
"Review Period"	Period covered by the report from 24 July 2022 to 23 July 2023
"Whole Period"	Period covered by the report from 24 July 2020 to 23 July 2023

1. INTRODUCTION

Introduction

This report has been prepared to provide Members and Creditors with an update on the progress of the Liquidation of the Company since the last report dated 8 August 2022.

Please note that on 1 August 2020, Quantuma LLP transferred its business to Quantuma Advisory Limited.

Given the information previously provided to Members and Creditors in earlier reports, detailed background information in respect of the Company has not been included and this report focusses on the progress of the CVL subsequent to those reports.

A schedule of statutory information in respect of the Company is attached at **Appendix 1**.

Details of the appointment of the Joint Liquidators

David Meany and Andrew Watling of Quantuma Advisory Limited were appointed Joint Liquidators of the Company on 24 July 2020.

The Joint Liquidators confirm that they are authorised to carry out all functions, duties and powers by either one or both of them.

2. THE PROGRESS OF THE LIQUIDATION

The Joint Liquidators' Receipts and Payments Account

Attached at **Appendix 2** is a Receipts and Payments account covering the Review Period together with a summary of the transactions in the previous review periods. In accordance with the requirements of SIP 7, the Joint Liquidators confirm that the account has been reconciled with that held at the bank.

The rest of this report describes the key developments in the Liquidation over the Review Period. A summary is provided of the main asset realisations during the Review Period and an estimation of those assets yet to be realised, together with details of costs incurred but as yet remaining unpaid.

Administrative, Statutory & Regulatory Tasks

The Joint Liquidators have met a considerable number of statutory and regulatory obligations. Whilst many of these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the Creditors' Voluntary Liquidation, which has ensured that the Joint Liquidators and their staff have carried out their work to high professional standards. Details of the tasks carried out during the Review Period are included in **Appendix 4**.

Realisation of assets

Intercompany balances

As previously outlined there were intercompany balances due from Blue Mountain Music Limited ('BMML') and Island Trading Inc for £362,567 and £981,099 respectively. The Joint Liquidators are still liaising with the Director regarding a settlement for these debts and establishing both Companies ability to pay.

Estimated Future Realisations

Any future realisations will depend on if a settlement can be agreed in regard to the above intercompany balances.

3. CREDITORS: CLAIMS AND DISTRIBUTIONS

Secured Creditors

The Company had granted the following security:

Type of charge	Date created	Beneficiary	Amount outstanding at 24/07/2020
Legal Charge	20 October 2011	HSBC Private Bank (UK) Limited	Nil
Legal charge	4 May 2007	HSBC Private Bank (UK) Limited	Nil

Preferential Creditors

The Company does not have any preferential creditors.

Prescribed Part

Under Section 176A of the Insolvency Act 1986, where after 15 September 2003 a company has granted to a creditor a floating charge, a proportion of the net property of the company must be made available purely for the Unsecured Creditors. This equates to:

- 50% of net property up to £10,000;
- Plus, 20% of net property in excess of £10,000.
- Subject to a maximum of £600,000.

Although the Company granted the above charges there will be no prescribed part as there is no liabilities to the charge holder.

Unsecured Creditors

Unsecured claims were estimated at £4,414,000 in the Director's Estimated Statement of Affairs and, to date, 2 claims have been received totalling £1,175,916.40.

It is not anticipated that a dividend will be paid to Unsecured Creditors.

4. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

Investigations

As previously reported the initial investigations revealed matters that warranted further investigations. These related to transactions that could be deemed preference payments in accordance with Section 239 of the Insolvency Act 1986. However, on further review, the payments did not meet the criteria of a preference payment as they were made outside of the relevant period. There will be no further action in this regard.

Further Information

To comply with the Provision of Services Regulations, some general information about Quantuma Advisory Limited, including the complaints policy and Professional Indemnity Insurance, can be found at <https://www.quantuma.com/legal-information>.

Information about this insolvency process may be found on the R3 website here <http://www.creditorinsolvencyguide.co.uk>.

General Data Protection Regulation

In compliance with the General Data Protection Regulation, Creditors, Employees, Shareholders, Directors and any other Stakeholder who is an individual (i.e. not a corporate entity) in these insolvency proceedings is referred to the Privacy Notice in respect of Insolvency Appointments, which can be found at this link <http://www.quantuma.com/legal-notices>.

5. ETHICS

Please note that the Joint Liquidators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. Further information can be viewed at the following link <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>. Additionally the Joint Liquidators are also bound by the regulations of their Licensing Bodies.

General Ethical Considerations

During the Review Period, no new threats to compliance with the Code of Ethics have been identified.

Specialist Advice and Services

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Liquidators 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.

6. THE JOINT LIQUIDATORS' FEES AND EXPENSES

A copy of 'A Creditors Guide to Liquidators' Fees' effective from 1 April 2021 together with Quantuma Advisory Limited's current schedule of charge-out rates and chargeable expenses, which includes historical charging information, may be found at <https://www.quantuma.com/guide/creditors-guide-fees/>.

A hard copy of both the Creditors' Guide and Quantuma Advisory Limited's current and/or historic charge-out rate and expenses policies may be obtained on request at no cost.

