
Vendside Limited (In liquidation)

For the period from 10 March 2016 to 9 March
2017

www.pwc.co.uk/vendside

21 April 2017

Our ref: VR/KW/Vendside





To all known members and creditors

21 April 2017

Dear Sir/Madam

**Vendside Limited – in creditors’ voluntary liquidation (“the Company”)
Formerly trading from: Miners Offices, Berry Hill Lane, Mansfield, Nottinghamshire, NG18 4JU**

This is our second annual report to members and all known creditors in the above liquidation for the period 10 March 2016 to 9 March 2017.

If you have any queries in connection with this report, please contact Kate Whitham on 0113 289 4162.

Yours faithfully
For and on behalf of the Company

A handwritten signature in black ink, appearing to read 'RW', is written over a light grey horizontal line.

Rachael Wilkinson
Joint liquidator

Rachael Wilkinson, Lyn Vardy and David Matthew Hammond have been appointed as joint liquidators of Vendside Limited. Both are licensed in the United Kingdom to act as an Insolvency Practitioner 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 are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the liquidation.

Definitions used in this report

Definition used	Term
the Company Vendside	Vendside Limited – in liquidation
the Liquidators we our	Rachael Wilkinson, Lyn Vardy and David Matthew Hammond
the Administration	The administration of Vendside Limited
the Liquidation	The liquidation of Vendside Limited
LBG	Lloyds Banking Group
SBS	Skipton Building Society
Energy Performance	Energy Performance and Sustainability Group Limited
our solicitors	DLA Piper UK LLP
the Rules	Insolvency Rules 1986
the Act	Insolvency Act 1986
PwC	PricewaterhouseCoopers LLP
PPF	Pension Protection Fund

Table of contents

1. Introduction	5
1.1. Why we're sending you this report	5
1.2. Estimated dividend prospects	5
2. Progress made during the period	6
2.1. Assets realisations	6
2.2. Assets specifically pledged to a creditor	6
2.3. Assets not specifically pledged to a creditor	6
2.4. Other matters	7
2.5. Statutory and compliance	7
3. Outcome for creditors	8
3.1. Secured creditors	8
3.2. Preferential creditors (mainly employees)	8
3.3. Unsecured creditors	8
4. Liquidators' fees and other financial information	9
4.1. Our fees	9
4.2. Our disbursements	9
4.3. Creditors' rights	9
4.4. Receipts and payments account	9
4.5. Statement of expenses	9
Appendix A. - Statutory and other information	10
Appendix B. - Receipts and payments account for the period 10 March 2016 to 9 March 2017	11
Appendix C. - Details of our remuneration and disbursements and other professional costs	12
Appendix D. - Statement of expenses for the period 10 March 2016 to 9 March 2017	17

1. Introduction

1.1. Why we're sending you this report

This is our second annual report to members and creditors. It will help if you read this alongside our previous progress reports which can be found at www.pwc.co.uk/vendside

This report provides a summary of:

- The steps taken during the second year of the liquidation;
- Outstanding matters; and
- A provisional estimate of the outcome of the liquidation for unsecured creditors.

In Section 2 we provide more detailed information on what we've been doing during the period covered by this report and in Section 3 we provide information as to what the outcome for creditors might be.

By law, we have to give you certain statutory information, this is included in Appendix A.

1.2. Estimated dividend prospects

	% Recovery	Forecast Timing
For preferential creditors: i.e. former employees (for unpaid wages up to £800 and holiday pay only) and unpaid pension contributions in certain circumstances:	100% paid	Paid January 2017
For unsecured creditors: i.e. all other creditors who are neither secured nor preferential:	This report: unknown Last report: unknown	6-9 months

Please note this guidance on dividend prospects is only an indication. You shouldn't use it as the main basis of any bad debt provision that you may need to make.

