

Chime Social Enterprise Community Interest Company –in Creditors’ Voluntary Liquidation

Joint Liquidators’ Progress report
from 28 April 2025 to 27 April 2026

Date: 26 June 2026

Company number: 07491954



Table of contents

Abbreviations and definitions..... 2
Key messages..... 5
Progress in the Period..... 7
Appendix A: Receipts and payments..... 12
Appendix B: Expenses..... 14
Appendix C: Remuneration update..... 16

Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that are specific to this appointment and report:

Joint Liquidators /Liquidators/we/us/our/Office holder(s)	Ross David Connock and David Robert Baxendale of PricewaterhouseCoopers LLP
Chime/Company	Chime Social Enterprise Community Interest Company
Date of appointment	28 April 2025
ICB	Integrated Care Board
LSH	Lambert Smith Hampton
Period	28 April 2025 to 27 April 2026
Registered office	Audiology Dept RD&E Hospital (Wonford), Barrack Road Exeter, England, EX2 5DW
Scrivens	Scrivens Ltd, trading as Scrivens Hearing Care

The following table shows generic abbreviations and insolvency terms that may be used in this report:

CVA	Company voluntary arrangement under Part 1 IA86
CVL	Creditors' voluntary liquidation
DBT	Department for Business and Trade
Firm/PwC	PricewaterhouseCoopers LLP
HMRC	HM Revenue and Customs
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
ISA	Insolvency Service Account
Insolvency code of ethics	The code of ethics aims to help insolvency practitioners meet their professional and ethical obligations. A copy can be found at https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics
NOID	Notice of intended dividend
Ordinary preferential creditors	Creditors with claims defined in IA86 as ordinary preferential debts: These include claims for: <ul style="list-style-type: none"> unpaid remuneration earned in the four months before the relevant date of the insolvency up to a maximum of £800, an unlimited amount of accrued holiday pay, unpaid pension contributions in certain circumstances
Preferential creditors	Creditors who are classified as Ordinary preferential creditors or Secondary preferential creditors, as defined below and who rank above unsecured creditors
Prescribed part (pp)	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003. It is paid out of 'net property' i.e. floating charge realisations after both costs and after setting enough aside to pay preferential creditors in full. It only has to be made

	<p>available where the floating charge was created on or after 15 September 2003. The amount of the prescribed part is;</p> <ul style="list-style-type: none"> • 50% of net property up to £10k (i.e. the pp will be up to £5k); plus (if applicable) • 20% of net property above £10k (i.e. the pp will be £5k plus 20% of the net property that exceeds £10k) <p>The pp is subject to a maximum of £600k where the floating charge(s) is / are created before 6 April 2020. The maximum is £800k where the charge(s) is / are created on or after 6 April 2020 (provided there isn't a charge created before 6 April 2020 that ranks equally or in priority to it, in which case the maximum remains at £600k)</p>
RDUH	Royal Devon University Hospital
Restructuring plan	A compromise or arrangement under Part 26A Companies Act 2006
ROT claims	Claims to retention of title over goods supplied to the Company but not paid for before the Administrators' appointment
RPS	Redundancy Payments Service, part of the Insolvency Service, which is an executive agency sponsored by DBT, and which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
Sch B1 IA86	Schedule B1 to the Insolvency Act 1986
Secondary preferential creditors	<p>Creditors with claims defined in IA86 as secondary preferential debts to be paid after ordinary preferential debts, if there are sufficient funds</p> <p>These include claims for:</p> <ul style="list-style-type: none"> • certain HMRC debts owed at the date of insolvency, consisting of VAT and relevant amounts deducted by the Company from payments due to another taxpayer and due to be paid over to HMRC (e.g. PAYE, employee NICs and Construction Industry Scheme deductions). Penalties and interest do not form part of HMRC's preferential claim
Secured creditor(s)	A creditor with security in respect of their debt, in accordance with section 248 IA86
SIP	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply
SIP 2	Statement of Insolvency Practice 2: Investigations by office holders in Liquidation and insolvent liquidations and the submission of conduct reports by office holders
SIP 9	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates from an estate
SIP 13	Statement of Insolvency Practice 13: Disposal of assets to connected parties in an insolvency process
SIP 16	Statement of Insolvency Practice 16: Pre-packaged sales in Liquidation
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006

Unsecured Creditors

Creditors who are neither secured nor preferential, ranking behind secured creditors and all preferential classes of creditors

This report has been prepared by the Office holders, solely to comply with their statutory duty to report to creditors on the progress of the insolvency, 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.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

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

Any persons choosing to rely on this report does so at their own risk. To the fullest extent permitted by law, we do not assume any liability in respect of this report to any such person.

Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

We are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Liquidators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

We may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Liquidators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Key messages

Why we've sent you this report

We have been appointed to manage the Company's affairs, business and property as its agents and act without personal liability.

