

**TO ALL KNOWN CREDITORS**

28 March 2024

Ref: TRS/LW/CL/Creditors

pittardsadministration@uk.ey.com

Dear Sir or Madam

**Pittards Plc (in Administration) ('the Company')**  
**High Court of Justice Business and Property Courts at Bristol Insolvency and Companies List (ChD), Number CR-2023-BRS-0092**

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016, to provide creditors with a report on the progress of the Administration. This report covers the period from 4 September 2023 to 3 March 2024 and should be read in conjunction with the Joint Administrators' Statement of Proposals ('the Proposals') dated 26 October 2023.

As previously reported, the Company entered Administration on 4 September 2023 and Dan Hurd and I were appointed to act as Joint Administrators. The appointment was made by the Company's Directors under the provisions of paragraph 22(2) of Schedule B1 of the Insolvency Act 1986.

As licenced insolvency practitioners, we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the Administration.

Certain statutory information about the Company, the Administration and the Administrators is given at Appendix 1.

## **Summary of progress**

### ***Approval of the Proposals***

The Proposals were issued to all known creditors of the Company on 26 October 2023. As the Proposals included a statement pursuant to Paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986 that the Company had insufficient property to enable a distribution to unsecured creditors other than by virtue of the prescribed part, a decision from the creditors to approve the Proposals was not sought. Eight business days passed without the creditors requisitioning a decision to approve the proposals pursuant to Paragraph 52(2) of Schedule B1 to the Insolvency Act 1986, the Proposals were deemed approved on 9 November 2023.

### ***Realisation of assets***

As previously reported, it was not possible to trade the Company in Administration and sadly, this necessitated the immediate redundancy of 126 employees.

Consequently, the main activities undertaken in the period are the orderly wind-down of the Company's business and the piecemeal realisation of its assets.

Six staff were initially retained to assist the Joint Administrators with the orderly wind down of the Company and, as at 3 March 2024, three people were still employed by the Company.

### **Freehold property**

The Company's principal asset is the freehold property at Sherborne Road, Yeovil, Somerset ('the Site'). The Site comprises a large industrial premises with a retail outlet and office accommodation and extensive car parking extending to c. nine acres.

At the date of appointment, the Site had a net book value of £3.7m and is subject to a Lloyds Banking Group ('LBG') fixed charge.

As detailed below a quantity of leather stock remains on Site and should be collected by the end of March 2024. In addition, unsold chemicals are in the process of being safely collected. It has taken longer than originally anticipated to clear the Site, but once complete it will be fully marketed for sale with vacant possession by our property agents, Avison Young.

A number of parties have expressed their interest in acquiring the property, and it is currently anticipated that the sale will take between six and nine months to conclude. We will update creditors on the progress of the sale in our next report.

### **Stock**

On the date of appointment, the Company held c.7.2 million square feet of leather stock of a variety of grades, ages, and at various stages of processing at the Site. The net book value of this stock was £12.9m and the Directors' Statement of Affairs included c.£1m of potential realisable value.

Since appointment the Joint Administrators and the retained staff have marketed this stock for sale to the Company's previous customers and leather wholesalers. A number of inbound enquires were also received and responded to. To incentivise maximum realisations from stock sales a commission arrangement was discussed and will be revisited once all the leather stock has been collected from site by purchasers.

During the period covered by this report, net realisations from the sale of stock were £525k. A further £50k of finished goods stock was sold as part of a wider sale of intellectual property and certain equipment (see Intellectual Property section below) which was completed through a sale agreement drafted by our solicitors. To assist with the picking and packing of leather stock up to eight temporary staff were engaged. Overall, the process of realising the Company's leather stock has taken longer than originally anticipated.

Post 3 March 2024, we have concluded a further £125k of leather stock sales. We do not expect any further realisations. The collection of the stock by purchasers is expected to be completed by the end of March 2024.

While total leather stock realisations of £700k are below the Directors' estimate, we believe the leather stock has been widely marketed and the value achieved is a fair reflection of market appetite for this type of product at this time.

## **Book debts**

At 4 September 2023, the outstanding balance on the Company's debtor ledger was £2.1m and the Directors' Statement of Affairs estimated £0.9m of this balance could be realised.

The Joint Administrators have established that of the £2.1m in the ledger, £934k were amounts due from the Ethiopian subsidiary entities. These were deemed irrecoverable as the related entities had paused operations following the Company's Administration, being almost entirely dependent on the Company for trading and therefore had limited funds available. Furthermore, we were advised that there were strict currency controls which would have created legal barriers to funds being paid to the Company from these entities.

It was subsequently agreed to write off the debt from the Ethiopian subsidiaries in order to secure the sale of the shares of Pittard Garnar Services Limited (expanded on below), without which this sale would not have proceeded.

