

TO ALL KNOWN CREDITORS

18 August 2022

Ref:TV/SJW/BL/PCF

Email:  
[SDNrealisations@parthenon.ey.com](mailto:SDNrealisations@parthenon.ey.com)

Dear Sirs

**SDN Realisations Limited (formerly Scandiborn Limited)  
(in Administration) (“the Company”)**

I write further to my appointment as Joint Administrator of the above Company and attach a copy of my statement of proposals in accordance with paragraph 49 of Schedule B1 to the Insolvency Act 1986.

As you will note from the proposals, there is no prospect of any funds becoming available to unsecured creditors other than by virtue of the prescribed part. As a consequence, I do not propose to seek a decision on approval of the proposals from creditors.

Creditors whose debts amount to at least 10% of total debts of the Company may requisition a decision (either by a decision procedure or deemed consent procedure) on approval of the proposals if they deliver to me, within 8 business days of the date of delivery of these proposals, a request which fulfils the requirements of Rule 15.18 of the Insolvency (England and Wales) Rules 2016 (the Rules). In accordance with Rule 15.19 of the Rules, I may require a deposit as security for payment of the expenses associated with convening a decision procedure or deemed consent procedure and will not be obliged to initiate the procedure until I have received the required sum.

In the event that a decision is not requested by creditors under paragraph 52(2)(c) of the Insolvency Act 1986, the proposals will be deemed to be accepted. The Joint Administrators' remuneration, Category 2 disbursements and unpaid pre-administration costs incurred with a view to the Company entering administration will be agreed with the secured creditor and the preferential creditors in accordance with the provisions of Rule 18.18 and Rule 3.52 of the Insolvency (England and Wales) Rules 2016.

As the Joint Administrators propose to ask for their remuneration to be fixed on a time-cost basis, they are required to provide creditors with an estimate of the remuneration to be charged and details of expenses incurred and likely to be incurred. The information is attached as an appendix to this letter.

If there are any matters concerning the Company's affairs which you consider may require investigation and consequently should be brought to our attention, please forward the details to me in writing as soon as possible.

Should you have any queries relating to this letter or any other aspect of the Administration, please do not hesitate to contact [SDNrealisations@parthenon.ey.com](mailto:SDNrealisations@parthenon.ey.com)

Yours faithfully  
For the Company



T Vance  
Joint Administrator

Encs: Administrators' statement of proposals  
Fee estimate and details of expenses

T Vance is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland and S J Woodward 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, T Vance and S J Woodward, 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 Administrator's appointment. The Office Holder Data Privacy Notice can be found at [www.ey.com/uk/officeholderprivacy](http://www.ey.com/uk/officeholderprivacy).

**SDN Realisations Limited (formerly  
Scandiborn Limited) (In Administration)  
("the Company")**

**In Administration**

Administrators' statement of proposals

Pursuant to paragraph 49 of schedule B1 to the  
Insolvency Act 1986

Date of delivery of proposals to creditors 18 August 2022

## Abbreviations

The following abbreviations are used in this report:

<b>the Company</b>	SDN Realisations Limited (formerly Scandiborn Limited)
<b>Boost</b>	Growth Lending 2020 Limited
<b>Eversheds</b>	Eversheds Sutherland LLP
<b>EY</b>	Ernst & Young LLP
<b>Findel</b>	Findel Education Limited
<b>FYXX</b>	Financial year ended 31 Max 20XX
<b>Hilco</b>	Hilco Valuation Services
<b>HMRC</b>	HM Revenue & Customs
<b>IP</b>	Intellectual property
<b>LTO</b>	License to Occupy
<b>NBV</b>	Net book value
<b>TUPE</b>	Transfer of Undertakings (Protection of Employment) regulations
<b>VAT</b>	Value-added tax

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# 1. Introduction, background and circumstances giving rise to the appointment

## Introduction

On 11 August 2022 the Company entered Administration and T Vance and S J Woodward were appointed to act as Joint Administrators. This document, including its appendices, constitutes the Joint Administrators' statement of proposals to creditors pursuant to paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016.