This report provides you with an update on the progress in the Period, together with information we are required to include by law and applicable insolvency guidance.

Immediately below is an estimate of the expected outcome for the different creditor classes, beneath which is what you need to do.

How much creditors may receive

The following table summarises the possible outcome for creditors, based on what we currently know.

Class of creditor	Current estimate (p in £)	Estimated Timing (p in £)
Secured creditor(s)	n/a	n/a
Ordinary preferential creditors	100 p/£	Paid
Secondary preferential creditors	100 p/£	Paid
Unsecured creditors	Up to 30p/£	4 months

Secured Creditors

There are no secured creditors.

Ordinary preferential creditors

Prior to our appointment, the directors elected to settle in full the outstanding holiday pay owed to employees who were made redundant on 31 March 2025. Accordingly, no first-ranking preferential claims are expected in the liquidation in respect of those employees. Two former employees who resigned before this date submitted first-ranking preferential claims. These have been admitted and paid post period end.

In addition, the Company had unpaid pension contributions outstanding prior to our appointment. These amounts have since been settled by the Redundancy Payments Service ("RPS"), which has submitted a claim in the liquidation. A portion of this claim ranks as an ordinary preferential claim and has been admitted for dividend. We paid Ordinary preferential creditors in full on 26 May (post the period end of this report).

Secondary preferential Creditors

Amounts due to HM Revenue & Customs ("HMRC") in respect of the February and March 2025 payrolls were not remitted prior to our appointment. HMRC is therefore a Secondary preferential creditor in respect of PAYE, student loan deductions and employees' National Insurance Contributions for these periods. HMRC also ranks as a Secondary preferential creditor in respect of outstanding Value Added Tax ("VAT") liabilities.

HMRC have submitted their claim and this has been adjudicated. We paid the Secondary preferential creditor in full after the period end of this report, on 3 June.

Unsecured Creditors

Dividends become available for Unsecured creditors when there are sufficient funds (after costs of the liquidation) to pay the Secured and preferential creditors in full, with an amount left over. In certain circumstances, part of the amount available for Secured creditors may be ring-fenced for the benefit of Unsecured creditors. This Prescribed part is paid out of 'net property', which is floating charge realisations after costs, and after paying – or setting aside enough to pay – preferential creditors in full. But it only has to be made available where the floating charge was created on or after 15 September 2003.

In this case the Prescribed part does not apply because there is no floating charge registered against the Company.

We think a dividend of about 30 pence in the pound will be paid to Unsecured creditors based on what we know currently. This represents a significant improvement on the initial estimate of up to 20 pence in the pound provided in the first report to creditors, shortly after our appointment.

The dividend estimate is based on the total unsecured claims disclosed in the Statement of Affairs and remains subject to change pending final claim adjudications, completion of remaining liquidation matters and final costs.

We are currently reviewing claims received to date, prior to issuing a NOID, which we will do as soon as possible once claims received to date have been dealt with. We anticipate being able to declare a dividend to Unsecured creditors within 4 months.

What you need to do

Creditor claims

We've asked for outstanding claims from creditors so that we can agree them for dividend purposes. As we intend to shortly issue a NOID inviting Unsecured creditors to submit their claims prior to a dividend, if you haven't already done so, please send your claim to us so that we can agree it. A claim form can be downloaded from our website at www.pwc.co.uk/chimecvl or by emailing uk_chimesocial@pwc.com

All creditors wishing to receive the anticipated dividend payment must submit a proof of debt.

Please note that should you wish to vote in relation to any decision procedure during the Liquidation or object to a decision sought by deemed consent, you'll need to submit a proof of debt, even if one is not required for dividend purposes.

Progress in the Period

Please see the receipts and payments account in conjunction with the details below.

Background to insolvency

You may recall from our initial letter to creditors and members, dated 2 May 2025, that on 28 April 2025 creditors and members passed resolutions to appoint David Baxendale and I as Joint Liquidators of the Company.

Prior to that we circulated a letter on 15 April 2025 to creditors and members setting out the directors' reasons as to why the appointment of Joint Liquidators was being proposed. In this letter, it was explained that due to changes imposed by the ICB in the latest contract iteration, the financial viability of the NHS service provision for the Company had been compromised. As a result, the Company decided not to bid in the subsequent re-tender process, leading to the termination of its service provision with ICB on 31 March 2025.

Given that the Company was not financially viable without the contract income, the Board concluded that the Company was insolvent and would need to be wound up via a liquidation process after 31 March 2025. The directors of the Company therefore resolved to place the Company into Creditors' Voluntary Liquidation at a board meeting held on 3 April 2025.