Joint Liquidators' Fees

The basis of the Joint Liquidators' fees was fixed on 15 September 2021 as follows:

1. That the basis of the Joint Liquidators' fees be fixed by reference to the time properly given by the Joint Liquidators and their staff in attending to matters as set out in the fees estimate, such time to be charged at the prevailing standard hourly charge out rates used by Quantuma Advisory Limited at the time when the work is performed (18,471 plus VAT)

As reflected on the Receipts & Payments Account, no fees have been drawn to date.

The Joint Liquidators believe this case generally to be of average complexity and no extraordinary responsibility has to date fallen upon them.

Comparison of Estimates

The Joint Liquidators' time costs incurred to date (whether or not they have been charged to the Liquidation estate) are compared with the original fees estimate and the actual time costs incurred to the end of the Review Period. The fees estimate covered the life of the case.

For a detailed schedule of work undertaken by the Joint Liquidators during the Review Period and the Whole Period, see **Appendix 3**. A detailed narrative list of the work undertaken during the Review Period is provided at **Appendix 4**.

	Original fees estimate			Actual time costs incurred during the Review Period			Actual time costs incurred for the Whole Period		
Work category	No. of hours	Blended hourly rate £	Total fees £	No. of hours	Average hourly rate £	Total time costs £	No. of hours	Average hourly rate £	Total time costs £
Administration Planning	34.90	230.40	8,041.00	6.80	265.88	1,808.00	43.04	249.41	10,734.50
Cashiering	1.70	276.18	469.50	0.00	0.00	0.00	0.80	211.25	169.00
Creditors	15.20	231.81	3,524.50	5.80	230.17	1,335.00	16.80	220.95	3,712.00
Investigations	14.90	311.34	4,639.00	0.60	495.00	297.00	11.70	344.40	4,029.50
Realisation of Assets	1.90	287.96	547.00	0.60	335.00	201.00	3.70	240.27	889.00
Closing Procedures	5.00	250.00	1,250.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	73.60	250.96	18,471.00	13.80	263.84	3,641.00	76.04	256.89	19,534.00

Joint Liquidators' Expenses

An amended Statement of Insolvency Practice 9 (SIP 9), was issued on 1 April 2021. The amended SIP 9 has changed some of the terminology and introduced additional disclosure requirements. The information below may therefore not reflect the information previously provided.

The expenses, which include disbursements that have been incurred and not yet paid during the Review Period and the Whole Period are detailed below. This includes a comparison of the expenses likely to be incurred in the Liquidation as a whole with the original expenses estimate, together with reasons where any expenses are likely to exceed that estimate.

Expenses	Original expenses estimate £	Actual expenses incurred in the Review Period £	Actual expenses incurred for the Whole Period £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Category 1 expenses				
Statutory & other Advertising	169.20	0.00	169.20	
Indemnity Bond	135.00	0.00	135.00	
Printing & Postage costs of external provider.	30.00	0.00	2.58	
Pension Advice	0.00	0.00	508.50	Not anticipated at outset
Category 2 expenses				
Photocopying, scanning & faxes (per side)	0.00	0.00	4.80	Please be advised that, whilst it was originally envisaged that these expenses would be charged to the estate as Category 2 disbursements, this has no longer been allowed since 1 April 2021
Stationery (Per Report/letter per Member/Creditor)	0.00	0.00	3.00	
TOTAL	334.20	0.00	823.08	

As there have been no asset realisations to date, the above expenses have been paid by Quantuma Advisory Limited directly and are therefore not reflected in the Receipts and Payments account at **Appendix 2**.

Please note that some Category 2 expenses that have previously been approved and their estimated costs or basis of their cost provided as part of the expenses estimate may not be discharged from the estate from 1 April 2021. These are indicated in the table above.

Cost to Closure

Having regard for the costs that are likely to be incurred in bringing this Liquidation to a close, the Joint Liquidators consider that:

- the original fees estimate has been exceeded; and
- the original expenses estimate has been exceeded.

The main reasons why the original fees estimate has been exceeded is explained below:

Administration and Planning

Completion of statutory tasks due to the liquidation continuing for 2 years.

Asset Realisations

Due to continued conversations regarding intercompany loans and amounts and trying to reach a settlement agreement.

However, given the limited realisations anticipated in this case, the Joint Liquidators do not propose to request authority to draw fees in excess of the original fees estimate.

Sub Contracted Work

No work has been subcontracted.

Payments to Associates

No payments to associates have been made.

Other Professional Costs

Pension Advisors

Clumber Consultancy Limited were instructed to investigate if the Company had a pension scheme. Their fees total £508.50 and no payments have been made to date.

All professional costs are reviewed and analysed before payment is approved.

Creditors' right to request information

Any Secured Creditor, or Unsecured Creditor with the support of at least 5% in value of the Unsecured Creditors or with permission of the Court, may request in writing the Joint Liquidators to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report.

Creditors' right to challenge remuneration and/or expenses

Any Secured Creditor, or Unsecured Creditor with the support of at least 10% in value of the Unsecured Creditors or with permission of the Court, may apply to the Court for one or more orders, reducing the amount or the basis of remuneration which the Joint Liquidators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of.