The remaining debtor ledger included a number of customer balances with ongoing disputes and counter-claims caused by the Company's Administration. As such we do not expect to realise the £0.9m of book debts estimated by the Directors' in their Statement of Affairs.

To date, £582k has been recovered and the Joint Administrators have engaged Hilton Baird, debt collection agents, to assist with the collection of the remaining book debts.

## **Plant & Machinery**

The majority of plant, engineering tools and leather tanning machinery used by the Company for its day-to-day operations was owned by the Company. This plant and machinery had a net book value of £4.6m at the date of appointment, and the Directors' Statement of Affairs estimated it would realise c.£0.9m.

Following our appointment, we engaged Lambert Smith Hampton ('LSH') to act as our agents to provide advice and assistance in relation to the valuation and sale of the Company's plant and machinery. On 23 November 2023 LSH conducted an online plant and machinery auction.

To date, £416k has been realised from the sale of plant and machinery, the majority of which was sold via the online auction and has now been removed from site by purchasers.

£411k of these funds are currently held by LSH and the balance of proceeds (accounting for LSH's realisation costs) will be remitted to the Administration shortly. LSH, as our retained agents, has engaged contractors to assist with the clearance of the Site following the removal of the plant and machinery. This is a significant undertaking, we anticipate costs will be in excess of £120k, and should be completed within the next month.

The remaining £5k relates to the sale of specific equipment, which was part of the sale of intellectual property noted below.

No further realisations are expected from unencumbered plant and machinery.

Two items of plant and machinery were financed by LBG and the total debt outstanding against these two items was £256k. These items were sold at auction by LSH on 23 November 2023 and net realisations were £52k. These funds have been remitted directly to LBG and therefore are not reflected in the Joint Administrators' receipts and payments account at this time.

### **Sale of shares in subsidiary companies**

On 28 September 2023, the Joint Administrators completed a sale of the shares of the Company's subsidiary, Pittard Garnar Services Limited, the holding company of two of its Ethiopian subsidiaries for £40k (paid on completion).

The two Ethiopian subsidiaries were widely marketed along with the Pittards business during the pre-administration sales process. However, the Joint Administrators only received one viable offer for these subsidiaries. This was from Accendo Ltd, which has some common directors with the Company (Dr Alan Burgess and Reginald Hankey). Various reasons were stated by interested parties for not putting forward offers, which included the uncertainty over the Ethiopian subsidiaries and trading in this jurisdiction.

A sale of the remaining Ethiopian subsidiary, Pittards Global Sourcing Private Company Limited ("PGSPCL"), to Accendo Ltd has been delayed as the Joint Administrators are seeking pre-completion tax clearance from the Ethiopian tax authority. We anticipate this clearance could take several months to be received. We expect realisations of £10k from this share sale.

The £40k received from Accendo Ltd for the shares of Pittard Garnar Services Limited is currently held by the Joint Administrators solicitors as we were anticipating these proceeds along with the £10k for the sale of PGSPCL would be paid across once all the transactions completed. Given the delay in completing the sale of PGSPCL we have now requested the £40k be paid into the Joint Administrators' account. These funds will be reflected in the receipts and payments account in our next report.

### **Intellectual property**

On 15 December 2023 a sale of intellectual property was completed for £45k, including three of the Company's brands; Pittards, Daines & Hathaway and Hill & Friends. This sale also included £50k of finished goods stock and £5k of specific equipment relating to the brands, so total proceeds were £100k.

The sale was made to Accendo Ltd, a party which has some common Directors with the Company (Alan Burgess and Reginald Hankey). We received several offers from unconnected third parties for certain (but not all) of these brands. After due consideration of all these offers, including that from Accendo Ltd, the Administrators considered the sale of the three brands to Accendo Ltd provided the best value to creditors when considering the total price offered and the cost efficiencies for a sale to a single party versus multiple individual transactions.

As the sale involved intellectual property it was completed via our solicitors. The funds from this sale have been requested to be remitted to the Joint Administrators' and will be reflected in our receipts and payments account in our next report.

No further realisations are expected from intellectual property.

### **Rental income**

The Company rented car parking space to an unconnected third party at the Site. To date, one quarter's rent totalling £13k has been received. The lease for the car parking space has been surrendered and there will be no further realisations in this regard.

### **Bank interest**

To date, bank interest of £6k has been received.

## **Extension of the Administration**

As you may be aware, insolvency legislation currently provides for an Administration to automatically come to an end after an initial period of 12 months. As there are likely to be a number of outstanding issues to resolve in the Administration, including the realisation of the Company's freehold property, it is likely we will need to seek an extension to the initial period of the Administration.

