

Joint liquidators' progress report from 11 June 2020 to 10 June 2021

6 August 2021
Gemma International Limited - in Liquidation

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Abbreviations and definitions

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

Abbreviation or definition	Meaning
Company	Gemma International Limited
Liquidators	Rachael Maria Wilkinson and Zelf Hussain
Firm	PricewaterhouseCoopers LLP
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
CVL	Creditors' voluntary liquidation
HMRC	HM Revenue and Customs
NOID	Notice of Intended Dividend
Prescribed part	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
Secured creditors	Creditors with security in respect of their debt, in accordance with Section 248 IA86
Preferential creditors	Generally, claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
RPS	Redundancy Payments Service, an executive agency sponsored by the Department for Business, Energy and Industrial Strategy, which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
Unsecured creditors	Creditors who are neither secured nor preferential

This report has been prepared by Rachael Maria Wilkinson and Zelf Hussain as Joint Liquidators of the Company, solely to comply with the Joint Liquidators' statutory duty to report to creditors under IR16 on the progress of the liquidation, 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 for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Liquidators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Liquidators' previous reports issued to the Company's creditors, which can be found at <https://www.pwc.co.uk/gemma>. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Rachael Maria Wilkinson and Zelf Hussain have been appointed as Joint Liquidators of the Company. Both 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>

The Joint Liquidators 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're writing to update you on the progress of the liquidation of the Company in the 12 months since our last report dated 6 August 2020.

You can still view our earlier reports on our website at www.pwc.co.uk/gemma. Please get in touch with James Crowther at crowther.james@pwc.com if you need the password to access the reports.

How much creditors have received

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

Class of creditor	Current estimate (p in £)	Previous estimate (p in £)
Secured creditor	100p/£	100p/£
Preferential creditors	100p/£	100p/£
Unsecured creditors	*5-11p/£	10-31p/£

* The estimate has decreased due to interest being added to and paid on the secured creditor's claim and some future liquidation costs being omitted from the previous calculation.

What you need to do

We had previously asked for outstanding claims from unsecured creditors so that we could agree them for dividend purposes. Following the current period end, we issued a Notice of Intended Dividend (NOID) for a first and final dividend dated 24 June 2021 to unsecured creditors. This notice set the last date for creditors to prove their debt as 19 July 2021, which has now passed. Any claims received after 19 July 2021 may be rejected.

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.

This report is for your information and you don't need to do anything.

Overview of what we've done to date

This is our second progress report. You may wish to refer to our previous report which can be found at www.pwc.co.uk/gemma. As explained in our earlier report the Company ceased operations from their office and warehouse space on 31 July 2019. We settled all the expenses incurred during the short wind-down period, including utilities, rent, payroll and business rates from realisations. We also offered surrender of the lease to the landlord which was accepted.

We have finalised the book debt collection exercise as well as selling the remaining stock. The final outcome was the collection of book debts in the sum of £637k and the sale of stock of £111k. On appointment we also secured the cash at bank, in the sum of £228k.

We contacted the employees regarding any preferential claims they may have had, adjudicated their claims and declared a preferential dividend to creditors of 100p in the £ on 4 May 2020. Due to Covid 19 restrictions, there was a delay in paying the dividend and payment was subsequently made on 28 August 2020.

We have now started adjudicating the unsecured claims and on 24 June 2021 a formal Notice of Intended Dividend (NOID) was issued to creditors who had not yet submitted their claim. The deadline for claims to be received was 19 July 2021.

We remain in office to pay the dividend to unsecured creditors. Once this dividend has been paid we shall commence the closure process.

When we last reported, the key outstanding matters in the liquidation were as follows:

- Distributing funds to the Secured creditor in line with its security arrangements over the Company;
- Payment of the preferential dividend to the preferential creditors;
- Finalising the Company's tax affairs, including receiving clearance from HMRC;
- Finalising the Company's VAT affairs, and generally preparing the case for closure;
- Issuing the Notice of Intended Dividend to the unsecured creditors; and
- Payment of the dividend to the unsecured creditors.

