

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

THURSDAY



\*AABPQS3C\*

A16 26/08/2021 #120  
COMPANIES HOUSE

For information, please  
contact the  
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

Full forename(s) Andrew

Surname Watling

① Other liquidator  
Use this section to tell us about  
another liquidator.

### 5 Liquidator's address

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	<sup>d</sup> 2	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
To date	<sup>d</sup> 2	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1

### 7 Progress report

☒ The progress report is attached

### 8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

<sup>d</sup> 2	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 8	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1
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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 **Daniel Salmon**

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.



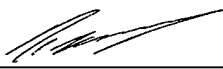
### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

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

Statement of Affairs £		From 24/07/2020 To 23/07/2021 £	From 24/07/2020 To 23/07/2021 £
	<b>ASSET REALISATIONS</b>		
Uncertain	Blue Mountain Music Ltd Interco Debt	NIL	NIL
Uncertain	Island Trading Inc Intercompany Debt	NIL	NIL
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(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
	<b>DISTRIBUTIONS</b>		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(4,414,100.00)</b>		<b>NIL</b>	<b>NIL</b>
	<b>REPRESENTED BY</b>		
			<b>NIL</b>

  
David Meany  
Joint Liquidator

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

## **THE JOINT LIQUIDATORS' PROGRESS REPORT**

**25 August 2021**

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

**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 is licensed to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales and Andrew Watling is licensed to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales**

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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 Quantum 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 2020 to 23 July 2021

## **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 our appointment as Joint Liquidators on 24 July 2020.

Please be aware that on 1 August 2020, Quantuma LLP transferred its business to Quantuma Advisory Limited

Given the information previously provided to members and creditors in our earlier report, we have not included detailed background information in respect of the Company and have focussed on the progress of the Liquidation subsequent to that report.

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. In accordance with the requirements of SIP 7, I 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.

We have summarised 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.

### **VAT Basis**

Receipts and payments are shown net of VAT, with any amount due from HM Revenue and Customs shown separately. All VAT has now been reclaimed.

### **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 Liquidation, which has ensured that the Joint Liquidators and their staff have carried out their work to high professional standards.

During the Review Period, primarily these tasks have included:

- Informing all relevant persons of the commencement of the Liquidation, including filing statutory documents at Companies House and meeting statutory advertising requirements;
- Drafting and issuing the progress report to creditors;
- Consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
- Maintaining electronic case files, which must include records to show and explain the Liquidation and any decisions made by the Joint Liquidators that materially affect the Liquidation;
- Monitoring and maintaining an adequate statutory bond;

- Conducting periodic case reviews to ensure that the Liquidation is progressing efficiently, effectively and in line with the statutory requirements;
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments; and
- Completing periodic tax returns.
- Preparing a report on the conduct of the directors as required by the Company Directors Disqualification Act.

## **Realisation of assets**

### **Intercompany Balances**

There are intercompany balances due from two intercompanies of £981,099.10 and £362,566.99 respectively. We are currently investigating the means of the two connected companies with regards to their ability to settle the intercompany balances and are liaising with the former director in relation to a potential settlement.

In addition, as previously identified in the CVA proposals, the Company appears to have made several significant payments, totalling £2,383,116, to connected companies in relation to the repayment of intercompany debts. The Company completed the sale of its freehold property located at 8 and 8a Kensington Park Road, London, W11 3BU on 3 October 2014 to an unconnected party. The net sale proceeds were used to discharge the secured creditor who held legal charges over the property with the remaining proceeds used to repay intercompany debts.

These payments appear to constitute preference payments pursuant to Section 239 of the Insolvency Act 1986 and the Joint Liquidators are investigating the same in order to establish whether any recoveries can be made in respect of the same.

### **Estimated future realisations**

As detailed above, there appears to be a potential claim pursuant to Section 239 of the Insolvency Act 1986 and we are currently liaising with the former director with regards to a potential settlement. Furthermore, this will include the two outstanding intercompany balances.

### **Payments**

No payments have been made during the Review Period.

### **Costs incurred but remaining unpaid**

There are no costs that have been incurred during the Review Period which as yet remain unpaid.

During the Review Period, the Joint Liquidators have incurred time costs and expenses, none of which have yet been discharged. Further details of these costs are set out below.