In accordance with Section 78(2)(b) of Schedule B1 of the Insolvency Act 1986 and Rules 15.7 and 15.8 of the Insolvency (England and Wales) Rules 2016, we are seeking the approval of the secured and preferential creditors to extend the period of the Administration by 12 months to 3 September 2025 and enclose at Appendix 7 Notice to Creditors of Deemed Consent in this regard.

The Insolvency (England and Wales) Rules 2016 require that whenever a decision is sought from creditors, they must also be invited to establish a creditors' committee if, as in this case, a committee is not already in existence. Accordingly, I also enclose an invitation to form a creditors' committee at Appendix 8. In order for a committee to be formed, at least three creditors must be willing to serve on the committee and they must give their consent in writing.

## **Receipts and payments account**

A summary of our receipts and payments for the period from 4 September 2023 to 3 March 2024 is attached at Appendix 2. It does not reflect estimated future realisations or costs.

## **Investigations**

We have concluded our investigations into the Company's affairs, in accordance with Statement of Insolvency Practice Number 2 (Investigations by Office Holders), and the Company Directors Disqualification Act 1986, with the necessary return being made to the Insolvency Service on 30 November 2023.

## **Joint Administrators' remuneration**

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

Our remuneration was fixed on a time-cost basis by approval of the secured creditor, LBG, and a decision from the preferential creditors. The resolutions were signed by the secured creditor on 21 December 2023.

During the period covered by this report, namely 4 September 2023 to 3 March 2024, we have incurred time costs totalling £2,229,522 in relation to dealing with the realisation of the Company's assets and all

other statutory duties. However, the amount that will be available to the Administrators to draw as fees will be restricted by the level of fixed and floating charge realisations after deducting appropriate expenses. Based on current realisations and estimated future realisations the quantum of remuneration drawn will likely be significantly below the £2.2m of time costs noted above. Of this sum, £nil has been paid to date.

At Appendix 3 to this report there is an analysis and narrative explanation of the time spent and Appendix 6 details the Joint Administrators' charging policy for remuneration.

### **Joint Administrators' expenses**

During the period covered by this report, we have incurred Category 1 and Category 2 disbursements totalling £24,875 plus VAT. There is an analysis of expenses incurred in this period and to date at Appendix 4 of this report.

### **Pre-Administration costs**

The Joint Administrators have had approval from the secured and preferential creditors for the payment of unpaid pre-Administration costs totalling £32,623 plus VAT. The payment of unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Insolvency (England and Wales) Rules 2016, and not part of the proposals subject to approval under paragraph 53 of Schedule B1 of the Insolvency Act 1986. No fees in respect of pre-Administration costs have been drawn to date.

### **Distributions to creditors**

No distributions have been made to any class of creditor to date.

#### ***Secured creditor***

LBG is the Company's secured creditor and had total indebtedness at 4 September 2024 of £11.2m before any termination charges.

It is currently estimated that LBG will suffer a significant shortfall against its debt.

#### ***Primary preferential creditors***

Claims from employees in respect of accrued but unpaid arrears of pay up to £800, accrued but unpaid holiday pay and certain pension benefits, rank preferentially and in priority to other preferential creditors (see below). These claims are therefore referred to as 'primary preferential creditors'.

The Joint Administrators estimate the amount of primary preferential creditors at the date of our appointment to be £340k and are of the opinion that there will be insufficient realisations to permit a dividend to this class of creditor.

#### ***Secondary preferential creditors***

Claims from HMRC, in relation to VAT, PAYE and employees' National Insurance Contributions rank preferentially, but secondary to the employee primary preferential creditors above. These claims are therefore referred to as 'secondary preferential creditors'.

We estimate the amount of secondary preferential claims at the date of our appointment to be £779k and are of the opinion that there will be insufficient realisations to permit a dividend to this class of creditor.

***Non-preferential, unsecured creditors***

The Joint Administrators continue to receive claims from non-preferential, unsecured creditors of the Company. It is estimated that non-preferential, unsecured claims will be in the region of £4m. At this stage, we do not anticipate that there will be sufficient realisations to generate a prescribed part that would be available for distribution to unsecured creditors.

**Remaining work**

We will continue to deal with the Administration in line with the stated objectives outlined in the proposals. Future tasks will include, but may not be limited to, the following:

- ▶ Clearance and subsequent sale of the freehold property;
- ▶ Finalisation the tax position with regards to the share sale of the Company's remaining Ethiopian subsidiary;
- ▶ Dealing with corporation tax and VAT matters, which includes filing statutory returns;
- ▶ Dealing with creditor enquiries;
- ▶ Distributing realisations to the secured creditor of the Company;
- ▶ Ensuring all statutory reporting and compliance obligations are met;
- ▶ Finalising the Administration, including payment of all Administration liabilities; and
- ▶ Any other actions required to be undertaken by the Joint Administrators in order to fulfil the purpose of the Administration.