Certain statutory information relating to the Company and the appointment of the Joint Administrators is provided at Appendix A.

## Background

The Company is a standalone entity which traded as a business to customer online retailer. The Company sold Scandinavian-inspired nursery products via its UK and US websites.

The operations of the Company were based in the UK, operating principally from a leased warehouse in Melton Mowbray (Leicestershire) and employed 21 employees.

The Company was incorporated in 2016 and is owned by two shareholder individuals.

The recent financial results of the Company show a lossmaking position and can be summarised as follows:

Year ended or period 31 May	Type audited/draft	Turnover £000	Gross profit £000	Gross profit %	Directors' remuneration £000	Net profit/(loss) after tax £000	Net assets £000
Jul 22 (2 months)	Draft	1,625	328	20.2	14.6	(242)	(2,730)
FY22	Draft	13,538	1,785	13.2	106.5	(1,995)	(2,488)
FY21	Management Info	17,934	3,372	18.8	50.6	(522)	(495)
FY20	Management Info	7,536	1,708	22.7	12.0	465	517.7

## Circumstances Giving Rise to the Appointment of the Administrators

Following start up in 2016, the Company had achieved considerable growth in turnover, achieving c.£17m in FY21. The business had grown organically but had benefitted from favourable consumer dynamics for online retail during the COVID lockdown.

In May 2021 the Company was provided with a £4.0m CBILS loan by Growth Lending 2020 Limited, part of Boost & Co ("Boost").

With the increased levels of activity and to seek to improve profitability, the Company decided to transition from a third-party logistics provider to operating its own leased warehouse during FY22.

However, during FY22, growth stalled amid a reduction in consumer demand (c.20% lower turnover compared to the previous financial year).

Unfortunately, the Company suffered heavy net losses in FY21 and FY22 due to inefficiencies arising from operating from two sites, increased marketing expenditure, and the change in operating model (with turnover reducing at the same time as the Company committed to a higher fixed cost base in anticipation of further growth).

Alongside this, the Company's internal systems, processes and financial information had not evolved quickly enough to deal with the rapid growth experienced and management information required improvement.

#### *Sale process*

As a result of the above, in September 2021, the Company sought the services of EY to assist it in assessing its financial position, its ability to continue to trade in the short term, the options available to the Company, and in its communications with its secured lender (Boost). An interim financial consultant, introduced by EY, also began working with the Company around the same time to assist in improving management information.

The Company took actions to implement a turnaround plan through:

- Overhead reductions, exiting the third party logistics provider, reducing stock and managing suppliers;
- Transitioning to a drop ship model and implementing price increases to improve gross margin.

Unfortunately, market conditions deteriorated significantly during calendar year 2022 with sales at unsustainable levels and continuing net losses despite the actions taken with regard to the turnaround plan.

Consequently, this led the Director to consider options for the business, concluding in March 22 that a sale of the Company or external investment was necessary and EY was subsequently engaged to assist in seeking a buyer for the business.

During the sale process, further headwinds were experienced from further decreasing demand, cost inflation, and working capital pressure due to a lack of credit terms with a number of its suppliers.

A total of 54 potential purchasers were approached during the sale process of which, 18 entered into non-disclosure agreements.

Three offers were received, summarised as follows:

1. **Confidential Party 1 ("CP1a")**: 25p in the £ against an estimated unencumbered stock balance of £1.0m, which was free from supplier creditor claims. This consideration was to also include the intellectual property and plant and machinery assets of the Company. It was envisioned that this offer would be transacted through a business and assets sale via an Administration process.
2. **Confidential Party 1 ("CP1b")**: a second offer was also received from the same Confidential Party on another basis, which included £nil consideration, Boost switching its debt for an equity stake and Confidential Party 1 becoming the primary shareholder. This was not acceptable to Boost.
3. **Findel**: submitted an offer to acquire the business, IP & stock assets of the Company via a pre-packaged Administration sale. The ultimate consideration to be dependent on stock and certain creditor balances as at the time of the transaction. Based on the balance sheet as at 30 June, the consideration for the stock equated to an

effective 54p in the £ (with value attributed to IP this reduces to 48p in the £). This is set out in further detail in the sections below.