## **3. CREDITORS: CLAIMS AND DISTRIBUTIONS**

### **Secured creditors**

The Company had granted the following security:

Type of charge	Date created	Beneficiary
Legal charge	20/10/2011	HSBC Private Bank (UK) Limited
Legal charge	04/05/2007	HSBC Private Bank (UK) Limited



The Company granted a fixed and floating charge to HSBC Private Bank (UK) Limited on 30 April 2007 and 11 October 2011, however there are now no secured creditors as they have been paid in full as stated above.

The secured creditor was paid in full prior to our appointment.

#### **Preferential creditors**

The Company has no 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.

The Company granted a fixed and floating charge to HSBC Private Bank (UK) Limited on 30 April 2007 and 11 October 2011, however based on present information, they have been paid in full therefore the prescribed part element does not apply.

#### **Unsecured creditors**

Unsecured claims were estimated at £4,414,000 in the Director's Estimated Statement of Affairs and, to date, two 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**

During the Review Period, the Joint Liquidators carried out an initial review of the Company's affairs in the period prior to appointment. This included seeking information and explanations from the director(s) (and senior employees) by means of questionnaires (and interviews); making enquiries of the Company's accountants; reviewing information received from creditors; and collecting and examining the Company's bank statements, accounts and other records.

The director did not provide the books and records but did provide a completed questionnaire as well as a Statement of Affairs.

The information gleaned from this process enabled the Joint Liquidators to meet their statutory duty to submit a confidential report on the conduct of the directors (past and present) to the Insolvency Service.

This work was also carried out with the objective of making an initial assessment of whether there were any matters that may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have past dealings with the Company.

This initial assessment revealed matters that the Joint Liquidators considered merited further investigation. The Company appears to have made several significant payments to connected companies in relation to the repayment of intercompany debts and we are currently liaising with the former director with regards to a settlement and the means of intercompanies.

Although this work may not generate any financial benefit to creditors to date, it was necessary to meet the statutory duties as well as conduct appropriate enquiries and investigations into potential rights of actions to enhance realisations.

## **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**

Prior to the Joint Liquidators' 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 over the Review Period.

### **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**

### **Pre-Appointment Costs**

A fixed fee of £4,950 was agreed and paid by Blue Mountain Music Limited prior to the winding-up resolution. The third party who paid the fee is connected by the company via common directorship.

### **Joint Liquidators' Fees**

The basis of the Joint Liquidators' fees has not yet been fixed. However, the Joint Liquidators are now seeking to propose that the Joint Liquidators' fees should be fixed on the following basis:

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).

I shall be seeking creditors' approval that our fees as Joint Liquidators be fixed by reference to the time properly given by us and our staff in attending to matters as set out in the fees estimate at Appendix 3.

To date, time costs incurred totals £10,428.50 at an average hourly rate of £251.05. Total hours incurred to date are 41.54. A detailed breakdown of the time costs incurred by the Joint Liquidators and their staff is also detailed at Appendix 4.

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

### **Joint Liquidators' Expenses**

Expenses may be divided 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 Liquidators. The Joint Liquidators 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 creditors have approved the bases of their calculation.

The expenses, which include disbursements that have been incurred and not yet paid during the period are provided in Appendix 3. This includes the expenses likely to be incurred in the Liquidation. It is anticipated that the cost of the work will total £334.20.

No Category 2 expenses are expected in this matter.

Information about this insolvency process may be found on the R3 website at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors' Guide to Fees' together with Quantuma Advisory Limited current and historic charge-out rate and expenses policies may be found at <http://www.quantuma.com/guide/creditors-guide-fees>. A hard copy of both the Creditors' Guide and the charge-out rate and expenses policies may be obtained on request.

## **7. DECISION BY CORRESPONDENCE**

Attached at Appendix 7 is a Notice of Decision Procedure, which sets out the following decisions that the Joint Liquidators are asking the creditors to consider:

- 1 That a Liquidation Committee be established if sufficient nominations are received.

In the event that no Liquidation Committee is established, I would ask that the creditors consider the following decisions:

- 2 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).