Outcome for creditors

Secured creditors

The Secured Creditor, Linmar Executive Pension Scheme, had a fixed and floating charge over the Company's assets. During the period of this report we have been in contact with the secured creditor, and paid dividends to the value of £156k. A total of £555,975 has been paid to the secured creditor, whose fixed and floating charge has now been paid in full.

Preferential creditors (mainly employees)

In their statement of affairs, the directors thought that the preferential claims would total around £38,364.

As stated above we declared the preferential dividend to creditors of 100p in the £ on 4 May 2020 and paid it on 28 August 2020. Payment of the dividend was delayed due to the impact of Covid-19, this was due to our office buildings being closed and therefore we were unable to print the dividend cheques. The final value of the preferential dividend was £36,471.

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.

The prescribed part would be applicable in this case as there is a floating charge created after 15 September 2003.

The amount of the prescribed part is:

- 50% of net property up to £10,000
- 20% of net property above £10,000
- Subject to a maximum of £600,000

However, in this particular case there have been sufficient realisations to be able to pay the secured creditor in full. Therefore we no longer consider the prescribed part provisions to be applicable and the dividend will be paid from free funds, rather than from the prescribed part.

We expect that the total amount available for distribution will be c£104k, which is equivalent to what the prescribed part distribution would have been after costs.

Given the last day to prove has now passed, we are finalising claims and preparing to declare the dividend as soon as possible.

Progress since we last reported

Realisation of assets

During the period there were only sundry debts and refunds to the value of £1.7k. We believe that there will be no further realisations.

Connected party transactions

In accordance with SIP13, we are required to disclose any known connected party transactions that occurred in the period following our appointment or any proposed connected party transactions. We can confirm that no such transactions have occurred and none are expected.

Other issues

Tax and VAT

During the period we wrote to HMRC to seek corporation tax clearance. We also submitted a VAT426 form to claim VAT back which was rightfully owed to the Company. There was a delay in receiving tax clearance and also in receiving the VAT refund, which resulted in a delay issuing the NOID.

However, we have now received clearance for corporation tax purposes and received the VAT refund and, as mentioned above, have now issued the NOID.

Statutory and compliance

Part of our work requires us to complete a number of statutory and compliance tasks. During the period under review this work has included but is not limited to the following matters:

- Drafting, issuing and publishing the first annual report to creditors;
- Working on and completing VAT and tax matters;
- Paying the preferential dividend;
- Continuing the adjudication process of unsecured creditors claims; and
- Liaising with and paying final dividends to the secured creditors.

Liquidation committee

Creditors were invited to form a committee when asked to approve our remuneration by the notice of decision procedure on 10 June 2020. Creditors resolved not to form a liquidation committee and no committee has been formed since this date.

Investigations and actions

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the liquidation from 11 June 2020 to 10 June 2021.

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, disbursements and other related matters.

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/technical/insolvency/creditors-guides/2017/liquidations-creditor-fee-guide-6-april-2017.ashx?la=en>

You can also get a copy free of charge by telephoning James Crowther on 0113 289 4076.

What we still need to do

We remain in office as there are still outstanding matters to finalise, these being:

- Payment of the dividend to the unsecured creditors and dealing with any uncashed dividend cheques;
- Payment of final office holders' fee and disbursements;
- Finalising the Company's VAT affairs
- Preparing the case for closure, issuing the final progress report, dealing with general and statutory closure processes.

Next report

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, please get in touch with James Crowther on 0113 289 4076.