2. Progress made during the period

2.1. Assets realisations

We've realised the Company's assets as follows:-

	<i>Actual realisations £</i>	<i>Estimated outcome £</i>
Assets specifically pledged		
Freehold properties	2,477,950	2,477,950
	2,477,950	2,477,950
Assets not specifically pledged to a creditor(s)		
Bank interest	1,490	1,850
Book debt realisations	95,500	95,500
Pre-administration bank balance	40,000	40,000
Rental income	43,583	43,583
Energy refund	821	821
Surplus from administration	283,335	283,335
Tax repayment	7,650	7,650
Third party funds	1,668	1,668
Vehicle recharge	217	217
Wages recharge	5,999	5,999
	480,261	480,621.53

2.2. Assets specifically pledged to a creditor

At the date of my last report, seven of the Company's eleven freehold properties remained to be sold.

I am pleased to report that all of the properties have now been sold, with the last property, Birch Cottage, being sold in February 2017.

The proceeds from selling the remaining seven properties total £1,306,950, bringing total realisations from property sales to £2,477,950. All property-related realisations are now completed.

2.3. Assets not specifically pledged to a creditor

Rental income

During the period since my last report we have received rental income of £3,221, bringing the total received to £43,583.

Bank interest

During the period since my last report, we have received bank interest of £698, bringing the total received to £1,490.

2.4. Other matters

Litigation progress

In our final progress report in the Administration, we outlined the background to ten claims against the Company where legal proceedings were ongoing. These claims are made by former miners with regard to the handling of their personal injury claims.

We intend to continue discussions with the solicitors representing the claimants in order to be able to formally agree the claims so that a distribution to creditors can be made.

In addition to the known litigation claims, the Company has had information requests from around 207 further potential claimants (of which 12 have been received since our appointment).

Investigations

We have spent time reviewing certain transactions which the Company was party to prior to the Administrators' appointment and have been in contact with those involved to seek further information on certain payments made by the Company. We are currently considering how to take this matter forward.

2.5. Statutory and compliance

During the period of this report, we have sold all remaining properties in order to maximise returns to the remaining secured creditor and have made distributions to SBS under its security.

We have declared and paid a dividend to the preferential creditors and we have also prepared and filed a VAT426 to reclaim VAT paid by the Company. In addition, we have completed and submitted tax returns for the relevant periods.

3. Outcome for creditors

3.1. Secured creditors

SBS's lending to the Company as at the date of the prior Administration was c.£978,000 and was secured by a debenture dated 22 December 2008. This security gave SBS mortgage charges against a number of the Company's residential properties.

During the liquidation, we've paid SBS a further £977,862, bringing the total amount paid to £1,297,120, meaning that SBS has now been repaid in full, including interest and charges.

As per my last report, LBG's outstanding debts were repaid in full as a result of a credit balance in the account at the date of appointment of administrators

3.2. Preferential creditors (mainly employees)

Preferential claims relate to arrears of wages, subject to statutory limits, and unpaid holiday pay. The only preferential claim received was from the Redundancy Payments Service in the sum of £155.36. This claim was paid in full in January 2017.

3.3. Unsecured creditors

The prescribed part is a fund that has to be made available for unsecured creditors. It is paid out of "net property". Net property 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 the floating charge registered against the Company was created before 15 September 2003.

We think a dividend will be available to unsecured creditors but the level of this is currently unknown. This is due to the fact that the claims agreement process has not yet started and because the final level of realisations, less costs, is not yet known.

As we cannot currently give a good estimate of the expected level of claims, it is difficult to state the expected dividend levels to unsecured creditors. We expect to commence the process of agreeing claims shortly, following which more will be known.

4. Liquidators' fees and other financial information

4.1. Our fees

During the Administration, creditors passed a resolution fixing the administrators' fees by reference to time properly given by the administrators and their staff in dealing with the Administration.

The fee basis agreed in the Administration will continue to apply in the Liquidation. This means that our fees as liquidators will be calculated by reference to the time spent.

From 10 March 2016 to 9 March 2017, we incurred time costs of £99,369 for 353 hours work, which works out at an average hourly rate of £286.