Creditors are invited to vote on these proposed decisions by completing and returning the enclosed voting form (Appendix 7) together with a proof of debt form (Appendix 6), if one has not already been submitted. The Joint Liquidators must receive completed forms by no later than 23.59 on 16 September 2021 to enable the vote to be counted.

Whilst a vote by correspondence is being sought, creditors who meet a statutory threshold as set out in the Notice attached at Appendix 7 can require that a physical meeting of creditors be convened. Such a request must be made to the Joint Liquidators within 5 business days of the date on which this report was delivered. If you wish to request a physical meeting, please set out in writing which of the decision(s) above you wish the meeting to consider.

A Notice of Invitation to Form a Liquidation Committee is attached at Appendix 8. The purpose of the Committee is to assist the Joint Liquidators in discharging their functions. The Joint Liquidators do not see a need for a Committee to be formed in this case.

Notwithstanding this, creditors are entitled to seek the formation of Committee, provided that there are sufficient nominations to form a Committee. At least three nominations would be required by the date specified in the Notice.

A copy of 'A Creditors Guide to Liquidators' Fees' effective from 1 April 2021 together with Quantuma Advisory Limited current schedule of charge-out rates and chargeable expenses 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.

**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**

As detailed above, we are continuing to investigate the apparent repayment of intercompany loans and will continue to liaise with the former director with regards to a settlement in this respect.

Once this has been concluded, the Joint Liquidators will establish whether there are any surplus funds to enable a distribution to unsecured creditors and then shall seek their release from office by issuing their final account to members and creditors.

Should you have any queries in regard to any of the above please do not hesitate to contact Daniel Salmon on 02382 356936 or by e-mail at [daniel.salmon@quantuma.com](mailto:daniel.salmon@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 Andrew Watling Quantuma Advisory Limited The Old Town Hall, 71 Christchurch Road, Ringwood, BH24 1DH
Registered office Address	c/o Quantuma Advisory Limited The Old Town Hall, 71 Christchurch Road, Ringwood, BH24 1DH
Company Number	02025957
Incorporation Date	06 June 1986

**Island Trading Company Limited(The)  
(IN LIQUIDATION)**

**THE JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT  
AS AT 23 JULY 2021**

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

Statement of Affairs £		From 24/07/2020 To 23/07/2021 £	From 24/07/2020 To 23/07/2021 £
	<b>ASSET REALISATIONS</b>		
Uncertain	Blue Mountain Music Ltd Interco Debt	NIL	NIL
Uncertain	Island Trading Inc Intercompany Debt	NIL	NIL
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(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
	<b>DISTRIBUTIONS</b>		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
		NIL	NIL
<b>(4,414,100.00)</b>		<b>NIL</b>	<b>NIL</b>
	<b>REPRESENTED BY</b>		
			NIL

  
David Meany  
Joint Liquidator

**Island Trading Company Limited(The)**  
**(IN LIQUIDATION)**

**Appendix 3**

**JOINT LIQUIDATORS' FEE AND EXPENSES ESTIMATE**

**Estimate of Fees and Expenses for  
Island Trading Company Limited (The) (In Liquidation)  
To 23/07/2020**

**Summary**

	<b>Total Hours</b>	<b>Avg Hourly Rate £</b>	<b>Time Cost £</b>	<b>Disbursements £</b>	<b>Expenses £</b>
<b>Classification of Work Function</b>					
Admin & Planning	34.90	230.40	8,041.00		
Cashiering	1.70	276.18	469.50		
Closing Procedures	5.00	250.00	1,250.00		
Creditors	15.20	231.87	3,524.50		
Investigations	14.90	311.34	4,639.00		
Realisation of Assets	1.90	287.89	547.00		
	<u>73.60</u>	<u>250.96</u>	<u>18,471.00</u>		
<b>Disbursements</b>					
Category 1 Disbursements				334.20	
Category 2 Disbursements				<u>0.00</u>	
				<u>334.20</u>	
<b>Expenses (*)</b>					
					<u>0.00</u>
<b>Totals</b>	<u>73.60</u>	<u>250.96</u>	<u>18,471.00</u>	<u>334.20</u>	<u>0.00</u>

(\*) Details of the expenses the IP considers will be, or are likely to be, incurred during the period of this estimate.