Yours faithfully
For and on behalf of the Company



Rachael Wilkinson
Joint Liquidator

Appendices

Appendix A: Receipts and payments

Directors' statement of affairs (£)		11 June 2019 to 10 June 2020 (£)	11 June 2020 to 10 June 2021 (£)	11 June 2019 to 10 June 2021 (£)
	Receipts			
	Fixtures & Fittings	6,000.00	-	6,000.00
9,037	Plant & Machinery	310.83	-	310.83
312,000	Book Debts	637,148.08	-	637,148.08
240,000	Stock	111,158.52	-	111,158.52
-	Property Rights/Patents	541.87	-	541.87
-	Bank Interest Gross	2,610.07	12.37	2,622.44
-	Cash in hand	287,656.52	-	287,656.52
-	Sundry Debts and Refunds	-	1,733.40	1,733.40
552,000	Total Receipts	1,045,425.69	1,745.77	1,047,171.46
	Payments			
	Utility expenses	(1,766.05)	(0.01)	(1,766.06)
	Agents fees (book debt collections)	(557.60)	-	(557.60)
	Agents' Fees - Sale of stock commission	(44,634.90)	-	(44,634.90)
	Legal fees & Expenses	(750.00)	-	(750.00)
	Licenses, trade marks, royalties etc	(8,271.11)	-	(8,271.11)
	Telephone & Fax	(104.00)	-	(104.00)
	Office costs, Stationery & Postage	(820.83)	-	(820.83)
	Storage Costs	(65.00)	-	(65.00)
	Statutory advertising	(154.00)	-	(154.00)
	Rent	(15,616.44)	-	(15,616.44)
	Property / Asset expenses	(264.00)	-	(264.00)
	Insurance	(387.28)	-	(387.28)
	Wages & Salaries	(35,721.75)	(1.91)	(35,723.66)
	PAYE/NIC and Pension Deductions	(10,106.95)	-	(10,106.95)
	Employee/Subcontractor Costs & Expenses	(1,145.46)	-	(1,145.46)
	Office holders fees - time cost basis	-	(150,000.00)	(150,000.00)
	Irrecoverable VAT	-	(174.57)	(174.57)
	Preferential Dividend	-	(36,470.56)	(36,470.56)
	Total Payments	(120,365.37)	(186,647.05)	(307,012.42)
	Net Floating Charge Realisations	925,060.32	(184,901.28)	740,159.04
	VAT control account	(6,881.58)	6,312.18	(569.40)
	Distribution to Secured Creditor	(400,000.00)	(155,975.28)	(555,975.28)
	Balance held in none interest Bearing Current Account	518,178.74	(334,564.38)	183,614.36

Notes to the R&P

* In order to maximise the level of post appointment stock sales, we continued to operate from the Company's premises and engaged the Company's employees to assist. In doing so we incurred these costs.

** The preferential dividend was declared on 4 May 2020 and paid on 28 August 2020 at a rate of 100p/£

Following the settlement in full of the secured creditor's debt, all remaining assets have now become uncharged.

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 general body of creditors who approved our fees also has the responsibility for agreeing the policies for payment of Category 2 expenses.

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

Category	Cost incurred by	Policy:	Costs incurred (£)
2	PwC	Photocopying - at 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	3.01
2	PwC	Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-
1	PwC	Postage	199.83
1	PwC	Storage	329.87
Total for the period			532.71
Brought forward from previous period			2,332.36
Grand total			2,865.07

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

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

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

Nature of Expenses	Incurred in the period 11 June 2019 to 10 June 2020(£)	Incurred in the period under review (£)	Total expenses incurred in the period 11 June 2019 to 10 June 2021	Estimated future (£)	Anticipated total (£)	Previous estimate	Variance
Utility expenses	1,766.05	0.01	1,766.06	-	1,766.06	1,766.05	- 0.01
Agents' Fees - Sale of stock commission	44,634.90	-	44,634.90	-	44,634.90	44,634.90	-
Agents' Fees - Book debt collection	557.60	-	557.60	-	557.60	557.60	-
Legal fees & Expenses	750.00	-	750.00	-	750.00	750.00	-
Licenses, trade marks, royalties etc	8,271.11	-	8,271.11	-	8,271.11	8,271.11	-
Telephone & Fax	104.00	-	104.00	-	104.00	104.00	-
Office costs, Stationery & Postage	820.83	-	820.83	-	820.83	820.83	-
Storage Costs	65.00	-	65.00	150.00	215.00	215.00	-
Statutory advertising	154.00	-	154.00	83.00	237.00	254.00	17.00
Rent	15,616.44	-	15,616.44	-	15,616.44	15,616.44	-
Property / Asset expenses	264.00	-	264.00	-	264.00	264.00	-
Insurance	387.28	-	387.28	-	387.28	387.28	-
Wages & Salaries	35,721.75	1.91	35,723.66	-	35,723.66	35,721.75	- 1.91
PAYE/NIC and Pension Deductions	10,106.95	-	10,106.95	-	10,106.95	10,106.95	-
Employee/Subcontractor Costs & Expenses	1,145.46	-	1,145.46	-	1,145.46	1,145.46	-
Office holders' disbursements	2,332.36	532.71	2,865.07	500.00	3,365.07	3,332.36	- 32.71
Total	122,697.73	534.63	123,232.36	733.00	123,965.36	123,947.73	- 17.63