The Company's forecasts indicated an additional cash requirement first arising during September 2022. With no further funding available from either the secured lender or shareholders, the Director concluded that:

- The Company could not avoid an insolvency process; and
- The Findel offer provides the greatest financial benefit to the creditors of the Company compared to the other offers received.

On 26 July 2022 EY were engaged to take the necessary steps to in planning for an insolvency appointment.

A notice of intention to appoint Administrators was filed on 4 August 2022. Due to a technical issue with the original notice, a further notice of intention to appoint Administrators was filed on 10 August 2022. This was to provide protection from creditor action through an interim moratorium whilst the proposed Joint Administrators continued to work to execute the pre-pack sale of the business and certain assets of the Company.

Details of the pre-Administration costs which for which payment is sought of are given in Section 6 of these proposals.



## 2. Purpose, conduct and end of Administration

### Purpose of the Administration

The purpose of an Administration is to achieve one of three objectives:

- a. To rescue the company as a going concern
- b. To achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration)
- c. To realise property in order to make a distribution to one or more secured or preferential creditors

Insolvency legislation provides that objective (a) should be pursued unless it is not reasonably practicable to do so or if objective (b) would achieve a better result for the company's creditors as a whole. Objective (c) may only be pursued if it is not reasonably practicable to achieve either objective (a) or (b) and can be pursued without unnecessarily harming the interests of the creditors of the company as a whole.

It is considered unlikely that objective (a) could be achieved given the significant cash flow and creditor pressures, future market uncertainty and given the sales process undertaken prior to the Administration which did not result in any offers for the company's shares on a going concern basis.

The objective being pursued is (b) to achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration). We concluded this as being the most suitable objective as the sale of the assets of the Company delivered a better outcome for creditors than a liquidation or wind down realisation of the stock and other assets.

Further information relating to the transaction entered into with Findel Education Limited is provided below and at Appendix E.

### Conduct of the Administration

#### *Sale agreement*

On 11 August 2022 the Joint Administrators completed a sale of the Company's business and certain assets to Findel Education Limited. Please note that the total consideration is subject to the conclusion of a full stock count and valuation exercise and the reconciliation of certain creditor balances which form the basis of deductions to the consideration value applied by the buyer.

As the asset sale was negotiated and agreed in advance of the Company entering into Administration a detailed explanation of the transaction was sent to creditors on the same day as these proposals and is attached as Appendix E. The assets sold comprise the following:

Description of asset	Indicative purchase consideration (£)
Stock	48p in £ subject to final stock count and reconciliation process
Brand & IP	78,000
Business records	1
Goodwill	1

Sales information	1
Customer database	1
Customer list	1
Customer contracts	1
Rights of action	1

Initial funds of 429,957 were transferred to the Company upon completion and a retention balance of £321,276 is being held on trust by the Administrators' solicitors, which is subject to the stock count and valuation and the reconciliation of certain creditor balances, which are taken into account in calculating the final value.

Once this has been clarified, the appropriate amounts will be paid to the Company and to Findel (if applicable). If the calculated consideration value exceeds the retention balance, the additional amount will be paid by Findel to the Company.

#### ***Significant assets not included in the sale agreement***

The assets that have been excluded from the sale agreement include all other assets owned by the Company, including, but not limited to:

- The trade and other debts due to the Company;
- Cash in the Company's bank accounts upon completion of the transaction; and
- Plant and machinery, computer & office equipment and a motor vehicle.