Estimates Chargeable Time	18,471.00
Total Disbursements	334.20
Total Expenses	0.00
Assets by Percentage (See Note 6)	0.00
Total Fees and Expenses	<u>18,805.20</u>

Details of estimated disbursements that will be paid during the period of this estimate.

**Category 1 Disbursements**

Postage	30.00
Specific Bond	135.00
Statutory Advertising	<u>169.20</u>
	<u>334.20</u>

**Notes:**

1. Category 1 Disbursements are payable without prior approval as they are payments to independent third parties e.g. advertising, room hire, storage, travel expenses
2. Category 2 Disbursements are costs directly referable to the appointment e.g. Postage, Printing & Stationery, Mileage but as they are not to an independent third party they require approval in the same manner as the fee
3. The figures provided for Expenses are as accurate as possible based on the information available at this time. No prior approval is required for the payments of the expenses as they are regarded as a cost of the administration of the estate
4. Further approval will be sought from the creditors' committee or creditors if the circumstances of the case indicate that the above fee estimate is likely to be exceeded
5. The above estimates are all exclusive of VAT
6. Where applicable, the Assets by Percentage are itemised in the section headed Asset Realisations on a Percentage Basis



**Notes:**

The office holders are seeking to be remunerated on a time cost basis. We use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform, recording time spent in 6 minute units.

This estimate has been provided to creditors at an early stage in the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the office holders' current knowledge of the case and their knowledge and experience of acting as office holders in similar cases. As a result, the estimate does not take into account any currently unknown complexities or difficulties that may arise during the administration of the case.

This fee estimate covers the life of the case and it is currently not anticipated that the total fees during the life of the case will exceed the estimate. However, since the office holders cannot draw remuneration in excess of this estimate without first obtaining approval to do so, should the fee estimate be exceeded and where the office holders consider it appropriate in the context of the case, they will seek a resolution to increase the fee. A full outline and explanation of the fees incurred against the fees that have been estimated below will be provided to creditors with this request.

The hourly charge out rates that it is anticipated will be used on the case are as follows:

	£
<b>Managing Director</b>	480
<b>Manager</b>	310
<b>Administrator</b>	200
<b>Assistant Administrator</b>	135
<b>Case Accountant/cashier</b>	135
<b>Support Staff/Executive Assistant</b>	100

Please note that the rates quoted above will be used for each category of work outlined in the estimate and will be subject to periodic increase.

Explanations are given below in relation to each category of work outlined in the estimate. A list of the activities under those categories that it is anticipated will be carried out is also provided.

**Administration and planning**

This represents the work that is involved in the routine administrative functions of the case by the office holders and their staff, together with the control and supervision of the work done on the case by the office holders and their managers. It does not give direct financial benefit to the creditors, but ensures that the case is managed in a professional and methodical manner and has to be undertaken by the office holders to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Initial Statutory and General Notifications & Filing e.g. Advertising the appointment, undertaking statutory notifications to Companies House, HMRC, the Pension Protection Fund, preparing the documentation and dealing with other notification of appointment
- Obtaining a specific penalty bond
- Recovering & Scheduling the company's books and records
- Setting up electronic case files and electronic case details on IPS
- 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 and 6 months thereafter

-VAT & Corporation Tax matters and returns

### **Creditors**

Claims of creditors - the office holder needs maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

Dividends - the office holder has to undertake certain statutory formalities in order to enable him to pay a dividend to creditors. This include writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

- Preparing the documentation and dealing with initial appointment notification to creditors
- Dealing with creditor correspondence, emails and telephone conversations
- Dealing with Pension Schemes
- Payment of Dividends - calculating, paying a dividend to creditors & issuing the declaration notice
- Notice of Intended Dividend - issuing a notice of intended dividend to creditors and advertising where appropriate
- Reviewing and adjudicating creditors' claims - adjudicating claims & requesting additional information in support of claims
- Dealing with HMRC claims
- Annual/Progress Reports
- Initial Appointment Notification to Creditors - Preparing the documentation & sending out initial appointment notification to creditors
- Interim Fee Report to Creditors

### **Investigations**

The insolvency legislation gives the office holders powers to take recovery action in respect of what are known as antecedent transactions eg. where assets have been disposed of prior to the commencement of the insolvency procedure (and also in respect of matters such as misfeasance and wrongful trading). The office holders are required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holders will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holders will provide an estimate of that benefit if an increase in fees is necessary.