We include details of the time costs incurred from the Liquidators' appointment to 9 March 2017, by work type, at Appendix C.

Fees of £450,000 were approved in the Administration and this has now been drawn in full. We have drawn fees of £100,000 in the liquidation during the period of the last report.

Further details of our fees are included in Appendix C.

4.2. Our disbursements

We've incurred disbursements of £57 during the period 10 March 2016 to 9 March 2017 but we are yet to draw any of these. Further details are provided in Appendix C.

4.3. Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 4.49E of the Rules. Any request must be in writing. Creditors can also challenge the liquidators' fees and expenses within eight weeks of receiving this report as set out in Rule 4.131 of the Rules. This information can also be found in the guide to fees at the following link:

<http://www.icaew.com/~media/corporate/files/technical/insolvency/creditors%20guides/creditors%20guide%20liquidators%20fees%20final.ashx>

You can ask for a copy free of charge by calling Kate Whitham on 0113 289 4162.

4.4. Receipts and payments account

A receipts and payments account for the period 10 March 2016 to 9 March 2017 is provided in Appendix B.

4.5. Statement of expenses

A statement of expenses for the period 10 March 2016 to 9 March 2017 is provided in Appendix D.

This statement doesn't include any tax liabilities that may be payable for the period of this report as this will depend on the position at the end of the accounting period.

Appendix A. - Statutory and other information

Name of company:	Vendside Limited – in Liquidation
Registered number:	03367773
Registered office:	c/o PwC, Central Square, 29 Wellington Street, Leeds, LS1 4DL
Former company names:	Vendside Limited
Trading names:	Vendside Limited
Trading address:	Miners Offices, Berry Hill Lane, Mansfield, Nottinghamshire, NG18 4JU
Names of liquidators and their addresses:	Rachael M Wilkinson of PwC, 3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH, Lyn Vardy of PwC, Central Square, 29 Wellington Street, Leeds, LS1 4DL and Matthew Hammond of PwC, One Kingsway, Cardiff, CF10 3PW
Date of liquidators appointment:	10 March 2015
Details of change in liquidators:	Not applicable
Details of prior Administration:	12 September 2013 to 9 March 2015
Dividend for preferential creditors:	100p/£ paid in January 2017
Estimated dividend for unsecured creditors:	Unknown
Estimated values of the Company's net property and prescribed part:	Not applicable – prescribed part does not apply
Whether and why the Liquidators intend to apply to court under Section 176A(5) IA86:	Not applicable
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to this Liquidation and the proceedings are main proceedings.

Appendix B. - Receipts and payments account for the period 10 March 2016 to 9 March 2017

