

Joint liquidators' final account

**Recoleta Topco Limited and Recoleta Bidco Limited -
in liquidation**

17 September 2025

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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
Bidco	Recoleta Bidco Limited - in liquidation
C4C	C4C 2022 Limited (formerly Cut4Cloth Limited), now dissolved
CBILS	Coronavirus Business Interruption Loan Scheme
CDDA	Company Directors Disqualification Act
Companies	Recoleta Topco Limited and Recoleta Bidco Limited
CVL	Creditors' voluntary liquidation
First-ranking 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
Group	Recoleta Topco Limited, Recoleta Bidco Limited, C4C 2022 Limited (formerly Cut4Cloth Limited) and Tots Bots Limited
HMRC	HM Revenue & Customs
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
Liquidators/Joint Liquidators/ we/us/ours	Ross Connock and Edward Williams
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
PwC / firm	PricewaterhouseCoopers LLP
Secondary preferential creditor	HMRC in respect of taxes due from employees and customers that are withheld by the business and then paid over in one lump sum periodically to HMRC, such as VAT, PAYE and employees' National Insurance contributions
Secured creditors	Creditors 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	Investigations by Office Holders in Administrations and Insolvent Liquidations and the Submission of Conduct Reports by Office Holders
Topco	Recoleta Topco Limited- in liquidation
Tots	Tots Bots Limited - in liquidation
Unsecured creditors	Creditors who are neither secured nor preferential
VAT	Value Added Tax

This report has been prepared by Ross Connock and Edward Williams as Joint Liquidators of the Companies, 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 Companies

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 Companies' creditors, which can be found at www.pwc.co.uk/recoleta. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Ross Connock and Edward Williams have been appointed as Joint Liquidators of the Companies. 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 tell you that the Companies' affairs are now fully wound up and to provide our first and final account of the liquidations.

How much creditors have received

The following table summarises the outcome for creditors.

Class of creditor	Final outcome (p in £)
Secured creditors	n/a
First-ranking preferential Creditors	n/a
Secondary preferential Creditors	Nil
Unsecured creditors	Nil

No dividends will be paid to any class of creditor as there are insufficient funds in either of the Companies.

What you need to do

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

The enclosed Notice of Final Account gives details of creditors' rights in relation to requesting further information, challenging the Liquidators' remuneration and expenses and objecting to the Liquidators' release from liability.

More information in relation to creditors' rights can also be found in the guide below:

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

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

What we've done during the liquidation

Topco and its wholly owned subsidiary Bidco were established as holding companies for the purpose of acquiring and investing in trading entities within the children's organic and ethical clothing sector. The Group structure was as follows: Topco as the parent, Bidco as the immediate subsidiary, and Bidco in turn holding investments in two trading companies, C4C and Tots.

The Group did not itself trade but was set up to raise funds (via share issues and loan notes) and to deploy capital into its subsidiaries, which operated in the retail and manufacturing of children's clothing and eco-friendly baby products.

The Group faced a series of significant challenges, including:

- Severe cash flow difficulties in both C4C and Tots, primarily as a result of the Covid-19 pandemic, which led to the temporary closure of retail outlets and wholesale customers' stores.
- Increased operational costs, including the implementation of a new enterprise resource planning system and website for C4C, which exceeded budget and further strained liquidity.
- The requirement to begin repaying government-backed loans (CBILS) taken during the pandemic, which the businesses could not meet.
- The absence of any secured creditor support or additional funding from external sources.
- The sale of Tots to its original founders, Magnus and Fiona Smyth, for nominal consideration (£1) in order to preserve employment and continuity of trade, with Bidco waiving a significant intercompany debt (approximately £566k) owed by Tots to Bidco.
- The administration and subsequent sale of C4C's business and assets to a third party, with no return to Bidco as shareholder.
- No operational subsidiaries or realisable assets.

As a consequence of the aforementioned events and transactions, there were no longer any operational companies within the Group. As a result, the Group collectively held no realisable assets against a substantial level of creditors without the means of making any level of repayment.

In light of the above, the Group's ultimate parent, True, contacted PwC on 5 December 2022 to discuss its investment exit options in both Topco and Bidco. Following which, it was concluded that both companies were insolvent pursuant to the definitions contained within Section 123 of the Insolvency Act 1986 ("IA86") in that neither company is able to pay its debts, and each company's liabilities outweigh its assets.

Accordingly, it was concluded that it was appropriate for the Companies to enter formal insolvency processes, and based upon the paucity of realisable assets available across the Group, CVL was considered the optimum process for both companies. PwC were formally instructed on 13 July 2023 by Paul Cocker in his capacity as director of Topco and the Company to assist in the preparation of a SOA and convene a decision procedures of creditors to place the Group into liquidation and appoint liquidators.