Please see Appendix 5 for a more detailed explanation of the work which is in progress or to be completed.

### Next report

We will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner.

In the meantime, if you have any queries regarding the content of this report, please do not hesitate to contact us by email [pittardsadministration@uk.ey.com](mailto:pittardsadministration@uk.ey.com).

Yours faithfully  
for Pittards Plc (in Administration)



Lucy Winterborne Joint Administrator

Lucy Winterborne is licensed in the United Kingdom to act as an Insolvency Practitioner by The Insolvency Practitioners Association and Daniel Christopher Hurd is licensed in the United Kingdom to act as an Insolvency Practitioner by The Institute of Chartered Accountants in England and Wales.

The affairs, business and property of the Company are being managed by the Joint Administrators, Lucy Winterborne and Daniel Christopher Hurd, who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. The Office Holder Data Privacy Notice can be found at [www.ey.com/uk/officeholderprivacy](http://www.ey.com/uk/officeholderprivacy).



## Appendix 1

### Information about the proceedings, the Company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	High Court of Justice, Business and Property Courts in Bristol, Insolvency & Companies List (ChD)
Court reference:	CR-2023-BRS-0092
Registered name of the Company	Pittards Plc (in Administration)
Registered office address of the Company:	The Paragon, Counterslip, Bristol, BS1 6BX
Registered number:	00102384
Country of incorporation (for a Company incorporated outside the United Kingdom):	N/A
Date of appointment of the Joint Administrators:	4 September 2023
Details of any changes of Administrator:	N/A
Full names of the Administrators:	Lucy Winterborne and Daniel Christopher Hurd
Office holder number(s):	21130 / 20030
Administrators' address(es):	Lucy Winterborne Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX  Daniel Christopher Hurd Ernst & Young LLP No.1 Colmore Square Birmingham B4 6HQ
Email:	<a href="mailto:pittardsadministration@uk.ey.com">pittardsadministration@uk.ey.com</a>
Name of alternative person to contact with enquiries about the case:	Catriona Lynch

## Appendix 2

### Pittards Plc (in Administration)

#### Summary of Joint Administrators' receipts and payments incurred in the period 4 September 2023 to 3 March 2024

Pittards Plc (In Administration)			
Joint Administrators' Summary of Receipts and Payments (Accruals Basis)			
Statement of Affairs		From 04 September 2023 To 03 March 2024	From 04 September 2023 To 03 March 2024
£		£	£
<b>ASSET REALISATIONS</b>			
900,000.00	Debtors not subj to Fx Ch	581,924.54	581,924.54
	Bank Interest	6,336.42	6,336.42
1,000,000.00	Stock	524,956.99	524,956.99
	Rental Income	13,000.00	13,000.00
	Sundry Income	36.24	36.24
		1,126,254.19	1,126,254.19
<b>COST OF REALISATIONS</b>			
	Insurance	21,328.09	21,328.09
	Property Holding Costs	23,269.13	23,269.13
	Health & Safety	4,270.10	4,270.10
	Public Notices	94.00	94.00
	Statement of Affairs costs	2,000.00	2,000.00
	Bank charges	195.40	195.40
	Motor Vehicle Repairs	607.08	607.08
	Employers Pension	2,948.28	2,948.28
	Gross Wages	158,996.21	158,996.21
	Employers NIC	16,390.31	16,390.31
	Employee Benefits	5,239.57	5,239.57
	Legal Fees	48,897.14	48,897.14
	Debt Collection Expenses	4,396.14	4,396.14
	Telephone, telex, fax etc	7,759.15	7,759.15
	Packaging Costs	7,268.20	7,268.20
	Sundry Expenses	1,007.70	1,007.70
	Utilities	14,931.92	14,931.92
		(319,598.42)	(319,598.42)
<b>UNSECURED CREDITORS</b>			
(3,671,645.91)	Unsecured creditors	0.00	0.00
		0.00	0.00
(1,771,645.91)		806,655.77	806,655.77
		£	£
<b>REPRESENTED BY</b>			
	Petty Cash		1,000.00
	Fit VAT Receivable		16,519.40
	RBS-GBP-32882482-Floating Current		780,515.56
	Fit VAT Payable		(94,773.77)
	PAYE/NIC Control Account		(7,940.27)
	Fit VAT Control Account		110,624.62
	Fixed VAT Receivable		4,588.82
	Fixed VAT Payable		(2,600.00)
	Pension Control Account		(1,278.59)
			806,655.77
			Lucy Winterborne Joint Administrator

#### Notes

1. Receipts and payments are stated net of VAT.
2. Some of the costs incurred to date will be reclassified against fixed charge realisations once the freehold property is sold.