	Total for the period from appointment to 9 March 2016 £'s	10 March 2016 to 9 March 2017 £'s	Total for the period from appointment to 9 March 2017 £'s	Estimated outcome - total £'s
Receipts				
Assets specifically pledged to SBS				
Freehold properties	1,171,000.00	1,306,950.00	2,477,950.00	2,477,950.00
	1,171,000.00	1,306,950.00	2,477,950.00	2,477,950.00
Assets not specifically pledged				
Bank interest	791.45	698.32	1,489.77	1,850.00
Book debt realisations	95,500.00	-	95,500.00	95,500.00
Pre-administration bank balance	40,000.00	-	40,000.00	40,000.00
Rental income	40,362.05	3,220.65	43,582.70	43,582.70
Energy refund	820.73	-	820.73	820.73
Surplus from administration	283,334.56	-	283,334.56	283,334.56
Tax repayment	7,650.03	-	7,650.03	7,650.03
Third party funds	1,667.64	-	1,667.64	1,667.64
Vehicle recharge	217.20	-	217.20	217.20
Wages recharge	5,998.67	-	5,998.67	5,998.67
	476,342.33	3,918.97	480,261.30	480,621.53
Payments				
Administrators' fees	(200,000.00)	(126,355.42)	(326,355.42)	
Administrators' disbursements	(2,160.59)	-	(2,160.59)	
Agents' fees	(5,990.00)	(17,879.50)	(23,869.50)	
Bank charges	(15.00)	(60.00)	(75.00)	
Corporation tax	-	(109.69)	(109.69)	
Council tax payments	(6,486.90)	(4,554.95)	(11,041.85)	
Funds held by solicitors from sale of properties*	(581,000.00)	581,000.00	-	
Insurance	(10,569.55)	(2,138.14)	(12,707.69)	
Legal disbursements	(2,947.64)	(617.04)	(3,564.68)	
Legal fees	(94,316.08)	(16,746.00)	(111,062.08)	
Liquidators' fees	-	(100,000.00)	(100,000.00)	
Property management fee	(9,107.50)	(2,436.25)	(11,543.75)	
Refunds	(349.70)	-	(349.70)	
Repairs and maintenance	(7,818.56)	(2,443.25)	(10,261.81)	
Statutory advertising	(76.72)	-	(76.72)	
Storage costs	(9,211.43)	(3,615.49)	(12,826.92)	
Telephone & fax	(337.86)	-	(337.86)	
Utilities	(606.12)	(2,259.75)	(2,865.87)	
	(930,993.65)	301,784.52	(629,209.13)	
VAT control account	(75,373.32)	28,619.65	(46,753.67)	
Less: amount paid to secured creditors	(319,257.72)	(977,861.87)	(1,297,119.59)	
Less: amount paid to preferential creditors	-	(155.36)	(155.36)	
Balance held on high interest current account	321,717.64	663,255.91	984,973.55	

*funds of £581,000 for the sale of 3 properties were being held by solicitors at the date of our last report pending the discharge of SBS debt.

Appendix C. - Details of our remuneration and disbursements and other professional costs

Background

This section sets out the process that was established for setting and monitoring the Liquidators' remuneration.

The basis of our fees and certain disbursements was agreed in the prior Administration at the first meeting of creditors on 14 November 2013 and have transferred across to the Liquidation in accordance with the Rules.

The basis of our fees is by reference to time properly given. Details of the amount we have drawn can be found in Section 4.

Liquidators' charging policy

The time charged to the liquidation is by reference to the time properly given by our staff and us in attending to matters arising.

It is our policy to delegate tasks in the Liquidation to appropriate members of staff, considering their level of experience and any requisite specialist knowledge needed and they are supervised accordingly to maximise the cost effectiveness of the work performed.

Our junior people have done the routine work in the liquidation to keep the costs down. But we and our senior staff have supervised them and we have dealt with any complex or significant matters ourselves.

Matters of particular complexity or significance requiring more exceptional responsibility are undertaken by senior staff or the Liquidators themselves.

Narrative of key areas of work carried out for the period 10 March 2016 to 9 March 2017

There remain a number of distinct work streams within the work we have done. It should be noted that individuals will have worked in more than one area. The activities of these work streams are summarised below:

Area of work	Activities completed
Accounting and treasury	<ul style="list-style-type: none"> Accounting for a significant volume of receipts and payments, particularly in relation to the Company's properties Performing bank reconciliations Dealing with invoices relating to books and records Arranging payment of outstanding Administration fees and Liquidation fees
Assets	<ul style="list-style-type: none"> Dealing with matters relating to the management and sale of the Company's properties Dealing with agents and lawyers regarding ongoing management of the Company's property portfolio Handling insurance matters and ensuring adequate cover Liaising extensively with lawyers and agents regarding the sale of the Company's property portfolio, including reviewing the marketing and sale strategy and considering offers received