Ross Connock and Edward Williams were subsequently appointed as Liquidators on 28 March 2025. Immediately upon appointment, the liquidators reviewed the Companies' assets, which included:

Bidco

- **Investments in subsidiaries (C4C and Tots):** by the time of our appointment as Liquidators, C4C had been dissolved and the latest progress report in relation to the liquidation of Tots (to the period ended 8 November 2024) had concluded there would be no return to unsecured creditors, meaning neither of these investments had any realisable value. In addition to the investments, Bidco's latest management accounts showed Tots owed Bidco approximately £566k relating to expenses discharged by Bidco on behalf of Tots. As part of the sale, Bidco agreed to waive this debt to enable the sale of Tots to be completed and therefore we concluded that this balance is also irrecoverable.
- **Prepayments:** Bidco's statement of affairs included prepayments of £7,193. Given the passage time and lack of information as to what they related to (being made up of several journal entries in Bidco's latest management accounts), there was not considered to be any realisable value from this source.

Topco

- **Loan notes:** Topco's statement of affairs lists loan notes as an asset with a book value of £252,770. The Liquidators concluded that the loan notes had no realisable value as they related to intercompany amounts due from Tots. **Intercompany loans:** the intercompany loans listed on Topco's statement of affairs related to Bidco and Tots. As both Bidco and Tots are insolvent, amounts due under the loans were concluded to be irrecoverable.
- **Directors' Loan Account:** Topco's statement of affairs includes a directors' loan account of £9,836.09. The balance on the loan account principally relates to the allocation of B3 shares to Margaret McDonald in March 2022, in the sum of £11,336. The same amount is shown as the B3 shareholding value in the accounts. Given the passage of time, the fact that she was issued with shares and did not draw cash, and that the shares are worthless, the Liquidators concluded that this did not need to be investigated further.
- **Accounts receivable):** this relates to interest on loan notes/intercompany loans in the sum of £264,638.10. No amounts are recoverable from this source for the reasons identified above in respect of the loans and loan notes themselves.
- **Tax receivable:** Topco's management accounts indicated a potential tax refund of £11,918. However, representatives from True consider this to be a liability and not an asset, relating to tax payable from the year ending 2021. This entry has also been on the management accounts since that date so is unlikely to be recoverable, in the event it was not deemed to be a liability.

There were no issues such as retention of title claims, disputed debts, or legal action against third parties reported in relation to either of the Companies.

Since our appointment, we have focused on progressing the insolvencies including complying with statutory requirements, and keeping stakeholders informed. With no assets to realise and significant liabilities, the focus has been on the orderly winding up of the companies' affairs.

Outcome for creditors

Secured creditors

The Companies have no secured creditors.

First ranking Preferential creditors (mainly employees)

The Companies had no employees, therefore there are no first-ranking preferential creditors.

Secondary preferential creditor (HMRC)

HMRC may rank as a Secondary preferential creditor in respect of certain indirect taxes (in this case, likely limited to VAT only) . The amounts owed to HMRC as secondary preferential creditor were understood to be £5,063 for Topco and £125 for Bidco, according to the Statement of Affairs.

As there are no realisable assets in either estate, there were no funds to make a distribution to the secondary preferential creditor.

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 doesn't apply because there is no floating charge registered against the Companies and so no amount was paid to unsecured creditors of either company under the Prescribed Part.

Aside from the Prescribed Part, no other funds have been made available to pay a distribution to Unsecured creditors.

Progress since we last reported

Realisation of assets

No assets were realised in either of the Companies. Information in respect of the Companies' assets and the work done in reviewing any realisable value is detailed earlier in our report.

Connected party transactions

There have been no connected party transactions in the liquidations of either of the Companies.

Statutory and compliance

Following our appointment, we have met our statutory obligations in maintaining up to date records and case files and have updated our internal systems accordingly.

Upon appointment, we drafted and sent our initial notices of appointment to all known members and creditors, and filed notice of our appointment and statement of affairs with the Registrar of Companies. We have also written to HMRC to notify them of our appointment and to inform them that there will be no realisable assets, and therefore no tax return will be submitted for the period of the liquidation. We will also be filing this final report with the Registrar of Companies shortly, as this is our first and final report.

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. Nothing came to our attention to suggest that we needed to do any more work in line with our duties.

Our receipts and payments account

There have been no receipts or payments in either of the Companies. We have not opened a bank account for either of the Companies and therefore have no transactions to disclose.

Our expenses

We set out in Appendix A a statement of the expenses we've incurred in the period since our appointment.

Our fees

We set out in Appendix B information in respect of our remuneration.

Statement of affairs fees

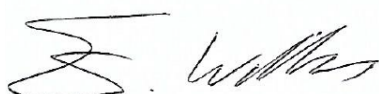
We did not draw any statement of affairs fee from either Topco or Bidco.

What we still need to do

The winding up of the Companies is now complete. Following the end of the period within which creditors may object to our release, we will send a copy of this final account to the Registrar of Companies with a statement of whether any creditors of the Companies objected. We will vacate the office on sending the copy report and statement.

If you've got any questions, please get in touch with Kate Fox, on 0113 289 4000.