Appendix C: Remuneration update

Our fees were approved on a time costs basis by the general body of creditors on 10 June 2020. This approval allows us to draw fees by reference to the time properly given by us and our staff in dealing with the liquidation.

We have drawn fees of £150,000 in line with the approval given, as shown on the enclosed receipts and payments account.

The time cost charges incurred in the period covered by this report are £94k, taking the total time cost incurred for the case to £280k. This amount does not necessarily reflect how much we will eventually draw as fees for this period.

Our time costs have exceeded our initial estimate of £226,000, which was the amount approved by the general body of creditors as fee approving body. However, we will not seek further approval to draw more fees.

We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

Our hours and average rates

The table below shows our time costs incurred in the period from 11 June 2020 to 10 June 2021

Work Type Group	Partner	Director	Senior Manager	Manager	Senior Associate	Associate/Other	Grand Total	Total Cost (£)	Average Hourly Rate (£)
Accounting & Treasury				0.75	5.45	5.30	11.50	3,767	327.54
Assets	0.50			0.35			0.85	644	757.35
Creditors		0.50	5.60	4.20	84.65	0.95	95.90	38,540	401.87
Employees & Pensions		0.25	2.60		8.20	2.40	13.45	5,370	399.24
Statutory & Compliance		1.75	0.55	8.70	42.40	1.00	54.40	20,862	383.49
Strategy & Planning	2.00	2.00	0.15	8.70	9.20		22.05	11,000	498.85
Tax & VAT			0.10	8.95	15.80	6.87	31.72	13,888	437.83
Grand Total	2.50	4.50	9.00	31.65	165.70	16.52	229.87	94,069	409.23

The table below shows our cumulative time costs incurred from our appointment to 10 June 2021

Work Type Group	Partner	Director	Senior Manager	Manager	Senior Associate	Associate/Other	Grand Total	Total Cost (£)	Average Hourly Rate (£)
Accounting & Treasury			0.40	11.20	36.20	31.60	79.40	20,482	257.95
Assets	0.50	23.50		16.15	38.25	1.55	79.95	28,986	362.55
Creditors		0.50	9.80	13.95	120.30	30.25	174.80	56,137	321.15
Employees & Pensions		0.75	13.40	12.60	22.40	39.90	89.05	33,104	371.75
Investigations	1.00		0.50	6.30	5.85	0.05	13.70	5,075	370.44
Secured Creditors		0.50		0.55			1.05	520	495.48
Statutory & Compliance		2.25	4.40	28.65	71.45	27.10	133.85	42,427	316.98
Strategy & Planning	2.50	4.00	0.15	27.20	119.50	0.80	154.15	46,317	300.47
Trading		4.25		4.20	38.00	0.15	46.60	12,475	267.71
Tax & VAT			2.30	18.10	43.15	25.77	89.32	34,436	385.54
Grand Total	4.00	35.75	30.95	138.90	495.10	157.17	861.87	279,959	324.83

Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the liquidation. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the liquidation (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. For the avoidance of doubt, work carried out by our cashiers, support and secretarial staff is charged on a time costs basis and is included in the analysis of hourly rates charged by partners or other staff members. Time is charged in three minute units (i.e. 0.05 units). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the liquidation.