Area of work	Activities completed
Creditors	<ul style="list-style-type: none"> • Agreeing strategy for review of claims • Dealing with creditor enquiries • Reviewing and considering litigation claims
Employees and pensions	<ul style="list-style-type: none"> • Declaring and paying dividend to preferential creditors • Liaising with the Redundancy Payments Service regarding claims • Updates to the PPF
Investigations	<ul style="list-style-type: none"> • Reviewing transactions involving the Company and carrying out further investigations where applicable.
Statutory and compliance	<ul style="list-style-type: none"> • Preparation of annual report and issuing to all known members and creditors • Carrying out formal case reviews on a six monthly basis • Other statutory and compliance matters (such as bonding) • General case filing and administration
Strategy and planning	<ul style="list-style-type: none"> • Team update calls • Strategy meetings regarding contingent creditors • Reviews with appointees and senior management
Tax & VAT	<ul style="list-style-type: none"> • Preparation and submission of VAT426 reclaim • Preparation and filing of tax returns
Closure procedures	<ul style="list-style-type: none"> • Obtaining relevant clearances in preparation for closure

Our future work

Area of work	Work we need to do	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 and payments • Ongoing management of the bank account 	£3,000	<ul style="list-style-type: none"> • Ensures proper management of funds • Allows for proper calculation of funds available to creditors
Creditors	<ul style="list-style-type: none"> • Dealing with enquiries from creditors • Requesting creditor claims and adjudicating these • Calculation and payment of dividend to creditors 	£30,000	<ul style="list-style-type: none"> • Required to return funds to creditors
Employees and pensions	<ul style="list-style-type: none"> • Liaising with employees regarding unsecured distribution • Liaising with PPF with updates and regarding dividend • Obtaining pension clearances 	£3,000	<ul style="list-style-type: none"> • Required by statute

Area of work	Work we need to do	Estimated cost (£)	Whether or not the work will provide a financial benefit to creditors
Statutory and compliance	<ul style="list-style-type: none"> Preparing annual progress reports Manager and appointee reviews Other statutory and compliance matters 	£10,000	<ul style="list-style-type: none"> Required by statute Necessary for the effective management of the liquidation
Strategy and planning	<ul style="list-style-type: none"> Progress updates with appointment takers and senior management 	£5,000	<ul style="list-style-type: none"> Ensures matters are progressed efficiently
Tax & VAT	<ul style="list-style-type: none"> Obtain clearance from HM Revenue & Customs Prepare and submit VAT returns 	£6,000	<ul style="list-style-type: none"> Required by statute
Closure	<ul style="list-style-type: none"> Planning for closure of case Obtaining clearances Drafting final report to creditors 	£8,000	<ul style="list-style-type: none"> Ensures matters are progressed efficiently

Hourly rates

In common with all professional firms, scale rates increase from time to time over the period of the Administration of each insolvency case. PwC, or any successor firm, reserves the right to change the rates and grade structures. During the period covered by this report the charge out rates were increased on 1 July 2016.

Set out below are the relevant maximum charge-out rates per hour worked for the grades of staff actually involved on this assignment. All staff who work on this assignment (including cashiers, support and secretarial staff) charge time directly to the assignment and are included within any analysis of time charged. Time is charged by reference to actual work carried out on the assignment in six minute units. The minimum time charged is three minutes (i.e. 0.5 units). There was no allocation of any general costs or overhead costs.

Specialist departments with our firm, such Tax, VAT, Property and Pensions were also used where expert advice was required. Such specialist rates do vary but the figures below provide an indication of the maximum rate per hour:

Grade	Maximum rate per hour	Maximum rate per hour	Specialist maximum rate per hour (£)
	1 July 2015 to 9 March 2016 (£)	1 July 2016 to 9 March 2017 (£)	
Partner	590	600	1,250
Director	490	500	1,150
Senior Manager	425	435	1,110
Manager	340	345	700
Senior Associate	255	260	515
Associate	165	170	255
Support staff	87	89	150

Our relationships

We have had 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.

Disbursements for services provided by our firm (Category 2 disbursements)

Our firm's expenses policy allows for all properly incurred expenses to be recharged to the case. Disbursements were charged to the assignment as follows:

Photocopying	At 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying.
Mileage	At a maximum of 67 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc).