A Directors' report for the decision of creditors to place the Company into liquidation dated 28 April 2025 set out further detail on the Company history leading up to the appointment, including notes on the statement of affairs. This report can be found on the creditors website at www.pwc.co.uk/services/business-restructuring/administrations/chime-social-enterprise-community-interest-company.html

Following our appointment, we took control of the Company's assets and records and liaised with relevant parties in order to realise its assets.

Realisation of assets

Cash at bank

Following our appointment, we secured the Company's pre-appointment bank account and transferred the balance of £447,393.71 to the liquidation account to protect creditor funds.

These funds have since been held in an interest-bearing account, generating interest of £20,242.30 to date and increasing overall realisations. The monies have subsequently been taken off interest bearing in order to prepare and file a final tax return and to allow for the distributions to creditors.

Accounts receivable (debtors)

The Company held a contract with the ICB for the provision of NHS audiology services in Devon and, at the time the Statement of Affairs was prepared, it was initially considered that the ICB would be a creditor in the liquidation.

Following our appointment, we engaged with the ICB and carried out a comprehensive review of the Company's contractual and financial records. This review established that the ICB was in fact a debtor in relation to a pre-appointment contract settlement.

Significant work was undertaken to reconcile the account, validate the Company's entitlement, and coordinate with the pre-appointment bank to secure receipt of the funds. A credit note was issued to support final agreement of the position. Consequently, payment of £333,492 was received into the pre-appointment bank account and transferred to the liquidation estate, for the benefit of creditors.

Fixed assets and stock

Shortly following our appointment, we engaged LSH to act as our agents in connection with the disposal of the Company's remaining assets. An agency agreement was entered into, providing for a fee of 10% of realisations achieved.

Working with LSH, we marketed and negotiated the sale of the Company's remaining stock, fixtures, and fittings. The majority of assets were sold externally through LSH's marketing process, resulting in realisations of £88,500 for the stock.

Since our appointment, we continued to actively market the Company's remaining hearing aid stock, which had an estimated book value of £19,170. In line with the position outlined in the directors' report prepared prior to our appointment, the stock had previously been offered to a number of potential purchasers, but no offers were received.

Following further direct marketing efforts post-appointment, no expressions of interest or offers have been forthcoming. Given the specialised nature of the stock and limited market demand, we ultimately offered the stock back to the supplier for a credit note for the full value of the stock. This has resulted in a reduction of the overall unsecured creditor pool of £19,170, delivering a benefit to remaining creditors. Accordingly, this matter is now considered concluded, and no further asset realisations in this category are expected.

In addition, we marketed the Exeter premises and related assets to a number of parties. Following discussion with the interested parties, we assisted in an assignment of the Exeter lease to Scrivens thereby preventing any liability from crystallising with respect to the lease, which would have impacted returns to the Unsecured creditors, and safeguarding the provision of services from the premises for the local community.

We held extensive discussions with Scrivens, the incoming tenant of the Exeter premises, regarding certain audiology and computer equipment on-site. An initial value of approximately £5,000 had been discussed in principle, as referred to in the directors' report. Following further review and negotiation, the fixtures and fittings were ultimately sold to the incoming tenant for £1,100. This represented a practical and cost-effective outcome, avoiding removal and storage costs and facilitating a smooth handover of the premises.

IT Equipment

During Chime's wind-down prior to liquidation, the directors agreed that SolveIT, the Company's IT services provider, will wipe and resell certain IT assets as part of the hardware disposal process. This left around £1,800 owed to Chime as mentioned in the directors' report. Chime also owed SolveIT about £1,000 for van hire and removal services, which were pre-appointment costs for gathering all of the company's assets from its various locations. After offsetting these amounts, around £800 remained due to Chime. We tried to recover this balance, but it was not forthcoming and following internal discussions, it was agreed that pursuing this immaterial balance would not be in the interest of creditors.

Intellectual property and commercial customer data list

We engaged with Scrivens early in the process regarding the potential purchase of the Company's intellectual property and related customer data for micro-suction patients. Following discussions and a targeted marketing exercise with alternative providers, terms were agreed for a sale to Scrivens.

Realisations of £4,750 for the intellectual property and £3,900 for the associated customer data were achieved. This outcome delivered value to the estate while ensuring the transfer of data was carried out in a controlled and compliant manner in line with data protection requirements.

Prepayments

As part of the liquidation, we identified and secured refunds from the Company's group life assurance policy totalling £6,204.17.

The refunds were processed in line with the policy terms and confirmed as payable to the estate. These recoveries strengthened the overall asset position and reflect the ongoing management of the Company's affairs during the wind-down.

Sundry debts and refunds

Following our appointment, we identified a book debt that was received into the Company's pre-appointment bank account from a business customer after the date of our appointment. The funds, totalling £4,650, have since been transferred to the post-appointment bank account and form part of the liquidation estate.

Following the appointment of the Joint Liquidators and the transfer of funds from the Company's pre-appointment bank account, we identified that the Company had received £236.64 in respect of sundry debtors and refunds post-appointment. These funds have been accounted for and form part of the liquidation estate.