The Joint Administrators will seek to realise best value for the above assets as the Administration progresses. Given the short period since our appointment we do not have a clear estimate of what these realisations may and shall therefore provide further updates in our next report.

#### ***Leasehold properties***

The Company has two leasehold properties in Melton Mowbray and nearby Dalby (Leicestershire). A license to occupy ("LTO") has been granted to Findel in relation to the Melton Mowbray property from the date of the sale.

#### ***Asset realisations***

To date, the only asset realisations in the Administration are those from the pre-packaged sale of the Company's business and certain assets.

#### **Administrators' receipts and payments**

A summary of the Administrators' receipts and payments for the period from 11 August 22 to 18 August 2022 is attached at Appendix D.

#### **Approval of the Administrators' proposals**

The Joint Administrators are of the opinion that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part and consequently, in accordance with the provisions of paragraph 52(1)(b) of Schedule B1 to the Act, they do not intend to seek a decision of the creditors on the approval of the proposals.

The Joint Administrators will be obliged to seek a decision of the creditors if requested to do so by creditors of the company whose debts amount to at least 10% of the total debts of the company. The request must be delivered within 8 business days of the date on which these proposals are delivered to creditors (or such longer period as the court may allow) and must include the information required by Rule 15.18 of the Insolvency (England and Wales) Rules 2016.

In accordance with Rule 15.19 of the Rules, the Joint Administrators may require a deposit as security for payment of the expenses associated with convening a decision procedure or deemed consent procedure and will not be obliged to initiate the procedure until they have received the required sum.

### **Future conduct of the Administration**

The Joint Administrators will continue to deal with the Administration in line with the stated objectives, namely to achieve a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in Administration).

Future tasks will include, but are not limited to, the following:

- Dealing with the reconciliation exercise required between the Company and Findel Limited in respect of the sales consideration for the stock assets;
- Dealing with property matters;
- Realising residual assets of the Company including the trade and other debts and other assets;
- Making distributions to the secured creditor under its fixed and floating charges;
- Dealing with preferential creditor claims and making a distribution to the preferential creditors;
- agreeing unsecured creditor claims and making a distribution to creditors from the Prescribed Part or from any residual floating charge realisations, if applicable (see section 4 below);
- Dealing with unsecured creditor queries;
- If the Joint Administrators deem appropriate, to seek an extension and/or further extensions to the Administration from the Company's creditors and/or the Court;
- Review and conduct the tax affairs of the Company (as appropriate);
- Dealing with statutory reporting and compliance obligations;
- Ongoing monitoring and reporting to the Secured creditors in respect of the asset realisations under their fixed and floating charges;
- Finalising the Administration, including the payment of all Administration expenses; and
- Any other actions required to be undertaken by the Joint Administrators in order to fulfil the purpose of the Administration.

The Administration will be funded by the realisations achieved from the Company's assets.

### **The end of the Administration**

It is proposed that if at the end of the Administration the company has no property which might permit a distribution to its creditors, the Joint Administrators will send a notice to that effect to the registrar of companies. On registration of the notice the Joint Administrators' appointment will come to an end. In accordance with the provisions of paragraph 84(6) of Schedule B1 to the Insolvency Act 1986 the Company will be deemed to be dissolved three months after the registration of the notice.

### 3. Statement of Affairs

The Director has not yet submitted the Statement of Affairs given the limited time which has passed since the appointment of the Joint Administrators.

In the absence of a Statement of Affairs, we attach at Appendix B an estimate of the Company's financial position based on the net book values as at 31 July 2022 together with a list of creditors including, as far as is currently known, their names, addresses, amounts owed and details of any security held.

We provide below, for information, an indication of the current position with regard to creditors' claims. The figures have not been subject to independent review or statutory audit.

#### **Secured creditors**

Boost, the Company's principal secured lender, has total indebtedness of c.£3,496,000 as at the date of the Appointment.