Grade	Up to 30 June 2020 £	From 1 July 2020 £
Partner	910	955
Director	595	720
Senior Manager	515	585
Manager	405	475
Senior Associate	310	390
Associate	210	245
Support staff	120	125

We call on colleagues in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

Grade	Up to 30 June 2020 £	From 1 Jul 2020 £
Partner	1,200	1,600
Director	975	1,465
Senior Manager	850	1,355
Manager	630	815
Senior Associate	500	605
Associate	275	325
Support Staff	140	230

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

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.

Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff.

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work.

Area of work	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"> Dealing with receipts, payments and journals not relating to trading; Carrying out bank reconciliations and managing investment of funds ; and Corresponding with the bank regarding specific transfers 	<ul style="list-style-type: none"> Necessary to keep accurate records of receipts and payments Ensuring good stewardship of funds held on behalf of creditors 	<ul style="list-style-type: none"> Ensure proper stewardship of the funds held.
Assets, Book Debts and Property	<ul style="list-style-type: none"> Dealing with residual, small sundry refunds received. 	<ul style="list-style-type: none"> To maximise recoveries for the administration 	<ul style="list-style-type: none"> Funds recovered for creditors
Creditors	<ul style="list-style-type: none"> Distributing preferential dividend; Ensuring PAYE/NIC is deducted and remitted to HMRC; Reviewing and preparing correspondence to unsecured creditors and their representatives; Dealing with proofs of debt for dividend purposes; 	<ul style="list-style-type: none"> To ensure creditors are provided with the relevant information regarding their claims To properly adjudicate creditor claims prior to the distribution to the unsecured creditors 	<ul style="list-style-type: none"> To provide creditors with the requested information

	<ul style="list-style-type: none"> • Preparing correspondence to potential creditors inviting lodgment of proof of debt; • Receiving proof of debts and maintaining register; • Adjudicating claims, including requesting further information from claimants; • Preparing correspondence to claimants advising outcome of adjudication and advising of intention to declare; • Advertising intention to declare; • Calculating dividend rate and preparing dividend file;and • Preparing correspondence to unsecured creditors announcing declaration of dividend. 		
Statutory and Compliance	<ul style="list-style-type: none"> • Preparing and issuing periodic progress report to creditors; • Dealing with records in storage; • Filing documents and; • Updating checklists and diary management systems. 	<ul style="list-style-type: none"> • To meet statutory duties 	<ul style="list-style-type: none"> • To meet statutory duties
Strategy and Planning	<ul style="list-style-type: none"> • Monitoring fee budget and costs; and • Holding team meetings not relating to trade and discussion regarding the 	<ul style="list-style-type: none"> • To understand and control costs • To ensure matters in the liquidation are progressed 	<ul style="list-style-type: none"> • Maximise efficiency of work undertaken

	status of the liquidation.		
Tax	<ul style="list-style-type: none"> Submitting final tax return and requesting corporation tax clearance from HMRC; and Follow up calls, emails and letters to HMRC regarding tax clearance. 	<ul style="list-style-type: none"> This work ensured compliance with statutory tax obligations to HMRC 	<ul style="list-style-type: none"> Submission of Tax returns are statutory duties
VAT	<ul style="list-style-type: none"> Preparing and submitting quarterly VAT returns Performing VAT reconciliation to ensure all VAT has been recovered where possible; Deregistering for VAT purposes; Submitting VAT 426 form to recover VAT due to the company; and Periodic chasing up of HMRC in relation to the delay in the VAT refund. 	<ul style="list-style-type: none"> This work ensured compliance with statutory tax obligations to HMRC To ensure all VAT paid has been reclaimed 	<ul style="list-style-type: none"> Submission of VAT returns are statutory duties Ensures VAT paid is refunded for the benefit of the liquidation estate.