Insurance

Immediately upon appointment, we arranged appropriate insurance cover through the Company's brokers to safeguard the assets. Following completion of the asset sales, the cover was cancelled and this matter is now concluded.

HMRC pre-appointment debtor

Following our appointment, we liaised with HMRC and undertook a review of the relevant payroll and tax records to substantiate the position. As a result, a refund of £2,352.04 was recovered through a post-appointment VAT return in relation to an invoice dated post-appointment but paid pre-appointment (at 45% recovery due to the Company being partially exempt for VAT purposes). This amount has therefore been recognised as a pre-appointment HMRC debtor and is reflected separately in the receipts and payments account at Appendix A.

Connected party transactions

There have been no connected party transactions in the period covered by this report.

Creditors

During the period, we have undertaken creditor-related work including the review, response and coordination of creditor enquiries received through the creditor mailbox. Proofs of debt were filed, reviewed and adjudicated and our records updated to ensure the creditor listings and claim positions remained accurate.

Particular attention was given to unsecured employee claims, as well as HMRC and RPS positions, alongside other complex or sensitive creditor matters. Outcomes were appropriately documented through file notes, strategy updates and stakeholder communications.

As noted above, we have adjudicated and agreed the Ordinary preferential and Secondary preferential creditors. We have paid a dividend in full to both the Ordinary and Secondary preferential creditors after the period end of this report.

We have commenced the process of adjudicating Unsecured creditor claims and expect to issue a NOID in the next two months and declare and pay a dividend in the next 4 months. Prior to issuing our NOID, we need to finalise the Company's tax position and ensure all outstanding expenses are either settled or accounted for, so that we have certainty over the amount distributable to Unsecured creditors.

Statutory and compliance

Since our appointment we have continued to comply with our statutory obligations. These include but are not limited to:

- sending initial notification to creditors;
- preparing our remuneration report to seek approval of our fees and disbursements from creditors;
- conducting periodic case reviews, statutory filing of documents, collection and storage of books and records and monitoring internal controls to ensure the liquidation strategy continues to be appropriate and that outstanding matters are progressed on a timely basis, and that our files are updated accordingly - in accordance with insolvency law and best practice.

One of our duties was to look at the actions of anybody who has been a director of the Company in the three years before our appointment. We submitted our findings to the DBT within the required three months of our appointment. Since then, nothing has come to our attention to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and SIP 2.

We will continue to comply with our statutory obligations as Joint Liquidators as we take steps to make distributions to preferential and unsecured creditors, and progress the liquidation estate to closure.

Tax

Our first post-appointment corporation tax return is for the period from 28 April 2025 to 27 April 2026. We have submitted the corporation tax return and this resulted in a payment to HMRC of £3,105.25. We are finalising the Company's tax position prior to taking steps to make a distribution to Unsecured creditors.

VAT

The first post-appointment VAT return covered the period from 28 April 2025 to 30 September 2025 and has been submitted to HMRC, with a payment of £16,718.03 made. The VAT-payable position arose primarily due to the significant asset realisations completed during the liquidation and the Company's partial restriction of 45% on input VAT recovery. As a result, not all input VAT incurred could be reclaimed and the remaining 55% of VAT paid (being £2,730.41) is shown in the receipts and payments account as irrecoverable VAT.

We have also submitted the VAT return for the period 1 October 2025 to 31 December 2025, which was a nil return, and at the same time deregistered the Company for VAT purposes. A claim will be made to HMRC for any remaining input VAT due prior to the closure of the liquidation.

A sum of £2,352.04 was recovered through the post-appointment VAT return in relation to an invoice dated post-appointment but paid pre-appointment. This has been reported above in the realisation of assets section as it is essentially a pre appointment HMRC debtor.

Employees

Prior to our appointment Chime employed 78 individuals. When Chime ceased provision of services, 14 employees at the RDUH were subject to a TUPE transfer to the hospital and one employee had left. The remaining 63 employees had undergone a redundancy consultation process and 60 of these employees were ultimately made redundant on 31 March 2025. The Company retained 3 employees to assist with wind down activities, who were made redundant on 30 April 2025.

The March 2025 payroll was processed as normal in respect of amounts owed to employees, and a final payroll was run in the final week leading up to the appointment of liquidators for the remaining employees and for the holiday pay for all redundant employees.

We have worked with the RPS to ensure that employees were fully supported when completing and submitting their redundancy claims. This resulted in employees receiving any statutory payments they were eligible to claim as quickly as possible. We also responded to various queries and provided support through our dedicated creditor mailbox at the start of the Liquidation for employees to ask questions and receive additional support. We continue to monitor the mailbox and answer email queries as and when received.