#### **Preferential creditors**

We consider that all of the employees transferred to the purchaser under TUPE as a result of the sale to Findel Education Limited. The purchaser has agreed to meet any liabilities in respect of arrears of wages and other liabilities owed to them and so we do not anticipate that there will be any employee related preferential claims submitted against the Company.

We estimate that HMRC related preferential creditor claims may total c.£152,000 in respect of claims for VAT, PAYE and NIC.

#### **Non-preferential creditors**

These creditor claims continue to be submitted. It is estimated that total non-preferential claims will be in the region of £0.9m.

## 4. Prescribed part

The prescribed part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Insolvency Act 1986. The prescribed part applies to floating charges created on or after 15 September 2003.

The secured creditors' floating charge was created after 15 September 2003. Consequently, section 176A of the Insolvency Act 1986 will apply to this Administration.

It is too early to accurately predict the quantum of the Prescribed Part as it is reliant on future asset realisations which are uncertain. However, the Joint Administrators estimate, to the best of their knowledge, that:

- ▶ The value of the Company's net property will range from c.£735,000 to £885,000; and
- ▶ The value of the prescribed part, before the costs of dealing with the prescribed part, will range from c.£150,000 to c.£180,000.

The Joint Administrators do not intend to make an application to the court under section 176A(5) of the Insolvency Act 1986 for an order not to distribute the prescribed part.\*

## 5. Administrators' remuneration and disbursements and payments to other professionals

### Remuneration

The statutory provisions relating to remuneration are set out in Chapter 4, 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 the Joint Administrators.

In the event that a creditors' decision is not requested and a creditors' committee is not formed, the Joint Administrators will seek to have their remuneration fixed by the secured creditor and the preferential creditors in accordance with Rule 18.18(4) of the Rules.

The Joint Administrators will ask for their remuneration to be fixed on the basis of time properly given by them and their staff in dealing with matters arising in the Administration, in accordance with the fee estimate dated 18 August 2022 which is being circulated to creditors at the same time as these proposals.

### Disbursements

Disbursements are expenses met by and reimbursed to the joint Administrators. They fall into two categories: Category 1 and Category 2. The fee estimate and statement of expenses dated 18 August 22 and delivered to creditors at the same time as these proposals includes details of the Category 1 and 2 disbursements which are expected to be incurred.

Category 1 disbursements are payments to independent third parties where there is expenditure directly referable to the Administration. Category 1 disbursements can be drawn without prior approval.

Category 2 disbursements are expenses that are directly referable to the Administration but not to a payment to an independent third party. They may include an element of shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as remuneration. In the event that a creditors' decision is not requested and a creditors' committee is not formed, the Joint Administrators will seek the approval of the secured creditor and preferential creditors to charge Category 2 disbursements in accordance with the statement of expenses included in the fee estimate dated 18 August 22.

## 6. Pre Administration costs

The Administrators are seeking approval for payment of unpaid pre Administration costs totalling £30,070 plus VAT. These costs relate to third party expenses that were incurred prior to our appointment.

The payment of unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52, and not part of the proposals subject to approval under paragraph 53. This means that they must be approved separately from the proposals.

A breakdown of the total pre Administration costs incurred and amounts paid pre Administration is attached at Appendix D. Further information is provided below.

### **Joint Administrators' costs**

The costs for this work commenced on 26 July 2022 and was carried out under an extension of scope agreement between Ernst & Young LLP and the Company.

The nature of the pre-Administration work can be summarised as follows:

- Advice in respect of the Administration process and the application to court; and
- Planning for the anticipated Administration appointment and the period immediately post-appointment in order to deal with all matters effectively.

EY fees for this work totalled £20,000 plus VAT and were paid in full prior to appointment.