Our future work

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

Area of work	Work undertaken	Estimated cost £	Whether or not the work will provide a financial benefit to creditors
Accounting and Treasury	<ul style="list-style-type: none"> Dealing with receipts, payments and journals not relating to trading; and Carrying out bank reconciliations and managing investment of funds. 	<ul style="list-style-type: none"> 1,000 	<ul style="list-style-type: none"> Ensure proper stewardship of the funds held. Management of the funds will generate greater recoveries for creditors.
Creditors	<ul style="list-style-type: none"> Dealing with proofs of debt 	<ul style="list-style-type: none"> 8,000 	<ul style="list-style-type: none"> Direct benefit to creditors through payment of

	<ul style="list-style-type: none"> for dividend purposes; • Receiving proofs of debt and maintaining register; • Adjudicating claims, including requesting further information from claimants; • Preparing correspondence to unsecured creditors announcing declaration of dividend; and • Preparing and paying unsecured distribution. 		distributions and provision of information.
Closure	<ul style="list-style-type: none"> • Completing checklists and diary management system; and • Closing down internal systems. 	<ul style="list-style-type: none"> • 5,000 	<ul style="list-style-type: none"> • Ensure that the Company's affairs are wound down in an orderly manner.
Statutory and Compliance	<ul style="list-style-type: none"> • Preparing and issuing periodic progress reports to creditors and the Registrar; • Filing of documents; and • Updating checklists and diary management system. 	<ul style="list-style-type: none"> • 3,000 	<ul style="list-style-type: none"> • Assist in the timely, structured and efficient completion of the liquidation and return to creditors
Strategy and Planning	<ul style="list-style-type: none"> • Monitoring fee budgets and costs; and • Holding team meetings not relating to trading and discussions regarding status of the liquidation. 	<ul style="list-style-type: none"> • 1,500 	<ul style="list-style-type: none"> • Ensures proper supervision of case progression
Tax and VAT	<ul style="list-style-type: none"> • Reclaiming VAT receivable by way of Form VAT 426; and 	<ul style="list-style-type: none"> • 1,500 	<ul style="list-style-type: none"> • Statutory and regulatory requirements and enables reaching certainty on the post liquidation tax position.

- Liaising with HMRC to finalise any outstanding VAT matters.

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, or could be perceived as giving rise to a conflict of interest.

Details of subcontracted work

We have not subcontracted any work out during the period of this report.

Legal and other professional firms

We instructed the following professionals on this case:

Service provided	Name of firm/organisation	Reason selected	Basis of fees
Legal services, including: Security review;	• Blake Morgan LLP	• Legal Knowledge	• Fixed Fee
Agents, including: Assisting with the collection of pre-appointment book debts	• Collection House Ltd	• Industry knowledge/ knowledge of the Company	• Percentage of realisations
Agents, including Assisting with the collection of pre-appointment book debts	• Rendezvous Works Ltd	• Industry Knowledge/ knowledge of the Company	• Percentage of realisations

We require all third party professionals to submit appropriate information in support of invoices rendered. This may be time costs analysis and narrative or a schedule of realisations achieved. We review this information to assess whether the costs are reasonable in the circumstances of the case. In order to review the appropriateness of professional costs we consider:

- comparison with upfront budgets;
- review of time costs analysis;
- review of disbursements claimed; and
- ongoing dialogue with regards to the work being performed.

Appendix D: Other information

Company's registered name:	Gemma International Limited
Trading name:	Gemma International Limited
Registered number:	01328428
Registered address:	Currently; Central Square, 29 Wellington Street, Leeds, LS1 4DL Formerly: Linmar House, 6 East Portway, Andover, Hampshire, SP10 3LU
Date of the Liquidators' appointment:	11 June 2019
Liquidators' names, addresses and contact details:	Rachael Wilkinson of Pricewaterhouse Coopers LLP, 3 Forbury Place, 23 Forbury Road, Reading, Berkshire, RG1 3JH and Zelf Hussain of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT Telephone: 0113 289 4076 Email: crowther.james@pwc.com