Investigations and actions

We have reviewed the Companies' affairs and taken into account any points raised by creditors in discharging our duties under the Company Directors' Disqualification Act 1986 and SIP 2. At this time, nothing has come to our attention to suggest we need to do any more work in line with our duties.

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments for the Period of the liquidation (and cumulatively). We have detailed above the progress in the Period and whether it has resulted in any realisations.

Our expenses

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

The statement excludes any potential tax liabilities that we may need to pay as a liquidation expense in due course because amounts due will depend on the position at the end of the tax accounting period.

Our fees

We set out in Appendix C an update on our fees, expenses and other related matters.

The creditors agreed our fees be fixed at a set amount of £350,000 plus VAT, on 17 April 2026.

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge our fees and expenses within eight weeks of receiving this report as set out in Rule 18.34 IR16. This information can also be found in the guide to fees at:

<https://www.icaew.com/-/media/corporate/files/regulations/insolvency/creditors-guides/2021/liquidations-creditor-fee-guide-1-april-2021.ashx>

You can also get a copy free of charge by telephoning on 0113 289 4000.

What we still need to do

There are a number of matters that we must conclude before exiting office. These include, but are not limited to:

- Continue to receive and adjudicate Unsecured creditor claims and issue a NOID;
- Conclude the Company's tax affairs and settle any final liabilities, prior to making a distribution to Unsecured creditors;
- Submit a final VAT 426 form to reclaim input tax on liquidation expenses;
- Finalise the adjudication of Unsecured claims after the last date for proving claims has passed, and subsequently declare and pay a distribution to Unsecured creditors;
- Paying over any un-cashed dividends to the ISA.
- Ongoing statutory requirements including the preparation and circulation of a final progress report, internal case reviews; management of the estate's account and ensuring all outstanding expenses are settled; and
- Attend the formalities of closing the liquidation estate and seeking release from office.

Future reports and contact information

We expect to send our next report to creditors at the end of the liquidation or in about 12 months, whichever is sooner.

If you've got any questions, you can contact the case team as follows: By telephone on 0113 289 4000 or by email on uk_chimesocial@pwc.com or by post to PwC, Central Square, 29 Wellington Street, Leeds, LS1 4DL.

Yours faithfully



Ross Connock
Joint Liquidator

Appendix A: Receipts and payments

Chime Social Enterprise Community Interest Company

In Liquidation

Joint Liquidators' Abstract of Receipts and Payments from 28 April 2025 to 27 April 2026

28 April 2025 to 27 April 2026

Statement of affairs	RECEIPTS	Notes	£
129,000	Fixtures & Fittings	3	1,100.00
	Stock		88,500.00
	Intellectual Property		4,750.00
1,000	Book debts		4,650.00
	Pensions & Life Policies		6,204.17
	Transfer of customer data		3,900.00
1,000	Sundry debts & refunds		236.64
	ICB contract		333,492.00
	Bank Interest Gross		20,242.30
	HMRC pre-appointment debtor		2,352.04
493,638	Cash in hand		447,393.71
	Receipts in Period		912,820.86
	Balance at end of Period		912,820.86
	PAYMENTS		
	Sub Contractors	7	200.00
	Professional Fees		12,289.59
	Corporation tax / Income tax		3,105.25
	Irrecoverable VAT		2,730.41
	Storage Costs		145.06
	Statutory advertising		208.00
	Insurance		252.00
	Payments in Period		18,930.31
	Balance at end of Period		18,930.31
	Net Receipts/(Payments)		893,890.55

Notes to the receipts and payments account:

1. All amounts shown exclude VAT. Funds currently held may include monies due to HMRC or exclude monies which will be received in due course from HMRC. 55% of VAT is considered to be irrecoverable based on the Company's VAT recoverability (partially exempt status) prior to the appointment of the Joint Liquidators. This gives rise to irrecoverable VAT during the liquidation.
2. There is no secured creditor and therefore all funds are uncharged.
3. The statement of affairs value of £129,000 for fixtures and fittings also includes stock.
4. As explained further in Appendix C, our fees are based on a set fee of £350,000. This has been paid post period end and is not therefore shown in the receipts and payments account above.
5. There have been no payments made to us, our Firm or our associates other than from the insolvent estate as shown in the receipts and payments account provided above.

6. Appendix B below sets out our disbursements incurred to date. No disbursements or Category 2 expenses have been drawn in the period (or to date).
7. In Appendix B, we also explain what work has been sub-contracted out (that would otherwise have been done by us). The amounts paid for those services during the Period were £400 and are included in the above.
8. As explained above, no dividends were paid to creditors in this reporting period.
9. Funds have been held in an interest bearing account to maximise interest recovery but have now taken the account off interest bearing in order to file a final tax return and make distributions to creditors.

Appendix B: Expenses

Expenses are amounts properly payable by us as Liquidators from the estate, but excludes our fees and distributions to creditors.