## Appendix 3

### Pittards Plc (in Administration)

#### Summary of Joint Administrators' expenses incurred in the period 4 September 2023 to 3 March 2024

Type of Expense	Per Estimate dated 12 December 2023 £	Paid in Period £	Outstanding amount or revised estimate £	Total £
<b>Payments made from the estate which are not disbursements – all Category 1</b>				
<b>(Please refer to notes 1, 2 and 3 at the end of this table for definitions)</b>				
Legal costs	128,000	48,897	79,103	128,000
Agents' costs	181,000	4,396	176,604	181,000
Insurance	76,000	21,328	54,672	76,000
Employee costs	126,000	183,574	22,815	206,389
Property costs	471,000	51,238	419,762	471,000
Bank charges and interest	100	195	100	295
Statutory costs	21,000	94	20,906	21,000
Corporation tax	5,000	-	5,000	5,000
Statement of affairs fee	2,000	2,000	-	2,000
Packaging costs	Nil	7,268	30	7,298
Repair of motor vehicles	Nil	607	-	607
<b>Category 1 disbursements (notes 2 and 3)</b>				
Specific penalty bond	420	420	420	840
Accommodation and subsistence costs	12,650	11,810	350	12,160
Travel costs (excluding mileage)	1,500	311	40	351
Postage and printing	5,000	3,611	1,389	5,000

Type of Expense	Per Estimate dated 12 December 2023 £	Paid in Period £	Outstanding amount or revised estimate £	Total £
Sundry expenses	1,000	-	1,000	1,000
<b>Category 2 disbursements (notes 2 and 3)</b>				
Mileage	7,850	8,723	1,000	9,723
<b>Totals</b>	<b>1,038,520</b>	<b>344,472</b>	<b>783,191</b>	<b>1,127,663</b>

## Notes

- 1 Statement of Insolvency Practice No.9 defines expenses as any payments from the insolvency estate which are neither an office holder's remuneration or a distribution to a creditor or member.
- 2 Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do require prior approval (Category 2):
  - ▶ Category 1 expenses are payments to persons providing the service to which the expense relates and who are not an associate of the office holder
  - ▶ Category 2 expenses are payments to associates or which have an element of shared costs.
- 3 Expenses also include disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Disbursements fall into either Category 1 or Category 2.
- 4 Creditors will note that the 12 December 2023 estimate of total expenses has been exceeded. This is principally due to additional costs being incurred in relation to the retained employees still being on the payroll, due to stock and site clearance taking longer than originally anticipated.

## Pittards Plc (in Administration)

Joint Administrators' time costs for the period 4 September 2023 to 3 March 2024 and a comparison with the fee estimate dated 12 December 2023

	Per Fee Estimate			Total actual to date		
	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)
Administration & Planning	546.2	305,311.0	559	646.5	349,112.0	540
Creditors	176.1	100,765.5	572	93.5	54,642.5	584
Debtors	378.7	235,909.0	623	258.4	150,940.0	584
Employees	460.9	332,471.5	721	438.6	319,909.0	729
Environmental Issues	6.2	4,365.5	704	13.9	8,653.5	623
Immediate Tasks	84.9	41,858.5	493	66.7	42,835.5	642
Investigation & CDDA	251.3	92,234.5	367	100.6	56,366.5	560
Job Acceptance & Strategy	74.3	31,977.0	430	19.9	11,526.0	579
Legal Issues	161.7	69,740.5	431	25.7	13,878.0	540
Members	42.4	17,028.5	402	2.4	1,913.5	797
Other Assets	689.2	384,693.5	558	871.3	626,179.5	719
Other Matters	291.0	98,485.5	338	140.8	68,215.0	487
Property	483.3	186,515.5	386	145.4	96,035.5	660
Public Relations Issues	1.5	1,425.0	950	1.5	1,425.0	950
Reporting	546.1	244,946.5	449	170.6	130,438.5	765
Retention of Title	132.2	52,655.0	398	66.2	39,545.0	597
Statutory Duties	346.7	219,191.0	632	361.3	166,963.5	462
Trading	111.4	53,051.0	476	113.5	53,865.0	475
VAT & Taxation	129.2	84,270.0	652	61.1	37,078.5	607
<b>Total</b>	<b>4,913.3</b>	<b>2,556,894.50</b>	<b>520</b>	<b>3,597.9</b>	<b>2,229,522.00</b>	<b>620</b>

**Pittards Plc (in Administration)**

**Joint Administrators' time costs – explanation of the work done in the period 4 September 2023 to 3 March 2024**

The work undertaken can be categorised as either related to Statutory work or Asset Realisations. Statutory work is required by the Joint Administrators to fulfil their statutory duties pursuant to the Insolvency Act 1986 and Insolvency (England and Wales) Rules 2016. Asset realisation work is in respect of the Joint Administrators' actions to realise assets for the benefit of the creditors.