Yours faithfully



Edward Williams
Joint Liquidator

Appendices

Appendix A: Expenses

Expenses are amounts properly payable by us as Liquidators from the estate but exclude 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 would also have the responsibility for agreeing the basis for payment of Category 2 expenses. In this case, no Category 2 disbursements were incurred.

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 1 expenses that have been incurred as disbursements by PwC.

We shall not be drawing any Category 1 or Category 2 expenses incurred within the liquidation as there are no funds in either of the liquidation estates to do so.

Category	Provided by	Basis of cost	Costs incurred (£)
1	EPE Reynell Advertising Limited	Statutory advertising - Recoleta Topco Limited - Recoleta Bidco Limited	208.00 208.00
1	PwC	Postage relating to both the Companies	109.21
1	Aon	Bond - Recoleta Topco Limited - Recoleta Bidco Limited	20.00 20.00
Total			565.21

Other than the disbursements shown in the table above, we have not incurred any expenses in the liquidations of the Companies, and we do not expect to incur any expenses. As we are not proposing to draw our expenses in the liquidations, we did not provide an expenses estimate to creditors.

Appendix B: Remuneration update

The Joint Liquidators have not sought formal approval from any class of creditor for their remuneration and expenses and therefore we have not issued a remuneration report.

As there have been no realisations, there are no funds available to settle any costs of the liquidations. As such, the liquidations will conclude without any fees being drawn.

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

Our work in the period since our appointment

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas 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
Assets		
<ul style="list-style-type: none"> Bidco: reviewed the prepayments listing and concluded they were irrecoverable Topco: investigated the directors' loan account and tax refund balances per the latest management accounts and concluded there was no realisable value Documented our conclusions in respect of nil realisable value for all asset classes for both Topco and Bidco 	<ul style="list-style-type: none"> To ascertain if there were any realisable assets 	<ul style="list-style-type: none"> For the financial benefit of creditors, should there have been any value in the assets of the Companies
Creditors		
<ul style="list-style-type: none"> Monitoring the dedicated email address for enquiries relating to the Companies Reviewing and preparing correspondence to creditors and their representatives 	<ul style="list-style-type: none"> To comply with statutory obligations 	<ul style="list-style-type: none"> To provide creditors with information
Investigations		
<ul style="list-style-type: none"> Submitting our report to the Insolvency Service on the conduct of the directors for each of the Companies Requesting company data, information and books and records Reviewing books and records received 	<ul style="list-style-type: none"> To comply with statutory obligations 	<ul style="list-style-type: none"> To comply with our statutory obligations in line with SIP 2
Statutory and compliance		
<ul style="list-style-type: none"> Preparing and issuing the first and final report Updating case files and internal systems Drafting and sending of initial communications following the appointment Filing of statutory documents Maintenance of case records Maintaining our permanent files Conducting progression review to ensure orderly progress of the liquidations 	<ul style="list-style-type: none"> To comply with statutory obligations 	<ul style="list-style-type: none"> Required by insolvency statute / regulation Benefit to creditors in ensuring they are kept informed of case progression

Strategy and Planning

- Updating checklists / diary management system
- Holding regular team meetings & discussions regarding status of the liquidations
- Planning for the closure of the case
- To comply with statutory obligations
- Required by insolvency statute / regulation
- Benefit to creditors in ensuring they are kept informed of case progression

Tax and VAT

- Drafting and filing letters to HMRC regarding our appointment
- Preparing and submitting initial VAT notifications for each entity
- Confirming with HMRC non submission of the liquidation tax returns due to no asset realisations
- To satisfy statutory requirements
- Required to act as proper officer for the Companies' tax and VAT affairs

Closure

- Obtaining information to obtain clearances for case closure
- Preparing closure checklists
- Preparing and distributing the first and final account
- To comply with statutory obligations
- Statutory duty to progress the liquidation efficiently and effectively

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 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.

Details of subcontracted work

We have not subcontracted any work in the period covered by this report for either of the Companies.

Legal and other professional firms

We have not instructed any legal or other professionals in either of the Companies' liquidations.

Appendix C: Other information

Companies' registered name:	Recoleta Topco Limited	Recoleta Bidco Limited
Trading name:	N/A	N/A
Registered number:	11440715	11441088
Registered address:	8th Floor Central Square 29 Wellington Street, Leeds, West Yorkshire, LS1 4DL	8th Floor Central Square 29 Wellington Street, Leeds, West Yorkshire, LS1 4DL
Date of the Liquidators' appointment:	28 March 2025	28 March 2025
Liquidators' names, addresses and contact details:	Ross Connock of PricewaterhouseCoopers LLP, 2 Glass Wharf, Bristol, BS2 0FR and Edward Williams of PricewaterhouseCoopers LLP, 1 Chamberlain Square, Birmingham, B3 3AX Contact: Kate Fox - 0113 289 4000	Ross Connock of PricewaterhouseCoopers LLP, 2 Glass Wharf, Bristol, BS2 0FR and Edward Williams of PricewaterhouseCoopers LLP, 1 Chamberlain Square, Birmingham, B3 3AX Contact: Kate Fox - 0113 289 4000