These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

Expenses fall into two categories:

Expense	SIP9 definition
Category 1	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
Category 2	Payments to our Firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties, but we do need approval to draw Category 2 expenses. The body of creditors who approve our fees (in this case the general body of creditors) also has the responsibility for agreeing the basis for payment of Category 2 expenses.

The rate for services provided by the Liquidators' own firm (Category 2 expenses) may periodically rise (for example to cover annual inflationary cost increases) over the period of the liquidation. All other disbursements to be charged at cost.

The following table provides a breakdown of the Category 2 expenses incurred in the Period, together with details of the Category 1 expenses that have been incurred as disbursements by PwC and will be recharged to the case

Category	Cost incurred by	Policy	Costs incurred (£)
2	PwC	Up to 20 pence per side copied, only charged for circulars to creditors and other bulk copying.	136.87
1	PwC	Postage	473.05
1	PwC	Storage costs	73.08
1	PwC	Statutory bonding	225.00
Total			908.00

The expense policy set out above has been approved by the general body of creditors on 17 April 2026.

The table below provides details of all the expenses incurred in the liquidation.

Nature of expenses	Incurred (£)	Estimated future (£)	Anticipated total (£)	Initial Estimate	Variance
Sub Contractors	200.00	-	200.00	200.00	0.00
Insurance	252.00	-	252.00	252.00	0.00
Statutory advertising	208.00	208.00	416.00	416.00	0.00
Irrecoverable VAT	2,730.41	38,715.00	41,445.41	41,445.41	0.00
Professional fees	12,289.59	-	12,289.59	12,289.59	0.00
Storage costs	145.06	-	145.06	145.06	0.00
Joint Liquidators' disbursements	908.00	841.00	1,749.00	1,750.00	1.00
Total Expenses	16,733.06	39,764.00	56,497.06	56,498.06	1.00

The table also excludes any potential tax liabilities that we may need to pay as a liquidation expense because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the Period (which is the total paid to date).

Details of subcontracted work

We have contracted out the following work, which we or our staff would normally do:

- Assistance with on site sale of assets - due to their prior Company knowledge we instructed a former member of staff to assist us with the sale of audiology assets, on a fixed fee basis.
- Forensic bank statement analysis - To assist us with our duties under the Company Directors' Disqualification Act 1986 and SIP 2, we instructed Prism 339 Limited to carry out a forensic bank statement analysis. We made the decision to sub contract this work due to their insolvency expertise and it was also deemed more cost effective to the liquidation estate.

Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the Period of this report. Relevant parties have been chosen due to their specific area of expertise or technical knowledge and payments to those parties based on standard commercial terms.

Legal and other professional firms

We instructed the following professionals on this case:

Relevant parties have been chosen due to their specific area of expertise or technical knowledge and payments to those parties are based on standard commercial terms.

Service provided	Name of firm	Reason selected	Basis of fees and actual/estimated cost of the work
Insurance - Open Cover Insurance	Specialist Risk Insurance Ltd	Industry knowledge and insolvency expertise	Time costs and disbursements Costs up to 27 April 2026 £252 (paid)
Company asset valuation and sale	Lambert Smith Hampton	Industry knowledge and insolvency expertise	10% commission on sales Costs up to 27 April 2026 £9,935.16 (paid)
Forensic bank statement analysis	Prism 339 Limited	Industry knowledge and insolvency expertise	Fixed Fee Costs up to 27 April 2026 £200 (paid)
Legal advice post appointment in relation to the sale agreement in regarding to the sale of audiology equipment	Foot Anstey LLP	Industry knowledge	Time costs and disbursements Costs up to 27 April 2026 £2,154.43 (paid)
Assistance with on site sale of assets	Mr P Meikle	Industry Knowledge	Fixed fee Costs up to 27 April 2026 £200 (paid)

We require all third-party professionals to submit time costs analyses and narrative in support of invoices rendered. We undertake the following steps to review professional firms' costs:

- Detailed review of the narrative provided in support of the time charged; and
- Assess the reasonableness of the fees charged in the context of the advice sought and complexity of the matter.

Appendix C: Remuneration update

During the Period covered by this report, we issued a remuneration report to creditors and invited them to consider the basis of our fees and disbursements policy via a decision by correspondence.

Our fees were approved on a fixed fee basis by the general body of creditors on 17 April 2026. This approval allows us to draw the set amount of £350,000 plus VAT in respect of our remuneration as Joint Liquidators.

We set out later in this Appendix details of our work to date and anticipated future work.

Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the liquidation where the relationship could give rise to a conflict of interest.

Our work in the Period

In the following table we provide detail on the key areas of work; this is not an exhaustive list.

Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Accounting and treasury		
<ul style="list-style-type: none"> Opening bank accounts Dealing with receipts, payments and journals Carrying out bank reconciliations and managing investment of funds Corresponding with bank regarding account related issues Performing independent verifications of suppliers' bank details in order to process payments 	<ul style="list-style-type: none"> To ensure accurate financial records and proper management of estate funds Effective case management 	<ul style="list-style-type: none"> To ensure orderly management of the bank accounts
Assets		
<u>Sale of business</u>		
<ul style="list-style-type: none"> Liaising with pre-appointment bankers to obtain cash balance and dealing with receipt of incoming funds Review of bank statements to ensure post appointment refunds accounted for Liaising with employees to ensure assets are accounted for and secured Liaising with agents regarding asset security and realisations Reviewing stock values Drafting and completing invoices for sale of assets Identifying and liaising with interested parties regarding sale of Company assets Carrying out tasks associated with the sale of the intellectual property including, but not limited to, negotiations with interested parties, obtaining 	<ul style="list-style-type: none"> To maximise realisations for the benefit of creditors and ensure assets are dealt with appropriately 	<ul style="list-style-type: none"> To recover assets for the benefit of creditors and facilitate the best possible outcome for stakeholders

legal advice particularly with respect to GDPR obligations and review of contracts prior to completion

- Concluding the sale of the intellectual property
- Applied electronic signatures to contracts and circulated executed documents to relevant third parties.
- Held discussions with interested parties regarding the shop lease position and proposed sale of equipment.
- Engaged with interested parties on the potential sale of the customer list, progressing discussions to support asset realisation.

Other assets

- Review of the ICB contract and liaising with third parties to ensure receipt of funds
- Carrying out reconciliation in relation to ICB receipt
- Review of customer list ahead of sale
- Exiting the leasehold property occupied by the Company
- Liaising with utility companies post exit of leasehold property
- Liaising with landlord of leasehold property and facilitating an assignment of the lease
- Liaised with advisers and stakeholders on property matters, including lease assignment, vacation timelines, and rent calculations.
- Coordinated CHC arrangements such as key handover, execution of documents, site access, and resolution of operational issues.
- Receipt of sundry book debts and refunds.

Insurance cover & claims

- Arranging insurance cover post appointment
- Reviewing insurance policies
- Corresponding with insurer regarding initial and ongoing insurance requirements
- Drafted and issued correspondence to insurers to arrange and confirm insurance cover, including pre- and post-appointment policies.

Creditors

Creditor enquiries

- Setting up a dedicated website for delivery of initial and ongoing communications and reports
- Writing to creditors to give notice of our appointment
- Regularly updating the liquidation website for information relevant to creditors, where necessary
- Receiving and following up creditor enquiries via telephone, email and post
- Reviewing and preparing correspondence to creditors and their representatives
- Receipting and filing proofs of debt

Ordinary preferential creditors

- Corresponding with employees regarding dividend
- Corresponding with the RPS regarding proof of debt and reviewing the initial claim received

Secondary preferential creditors

- Corresponding with HMRC regarding proof of debt
- Reviewing and adjudicating Secondary preferential claim

Unsecured claim agreement

- Corresponding with HMRC regarding proof of debt
- Review of employee unsecured creditor claim balances

- To keep creditors informed and facilitate the Unsecured claims agreement process

- To comply with statutory obligations and ensure transparency in the Liquidation process

Employees and pensions

Communications with employees

- Drafting, issuing and delivering initial communications and announcements
- Preparing letters to employees advising of their entitlements and options available
- Receiving and following up employee enquiries via telephone, post and email

- To keep employees updated and collect data for claims processes

- Required by statute and for the proper management of the case
-

Redundancy related work

- Making redundancies
- Liaising with the RPS and external agencies

Pensions

- Issuing statutory notices
- Liaising with employees regarding pension queries
- Dealing with general pension scheme issues
- Calculating contributions and requesting payments to the relevant scheme or policy
- Liaising with NHS Pensions and pre appointment payroll provider in order to provide accurate information in relation to outstanding contributions

Investigations

Conducting investigations

- Collecting and reviewing Company books and records
 - Preparing comparative financial statements and deficiency statement
 - Preparing investigation file and lodging findings with the Department for Business, Innovation and Skills
- To comply with statutory requirements
 - Required by statute

Statutory and compliance

Initial letters and notifications

- Preparing and issuing all necessary initial letters and notices regarding the Liquidation and our appointment
- To comply with statutory and regulatory obligations
 - To comply with statutory obligations and ensure proper conduct of the Liquidation.