Our disbursements in the period 10 March 2016 to 9 March 2017

We have incurred the following disbursements (excluding VAT) in the period 10 March 2016 to 9 March 2017

Category 1:	£	Category 2:	£
N/A	-	Mileage:	-
		Printing:	56.94
Total:	-	Total:	56.94

The statement of expenses at Section 6 show what we have drawn in total in relation to our disbursements.

Other professional advisors we've used

A summary of legal and other professional firms and subcontractors instructed in the 10 March 2016 to 9 March 2017 is below:

Name of firm/organisation	Service provided	Reason selected	Basis of fees	Amount paid in period (£)
Energy Performance	Property management	Historical involvement and location	Set fee	4,929.50
DLA Piper LLP	Legal advice	Expertise	Time costs	-
Penningtons Manches LLP	Legal advice – property	Expertise	Time costs	13,780.04
Savills LLP	Property marketing and sales	Expertise	% of realisations	-
Gascoignes Chartered Surveyors	Property marketing and sales	Expertise	% of realisations	12,459.50

Our choice was based on the advisers' experience, the complexity and type of work and the basis of the fee arrangement. We're satisfied that the fees charged are reasonable.

Analysis of our time costs by grade and work area from 10 March 2016 to 9 March 2017

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £	Total time costs £
Strategy & Planning	-	3.50	0.20	8.50	7.35	4.00	-	23.55	6,790.50	288.34	25,163.50
Secured creditors	-	-	-	-	-	-	-	-	-	-	289.00
Trading	-	-	-	-	-	-	-	-	-	-	4,666.00
Assets	-	7.35	1.60	73.40	12.35	6.85	-	101.55	32,991.50	324.88	87,236.25
Investigations	-	5.75	-	-	-	-	-	5.75	2,870.00	499.13	5,257.50
Creditors	-	6.25	1.20	2.60	12.85	0.70	-	23.60	7,100.00	300.85	12,099.00
Accounting and treasury	-	-	1.05	5.75	37.30	28.50	-	72.60	14,223.25	195.91	34,612.00
Statutory and compliance	0.25	3.55	3.30	2.70	15.15	20.85	3.75	49.55	10,933.70	220.66	34,557.65
Tax & VAT	0.90	0.80	5.30	6.90	33.45	13.50	-	60.85	19,674.25	323.32	41,332.00
Employees & pensions	-	2.00	-	2.00	7.80	1.25	0.25	13.30	4,339.00	326.24	6,622.75
Closure procedures	-	-	-	-	2.35	-	-	2.35	446.50	190.00	446.50
Total for the period	1.15	29.20	12.65	100.55	128.60	72.60	3.75	353.10	99,368.70	286.16	252,282.15
Brought forward at 9 March 2016								549.65	152,913.45		
Total								902.75	252,282.15		

Appendix D. - Statement of expenses for the period 10 March 2016 to 9 March 2017

The Rules requires this progress report to include a statement of expenses incurred by the Liquidators during the period of the report, irrespective of whether payment has been made or not. This relates to all costs incurred, and not just the Liquidators' disbursements. Such a summary of expenses is found below:

	Unpaid expenses as at 9 March 2016	Incurred in this period	Expenses paid in this period	Unpaid expenses as at 9 March 2017	Estimated future costs
Office holders' fees	152,913.45	99,368.70	100,000.00	152,282.15	65,000.00
Office holders' expenses	213.99	56.94	-	270.93	-
Legal fees	10,886.00	6,477.04	17,363.04	-	-
Agents fees	-	17,879.50	17,879.50	-	-
Property management fees	-	2,436.25	2,436.25	-	-
Council tax payments	-	4,554.95	4,554.95	-	-
Utilities	-	2,259.75	2,259.75	-	-
Repairs and maintenance fees	-	2,443.25	2,443.25	-	-
Insurance costs	-	2,138.14	2,138.14	-	-
Storage costs	-	3,615.49	3,615.49	-	5,000.00
Bank charges	-	60.00	60.00	-	50.00