The office holders are also required by legislation to report to the Department for Business, Energy & Industrial Strategy on the conduct of the directors. The work to enable them to comply with these statutory obligations may also identify potential recovery actions.

- SIP 2 Review - Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.
- CDDA Reports - Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act.
- Investigating & Pursuing Antecedent Transactions

### **Realisation of Assets**

This is the work that needs to be undertaken to realise the known assets in the case. If this work is undertaken, the office holder anticipates that the assets will realise the estimated to realise amounts provided to creditors.

- Intercompany Balances & Loans

### **Cashiering**

The office holders must ensure that estate bank accounts are opened and maintained in accordance with legislation and SIPs. Bank reconciliations are performed on all bank accounts and statutory receipts and payments accounts are filed at Companies House & Court.

- Opening, maintaining and managing the Office Holders' cashbook and bank account.
- Dealing with cheque requisitions
- Dealing with deposit forms
- Bank Reconciliations
- Preparing & Filing statutory Receipts & Payments accounts

### **Closing Procedures**

The office holders are required by statute to effect an orderly end to the case and although this has no direct financial benefit to the creditors it is necessary so that where applicable final meetings are advertised and held and final reports are filed at Companies House and Court.

- Preparing Final Account
- Filing final statutory returns at Companies House/Court

### **EXPENSE ESTIMATE**

Full details of Quantuma's charging policy in relation to disbursements can be found at <http://www.quantuma.com/guide/creditors-guide-fees/> or alternatively a hard copy can be requested free of charge from the Quantuma's office dealing with this case.

**Island Trading Company Limited(The)  
(IN LIQUIDATION)**

**Appendix 4**

**SCHEDULE OF JOINT LIQUIDATORS TIMECOSTS DURING THE REVIEW PERIOD**

## Time Entry - Detailed SIP9 Time & Cost Summary

5006873 - Island Trading Company Limited(The)  
From: 24/07/2020 To: 23/07/2021  
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 : Administration & Planning	0.00	0.00	0.00	4.20	4.20	567.00	135.00
100A : Initial Statutory & General Notifications & Filing	0.00	0.00	0.20	0.00	0.20	43.50	217.50
101 : Insurance / Bonding	0.00	0.00	0.00	0.10	0.10	13.50	135.00
103 : IPS Case / File set up/ Filing	0.00	0.00	0.70	0.00	0.70	194.00	220.00
104 : General Administration	0.00	0.00	7.20	0.30	7.50	1,612.50	228.43
105 : Case strategy / Review	1.84	0.30	2.30	1.10	11.54	3,594.50	310.62
106 : VAT & CT matters and returns	0.00	0.00	0.20	1.00	1.20	182.00	151.67
Admin & Planning	1.84	0.30	10.50	6.70	25.84	6,337.00	245.01
600 : Cashiering	0.10	0.00	0.20	0.40	0.70	149.00	212.66
Cashiering	0.10	0.00	0.20	0.40	0.70	149.00	212.66
201 : Creditors	0.00	0.00	0.30	0.20	0.70	164.50	206.43
202A : Employees	0.10	0.00	0.10	0.00	0.20	71.50	357.50
203 : Creditor correspondence / Call	0.00	0.00	0.20	0.00	0.20	47.00	235.00
204A : Dealing with Pension Schemes	0.00	0.00	2.80	0.00	2.80	976.00	221.54
207B : Revisiting & Adjusting Creditors' Claims	0.00	0.00	0.20	0.00	0.20	47.00	235.00
210 : Secured creditor reports / claims	0.00	0.00	0.00	1.30	1.30	202.50	133.00
213 : Interim Fee Report to Creditors	0.00	0.40	0.00	0.70	1.10	230.50	209.55
Creditors -	0.10	0.40	3.50	2.40	6.50	1,919.00	201.82
300 : Investigations	2.50	0.00	0.00	0.00	2.50	1,200.00	480.00
300A : SIP 2 Review	0.00	0.00	0.80	0.00	0.80	161.00	235.00
301 : CODA Reports	0.30	0.30	0.50	0.00	1.40	434.00	310.00
302 : Pursuing Antecedent Transactions	0.00	0.00	0.60	0.00	0.60	137.50	229.17
Investigations	2.80	0.30	2.00	0.00	5.10	1,912.50	375.00
400 : Realisation of Assets	0.00	0.00	0.70	0.00	0.70	140.00	200.00
Realisation of Assets	0.00	0.00	0.70	0.00	0.70	140.00	200.00
Total Hours	4.84	7.40	17.10	9.30	38.84	9,877.50	254.31
Total Fees Claimed						0.00	