Basis of work	Category of work	Description of work to be completed	Work done / in progress / to be performed
Statutory	Accounting & treasury	<ul style="list-style-type: none"> <li>▶ Overall management of the case, statutory compliance diaries and time cost reporting.</li> <li>▶ Cashiering, treasury and accounting functions.</li> </ul>	<ul style="list-style-type: none"> <li>▶ In progress</li> <li>▶ In progress</li> </ul>
Statutory	Creditors	<ul style="list-style-type: none"> <li>▶ Receipt of and recording creditor claims.</li> <li>▶ Correspondence with creditors.</li> </ul>	<ul style="list-style-type: none"> <li>▶ In progress</li> <li>▶ In progress</li> </ul>
Asset realisation	Debtors	<ul style="list-style-type: none"> <li>▶ Dealing directly with certain customers over the realisation of book debts and collection of goods from the Company's premises.</li> <li>▶ Liaising with Hilton Baird regarding the collection of the Company's book debts.</li> </ul>	<ul style="list-style-type: none"> <li>▶ In progress</li> <li>▶ In progress</li> </ul>
Statutory	Employees	<ul style="list-style-type: none"> <li>▶ Assessing staffing requirements and making redundancies.</li> <li>▶ Assisting redundant employees with their claims to the Redundancy Payments Service or the Company.</li> <li>▶ Dealing with employee enquiries.</li> <li>▶ Making statutory submissions to the relevant government departments.</li> <li>▶ Administering the Company's payroll for the employees retained following appointment including taxation and other deductions.</li> </ul>	<ul style="list-style-type: none"> <li>▶ In progress</li> <li>▶ In progress</li> <li>▶ In progress</li> <li>▶ In progress</li> <li>▶ In progress</li> </ul>
Statutory	Environmental issues	<ul style="list-style-type: none"> <li>▶ Assessing position regarding chemicals onsite and discharging of effluent, as well as liaising with licensing authorities.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Work done</li> </ul>
Statutory	Immediate Tasks	<ul style="list-style-type: none"> <li>▶ Completion of work streams requiring immediate attention following the appointment as required by statute.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Work done</li> </ul>

Statutory	Investigations & CDDA	<ul style="list-style-type: none"> <li>▶ Investigations into the Company's affairs in accordance with Statement of Insolvency Practice 2 "Investigations by Office Holders".</li> </ul>	▶ Work done
Statutory	Investigations & CDDA	<ul style="list-style-type: none"> <li>▶ The Joint Administrators' report on the conduct of the directors under the Company Directors Disqualification Act 1986.</li> </ul>	▶ Work done
Asset realisation	Job Acceptance & Strategy	<ul style="list-style-type: none"> <li>▶ Matters relating to the appointment and initial planning of the Administration strategy, including formulating and executing the strategy adopted.</li> <li>▶ Implementing the most appropriate exit route from Administration.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Work done</li> <li>▶ In progress</li> </ul>
Statutory	Legal Issues	<ul style="list-style-type: none"> <li>▶ Dealing with any ad hoc legal issues and liaising with TLT LLP on these matters.</li> </ul>	▶ In progress
Statutory	Members	<ul style="list-style-type: none"> <li>▶ Liaising with the Company's shareholders (as required).</li> </ul>	▶ Work done
Asset realisations	Other Assets	<ul style="list-style-type: none"> <li>▶ Assessing, quantifying and seeking to realise value from assets as at the date of appointment.</li> <li>▶ Negotiating inventory sales to third parties and managing collections from the Company's premises.</li> <li>▶ Liaising with Lambert Smith Hampton regarding the sale of the Company's plant and machinery.</li> <li>▶ Dealing with matters pertaining to the realisation of the Company's interest in its remaining Ethiopian subsidiary company</li> </ul>	<ul style="list-style-type: none"> <li>▶ In progress</li> <li>▶ In progress</li> <li>▶ Work done</li> <li>▶ In progress</li> </ul>
Statutory	Other Matters	<ul style="list-style-type: none"> <li>▶ Dealing with assets owned by third parties.</li> <li>▶ Recovery of the Company's physical books and records, and electronic records (including a back-up of the Company's servers and systems).</li> </ul>	<ul style="list-style-type: none"> <li>▶ Work done</li> <li>▶ Work done</li> </ul>
Asset realisation	Property	<ul style="list-style-type: none"> <li>▶ Reviewing documentation of the freehold property owned by the Company.</li> <li>▶ Liaising with Avison Young LLP over the marketing and sale of the freehold property.</li> <li>▶ Dealing with the security of the freehold property site.</li> <li>▶ Managing and overseeing the clearance of the site for a vacant possession sale of the property.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Work done</li> <li>▶ In progress</li> <li>▶ In progress</li> <li>▶ In progress</li> </ul>
Statutory	Public relations issues	<ul style="list-style-type: none"> <li>▶ Agreeing and issuing statements to the press as required in pursuit of the Administration strategy.</li> </ul>	▶ Work done
Statutory	Reporting	<ul style="list-style-type: none"> <li>▶ Preparing the Joint Administrators' Statement of Proposals, six monthly progress reports and final report.</li> </ul>	▶ In progress