Remuneration report

- Preparing and circulating to creditors a remuneration report giving details of the work we expect to carry out during our appointment
- Preparing documents and information for the purpose of obtaining approval of Category 2 disbursements
- Issuing notices and associated documentation for seeking decisions of creditors

Case reviews

- Conducting case reviews after the first month, then every six months

Progress reports

- Preparing periodic progress reports to creditors and the Registrar

Books and records

- Collecting company books and records where not related to investigatory work
- Review of books and records
- Dealing with records in storage
- Data extraction from Company records on appointment
- Collecting electronic books and records
- Dealing with data information requests

Other statutory and compliance

- Filing of documents
- Updating checklists and diary management system

Strategy and planning

Strategy and planning

- Completing tasks relating to job acceptance
- Preparing fee budgets and monitoring cost
- Holding team meetings and discussions regarding status of Liquidation
- Filing documents
- Updating progression tracker and allocating tasks
- To ensure orderly management and case progression
- Ensures orderly progression of the Liquidation

Tax and VAT

Tax

- Gathering information for the initial tax review
- Carrying out tax review and subsequent enquiries
- To ensure compliance with tax legislation and maximise potential recoveries
- To comply with statutory obligations and potentially increase realisations for creditors

-
- Preparing and submitting tax computations to HMRC

VAT

- Gathering information for the initial VAT review
 - Carrying out VAT review and subsequent enquiries
 - Preparation and submission of pre-appointment VAT return
 - Preparing post appointment VAT returns
 - Deregistering the Company for VAT purposes
-

Our future work

We still need to do the following work in the liquidation.

Work to be undertaken	What, if any, financial benefit will the work provide to creditors OR whether it is required by statute
Accounting and treasury	
<ul style="list-style-type: none">• Closing bank accounts• Dealing with receipts, payments and journals• Carrying out bank reconciliations and managing investment of funds• Corresponding with bank regarding specific transfers• Performing independent verifications of suppliers' bank details in order to process payments	<ul style="list-style-type: none">• No financial benefit to creditors. To ensure orderly management and progression of the Liquidation and comply with statutory obligations
Creditors	
<u>Creditor enquiries</u>	
<ul style="list-style-type: none">• Updating the liquidation website for information relevant to creditors where necessary• Receiving and following up creditor enquiries via telephone, email and post• Reviewing and preparing correspondence to creditors and their representatives• Receipting and filing proofs of debt	<ul style="list-style-type: none">• To comply with statutory obligations and ensure transparency in the Liquidation process• To distribute funds to creditors
<u>Ordinary preferential creditors</u>	
<ul style="list-style-type: none">• Confirming dividend rate and preparing and paying distribution	
<u>Secondary preferential creditors</u>	
<ul style="list-style-type: none">• Confirming dividend rate and preparing and paying distribution	
<u>Unsecured claim agreement</u>	
<ul style="list-style-type: none">• Dealing with proofs of debt for dividend purposes• Review of employee unsecured creditor claim balances• Preparing correspondence to potential creditors inviting lodgement of proof of debt	

-
- Receiving proofs of debt and maintaining register
 - Adjudicating claims, including requesting further information from creditors
 - Preparing correspondence to creditors advising outcome of adjudication and advising of intention to declare dividend
 - Advertising intention to declare dividend correspondence to creditors announcing declaration of dividend
 - Calculating dividend rate and preparing dividend file
 - Preparing and paying distribution
 - Paying over uncashed dividends to the Insolvency service

Employees and pensions

Communications with employees

- Receiving and following up employee enquiries via telephone, post and email

Redundancy related work

- Liaising with the RPS and external agencies, as required

Pensions

- Liaise with employees regarding pension queries
- Dealing with general pension scheme issues
- Liaising with NHS Pensions and pre appointment payroll providers as required.

- Required by statute and for the proper management of the case

Statutory and compliance

Case reviews

- Conducting case reviews every six months.

Progress reports and extensions

- Preparing and issuing periodic progress reports to creditors and the Registrar

Other meetings/resolutions

- If necessary, issuing notices and associated documentation for seeking decisions of creditors

Books and records

- Dealing with the books and records prior to ceasing to act
-

- To comply with statutory obligations and ensure proper conduct of the Liquidation. No financial benefit to creditors

Other statutory and compliance

- Filing of documents
- Updating checklists and diary management system

Strategy and planning

Strategy and planning

- Drawing fees and expenses from the estate in accordance with approval obtained
 - Holding team meetings and discussions to progress the Liquidation.
 - Filing of documents
 - Updating progression tracker and allocating tasks
- To ensure proper conduct of the Liquidation. No financial benefit to creditors

Tax & VAT

Tax

- Preparing tax computations and submitting a final tax return
- Liaising with HMRC as required

VAT

- Liaising with HMRC as required
 - Submission of further VAT 426 returns
- To comply with statutory obligations and potentially increase realisations for creditors

Liquidation

Closure procedures

- Completing checklists and diary management system
 - Closing down internal systems
 - Preparing and issuing Joint Liquidator's final report to creditors
 - Filing forms with the registrar of companies
- To comply with statutory obligations and ensure proper conduct of the Liquidation. No financial benefit to creditors