**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
<b><u>ADMINISTRATION &amp; PLANNING</u></b>	
Administration & Planning -	
Initial Statutory and General Notifications & Filing e.g. Advertising the appointment, undertaking statutory notifications to Companies House, HMRC, the Pension Protection Fund, preparing the documentation and dealing with other notification of appointment	Filing of documents to meet statutory requirements Advertising in accordance with statutory requirements
Obtaining a specific penalty bond.	
Recovering & Scheduling the company's books and records.	Collection and making an inventory of company books and records
Setting up electronic case files and electronic case details on IPS.	
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
<b><u>CREDITORS</u></b>	
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
Initial Appointment Notification to Creditors - Preparing the documentation & sending out initial appointment notification to creditors	Preparing a fee estimate for inclusion with the report to creditors.
Interim Fee Report to Creditors	
<b><u>INVESTIGATIONS</u></b>	
Investigations -	

Description of work undertaken	Includes
SIP 2 Review - Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.	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 committee/creditors or major creditors about further action to be taken
CDDA Reports - Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act.	Preparing statutory investigation reports Liaising with Insolvency Service Submission of report with the Insolvency Service Preparation and submission of supplementary report if required Assisting the Insolvency Service with its investigations
Investigating & Pursuing Antecedent Transactions	
<b>INVESTIGATIONS TOTAL</b>	
<b><u>CASHIERING</u></b>	
Opening, maintaining and managing the Office Holders' cashbook and bank account.	Preparing correspondence opening and closing accounts Requesting bank statements Correspondence with bank regarding specific transfers Maintenance of the estate cash book
Dealing with cheque requisitions	Issuing cheques/BACS payments
Dealing with deposit forms	Banking remittances
Bank Reconciliations	
Preparing & Filing statutory Receipts & Payments accounts	Preparing and filing statutory receipts and payments accounts at Companies House
<b><u>CLOSING PROCEDURES</u></b>	
Filing final statutory returns at Companies House/Court	

#### 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 £
Managing Directors	£480.00
Manager	£310.00
Senior Administrator	£235.00

Staff	Charge out rates £
Administrator	£200.00
Case Accountant	£135.00
Support Staff/Executive Assistant	£100.00



**Appendix 6**

**Island Trading Company Limited(The)  
(IN LIQUIDATION) PROOF OF DEBT**

**PROOF OF DEBT - GENERAL FORM**

**Island Trading Company Limited(The)**

Date of Resolution for voluntary winding up 24 July 2020

<b>DETAILS OF CLAIM</b>		
1.	Name of Creditor (if a company, its registered name)	
2.	Address of Creditor (i.e. principal place of business)	
3.	If the Creditor is a registered company: <ul style="list-style-type: none"> <li>For UK companies: its registered number</li> <li>For other companies: the country or territory in which it is incorporated and the number if any under which it is registered</li> <li>The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act</li> </ul>	
4.	Total amount of claim, including any Value Added Tax, as at the date of liquidation, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	£
5.	If the total amount above includes outstanding uncapitalised interest, please state	YES (£ ) / NO
6.	Particulars of how and when debt incurred	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Details of any reservation of title in relation to goods to which the debt relates	
9.	Details of any document by reference to which the debt can be substantiated. [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
10.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986	Category  Amount(s) claimed as preferential £
11.	If you wish any dividend payment that may be made to be paid in to your bank account please provide BACS details. Please be aware that if you change accounts it will be your responsibility to provide new information	Account No.:  Account Name:  Sort code:
<b>AUTHENTICATION</b>		
Signature of Creditor or person authorised to act on his behalf		
Name in BLOCK LETTERS		
Date		
If signed by someone other than the Creditor, state your postal address and authority for signing on behalf of the Creditor		
Are you the sole member of the Creditor?		YES / NO