		Reporting to Lloyds Banking Group as secured creditor.	
Asset realisation	Retention of title	▶ Assessment and settlement of claims for retention of title from the Company's suppliers (if applicable).	▶ Work done
Statutory	Statutory Duties	▶ Completion of statutory requirements of the Administration, including notifications to creditors and members, advertising the appointment, and sending to creditors and filing at Companies House.	▶ In progress
Statutory	Trading	▶ Formulating the strategy to ensure orderly wind down of the business. ▶ Dealing with a number of suppliers required to support the business during the Administration. ▶ Liaising with the Company's Health & Safety specialist to ensure insurance and security is in place	▶ Work done ▶ Work done ▶ Work done
Statutory	VAT & Taxation	▶ Preparing corporation tax and VAT returns, with input from EY VAT and tax specialists. ▶ Submitting relevant notifications to HMRC. ▶ Preparing claims for VAT bad debt relief (if applicable). ▶ Assessment of the VAT and tax treatments of transactions and agreements entered into during the Administration.	▶ In progress ▶ In progress ▶ In progress ▶ In progress

Time costs are higher than previously estimated due to stock sales and collection, plant and machinery collections and site clearance taking longer than originally expected. This has necessitated more on-site presence from the Administrators' staff, which is mainly reflected in the following categories:

- ▶ Administration & Planning
- ▶ Other Assets
- ▶ Trading



### **Pittards Plc (in Administration)**

#### **Statement of Joint Administrators' charging policy for remuneration and disbursements pursuant to Statement of Insolvency Practice No.9**

##### **Joint Administrators' charging policy for remuneration**

The Joint Administrators have engaged managers and other staff to work on the Administration. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the Company's bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Joint Administrators.

All time spent by staff working directly on case-related matters is charged to a time code established specifically for this engagement. Time is recorded in units of six minutes. Each member of staff has a specific hourly rate, which is subject to change over time.

##### **Administrators' charging policy for expenses**

Statement of Insolvency Practice No. 9 divides expenses into two categories:

► Category 1 expenses are defined as specific expenditure relating to the Administration of the insolvent's affairs and referable to payment to an independent third party. Such expenses can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 expenses drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the expenses drawn.

► Category 2 expenses are charges made by the office holder's firm that include elements of shared or overhead costs. Statement of Insolvency Practice No. 9 provides that such expenses are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to seek approval for Category 2 expenses before they are drawn.

It is our policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn.

**Notice to creditors of deemed consent**

**Paragraph 78(2A) of Schedule B1 to the Insolvency Act 1986 and Rules 15.7 and 15.8 of the Insolvency (England and Wales) Rules 2016**

Name of court: High Court of Justice Business and Property Courts at Bristol Insolvency and Companies List (ChD)

Case number: CR-2023-BRS-0092

Registered name of the Company Pittards plc

Other trading name(s) or style(s) of the Company: N/A

Any other registered name in the 12 months prior to Administration: N/A

Registered number: 00102384

Registered office address: c/o Ernst & Young LLP, The Paragon, Counterslip, Bristol, BS1 6BX

Principal trading address (if different from above): Sherborne Road, Yeovil, Somerset, BA21 5BA

Date on which the Company entered Administration: 4 September 2023

Date of appointment of Joint Administrators: 4 September 2023

Details of the Joint Administrators

Lucy Winterborne  
Ernst & Young LLP  
The Paragon  
Counterslip  
Bristol  
BS1 6BX

Daniel Christopher Hurd  
Ernst & Young LLP  
One Colmore Square  
Birmingham  
B4 6HQ

Office holder number: 21130 20030

Telephone number: 0131 777 2440

Name of alternative person to contact about the Administration: Catriona Lynch

**NOTICE IS HEREBY GIVEN** that the Joint Administrators of the Company are seeking an extension of the Administration for a period of 12 months to 3 September 2025 by deemed consent.

Creditors will be deemed to have consented to the extension unless by the end of 15 April 2024 at least 10% in value of creditors who would be entitled to vote in a qualifying decision procedure have objected to approval and their objections have been made in accordance with the procedure set out below.