Please note that such challenges may not disturb remuneration or expenses disclosed in prior progress reports.

Future of the Liquidation

The Joint Liquidators will continue to liaise with the Director until a settlement agreement is reached with regards to the intercompany balances.

Should you have any queries in regard to any of the above please do not hesitate to contact Laura Stevens on 02380 821 865 or by e-mail at Laura.Stevens@quantuma.com.



David Meany
Joint Liquidator

**ISLAND TRADING COMPANY LIMITED(THE)
(IN LIQUIDATION)**

STATUTORY INFORMATION

Company Name	Island Trading Company Limited(The)
Trading Address	Suite G06 85-87 Bayham Street, London, NW1 0AG
Proceedings	In Liquidation
Date of Appointment	24 July 2020
Joint Liquidators	David Meany and Andrew Watling both of Quantuma Advisory Limited,Office D, Beresford House, Town Quay, Southampton, SO14 2AQ
Registered office Address	c/o Quantuma Advisory Limited, The Old Town Hall, 71 Christchurch Road, Ringwood, BH24 1DH
Company Number	02025957
Incorporation Date	6 June 1986

**ISLAND TRADING COMPANY LIMITED (THE
(IN LIQUIDATION))**

THE JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT AS AT 23 JULY 2023

Island Trading Company Limited(The)
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 24/07/2022 To 23/07/2023 £	From 24/07/2020 To 23/07/2023 £
	ASSET REALISATIONS		
Uncertain	Blue Mountain Music Ltd Interco Debt	NIL	NIL
Uncertain	Island Trading Inc Intercompany Debt	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	UNSECURED CREDITORS		
(1,000,000.00)	Directors	NIL	NIL
(590,000.00)	HM Revenue and Customs	NIL	NIL
(2,824,000.00)	Trade & Expense Creditors	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(4,414,100.00)</u>		<u>NIL</u>	<u>NIL</u>
	REPRESENTED BY		
			NIL

VAT Basis

Receipts and payments are shown net of VAT, with any amount due from HM Revenue and Customs shown separately. There is no VAT due.

Appendix 3

ISLAND TRADING COMPANY LIMITED(THE) (IN LIQUIDATION)

SCHEDULE OF THE JOINT LIQUIDATORS' TIME COSTS DURING THE REVIEW PERIOD AND THE WHOLE PERIOD

Time Entry - SIP9 Time & Cost Summary + Cumulative

6006873 - Island Trading Company Limited(The)
All Post Appointment Project Codes
From: 24/07/2022 To: 23/07/2023

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)	Total Hours Cum (POST Only)	Total Time Costs Cum (POST Only)
Admin & Planning	0.70	1.40	3.80	0.90	6.80	1,808.00	265.88	43.04	10,734.50
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashiering	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.80	169.00
Closing Procedures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.20	0.80	4.80	0.00	5.80	1,335.00	230.17	16.80	3,712.00
Investigations	0.60	0.00	0.00	0.00	0.60	297.00	495.00	11.70	4,029.50
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.60	0.00	0.00	0.60	201.00	335.00	3.70	889.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours / Costs	1.50	2.80	8.60	0.90	13.80	3,641.00	263.84	76.04	19,534.00
Total Fees Claimed						0.00			
Total Disbursements Claimed						0.00			

Appendix 4

ISLAND TRADING COMPANY LIMITED (THE) (IN LIQUIDATION)

DETAILED NARRATIVE LIST OF WORK UNDERTAKEN BY THE JOINT LIQUIDATORS DURING THE REVIEW PERIOD

Description of work undertaken	Includes
<u>ADMINISTRATION & PLANNING</u>	
Administration & Planning	
General Administration - Dealing with all routine correspondence and emails relating to the case.	
Case strategy & completing file reviews at 1 month, 2 months & 6 months.	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
VAT & Corporation Tax matters and returns.	Preparation and filing of VAT Returns Preparation and filing of Corporation Tax Returns
<u>CREDITORS</u>	
Creditors	
Dealing with creditor correspondence, emails and telephone conversations.	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via email and post
Dealing with Pension Schemes	Corresponding with the PPF and the Pensions Regulator
Annual/Progress Reports	Preparing, circulating and filing progress reports. Disclosure of sales to connected parties
<u>INVESTIGATIONS</u>	
Investigating & Pursuing Antecedent Transactions	
<u>REALISATION OF ASSETS</u>	
Realisation of Assets	
Debtors	Collecting supporting documents Correspondence with debtor/ Director

Current Charge-out Rates of the staff working on the case

Time charging policy

Support staff and executive assistants do not charge their time to each case except when the initial set up is being performed or when a sizeable administrative task or appropriate ad hoc duty is being undertaken

Support staff include secretarial and administrative support.

The minimum unit of time recorded is 6 minutes.

Rates are likely to be subject to periodic increase.

Staff	Charge out rates £
CEO/Managing Directors	545
Senior Manager	400
Senior Administrator	275
Case Accountant	120
Support Staff/Executive Assistant	175