## Objections

Any creditor wishing to object to the proposed decision to extend the Administration including any creditor who has opted out from receiving notices about the Administration - must deliver to me, at the above address, a notice stating that the creditor so objects. The notice must be delivered to me at the above address not later than the end of 15 April 2024 together with a proof in respect of the creditor's claim which complies with the requirements of Rules 15.28 to 15.35 of the Insolvency (England and Wales) Rules 2016 failing which the objection will be disregarded.

Please note that creditors whose debts may be treated as small debts in accordance with Rule 14.31(1) of the Insolvency (England and Wales) Rules 2016 must still deliver a proof of claim if they wish to object.

It is my responsibility, as Joint Administrator convening the deemed consent procedure, to aggregate any objections to see if the threshold is met for the decision to be taken as not having been made.

If the threshold is met the deemed consent procedure will terminate without a decision being made on the request for an extension and if a decision is sought again on the same matter it will be sought by a decision procedure.

### Requests for a physical meeting to be held

Creditors who meet the thresholds in s.246ZE(7) of the Insolvency Act 1986, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may, within five business days from the date of delivery of this notice, make a request to me in writing for a physical meeting of creditors to be held to consider the request for an extension of the Administration.



Signed  
Lucy Winterborne  
Joint Administrator

---

Date

28 March 2024 \_\_\_\_\_

## Appendix 8

### Notice to creditors – invitation to form a creditors' committee

#### Rule 3.39, Insolvency (England and Wales) Rules 2016

Name of court: High Court of Justice Business and Property  
Courts at Bristol Insolvency and Companies List  
(ChD)

Case number: CR-2023-BRS-0092

Registered name of the Company Pittards plc

Other trading name(s) or style(s) of the Company: N/A

Any other registered name in the 12 months prior to Administration: N/A

Registered number: 00102384

Registered office address: c/o Ernst & Young LLP, The Paragon,  
Counterslip, Bristol, BS1 6BX

Principal trading address (if different from above): Sherborne Road, Yeovil, Somerset, BA21 5BA

Date on which the Company entered Administration: 4 September 2023

Date of appointment of Joint Administrators: 4 September 2023

#### Details of the Joint Administrators

Lucy Winterborne  
Ernst & Young LLP  
The Paragon  
Counterslip  
Bristol  
BS1 6BX

Daniel Christopher Hurd  
Ernst & Young LLP  
One Colmore Square  
Birmingham  
B4 6HQ

Office holder number: 21130 20030

Telephone number: 0131 777 2440

Name of alternative person to contact about the Administration: Catriona Lynch

#### Invitation to form a creditors' committee

Creditors are invited to decide whether a creditors' committee should be formed if sufficient creditors are willing to be members of the committee. Information on the role of committees can be found at <https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf>

To be validly established, a committee must have at least three and not more than five members, who must have agreed to act.

Should you wish to form a committee, please follow the instructions in the nomination form attached to this notice and return the completed nomination form, with written agreements to act where

appropriate, to me at the above address to arrive no later than 15 April 2024. Nominations can only be accepted if I am satisfied as to the creditor's eligibility under Rule 17.4 of the Insolvency (England and Wales) Rules 2016.



Signed  
Lucy Winterborne  
Joint Administrator

---

Date

28 March 2024 

---

## **Pittards plc (in Administration)**

### **Nominations for creditors' committee**

You may nominate up to five creditors of the Company. Please note that before a person can act as a member of a creditors' committee that person must agree to do so.

In the event that more than five valid nominations are received, the five receiving the most votes will be appointed.

When you have completed this form, please return it with the creditor's written agreement to act (unless you are nominating yourself or your own organisation) to Lucy Winterborne at Ernst & Young LLP, The Paragon, Counterslip, Bristol, BS1 6BX to arrive no later than the closing date stated on the notice of invitation to form a committee.

I nominate:

(Name of creditor) \_\_\_\_\_ of

(Address) \_\_\_\_\_  
\_\_\_\_\_

(Name of creditor) \_\_\_\_\_ of

(Address) \_\_\_\_\_  
\_\_\_\_\_

(Name of creditor) \_\_\_\_\_  
of

(Address) \_\_\_\_\_  
\_\_\_\_\_

(Name of creditor) \_\_\_\_\_ of

(Address) \_\_\_\_\_

\_\_\_\_\_

(Name of creditor) \_\_\_\_\_ of

(Address) \_\_\_\_\_

\_\_\_\_\_

to be appointed as (a) member(s) of the creditors' committee.

Signature \_\_\_\_\_

Name of signatory \_\_\_\_\_

On behalf of  
(name of creditor) \_\_\_\_\_

Date \_\_\_\_\_