### **Third party expenses**

In addition to the above, the following third-party expenses have been incurred prior to our appointment:

- Eversheds Sutherland LLP provided legal advice in connection with the appointment including preparing Administration appointment documentation and preparation of the asset purchase agreement and LTO with Findel. Eversheds Sutherland LLP have unpaid pre-Administration costs of £30,000 plus VAT and disbursements of £70 plus VAT.
- Hilco Valuation Services provided advice in respect of the valuation of the Company's assets, however there are no unpaid pre-Administration costs in this respect as they were settled prior to the appointment.

The breakdown attached at Appendix D sets out:

- ▶ The fees charged by the Administrator.
- ▶ The expenses incurred by the Administrator.

In the event that a creditors' meeting is not requisitioned and a creditors' committee is not formed, the Joint Administrators will seek to have the unpaid pre Administration expenses approved by the secured creditors and the preferential creditors.



## Appendix A Statutory information

### Company Information

Company Name:	Scandiborn Limited
Registered Office Address:	Unit O, Melton Commercial Park, Melton Mowbray, Leicestershire, LE14 3JL
Registered Number:	10159378
Trading Name(s):	Scandiborn
Trading Address(es):	Unit O, Melton Commercial Park, Melton Mowbray, Leicestershire, LE14 3JL

### Details of the Administrators and of their appointment

Administrators:	Timothy Vance and Samuel James Woodward
Date of Appointment:	11 August 2022
By Whom Appointed:	The appointment was made by the Director of the Company
Court Reference:	CR-2022-MAN-000677 in High Court of Justice, Business and Property Courts Manchester, Insolvency and Companies List (ChD)

Any of the functions to be performed or powers exercisable by the Administrators may be carried out/exercised by either of them acting alone or by both of them acting jointly.

### Statement concerning the EU Regulation on Insolvency Proceedings

The proceedings are to which the EU Regulation as it has effect in the law of the United Kingdom does not apply.

### Share capital

Class	Authorised		Issued and fully paid	
	Number	£	Number	£
Ordinary A	100	1	100	1
Ordinary B	100	1	100	1

### Directors and secretary (in the last three years) and their shareholdings

Name	Director or Secretary	Date appointed	Date resigned	Current shareholding
Grace Tindall	Director	1 July 2020	n/a	40%
Mowbray Accounting Limited	Secretary	21 June 2017	8 December 2020	n/a
James William Tindall	Director	3 May 2016	2 March 2021	n/a

## Appendix B Directors' statement of affairs

An estimate of the financial position of the Company as at 11 August 2022, is provided below. This information is based on the book values within the Company's records and not the estimated to realise values following the sale of certain assets to Findel:

	Book Value (£)
<b>Fixed Assets</b>	
Computer Equipment	27,947
Motor Vehicles	5,159
Office Equipment	14,508
Plant and Machinery	235,919
	283,534
<b>Current Assets</b>	
Trade Debtors	93,582
Stock	1,295,960
Prepayments & Deposits	71,415
Cash at Bank	577,926
	2,038,883
<b>Current Liabilities</b>	
Trade Creditors	(669,635)
Accruals	(228,710)
PAYE & NIC	(50,744)
VAT	(100,599)
Other liabilities	161,038
	(888,651)
<b>Non-Current Liabilities</b>	
Deferred Tax	(8,755)
Gift Card Liability	(146,547)
Loan	(3,496,422)
US Sales Tax Liability	(518,371)
	(4,170,096)
<b>Net Assets</b>	(2,736,330)
<b>Shareholder Funds</b>	
Share Capital	2
Current Year Earnings	(242,045)
Dividends	(417,780)
Retained Earnings	(2,076,506)
	(2,736,330)

The information provided is based upon the latest management accounts available from the Company, as at 30 July 2022. These are the book value amounts prepared by the Company on the basis of a going concern. As the Company has entered insolvency it is no longer a going concern and as a result the realisable value for the assets and the amounts due under liabilities is likely to be materially different.

A request has been made to the Director to provide a Statement of Affairs as at the date of Administration.

We have set out on the following pages a list of parties which we understand may be a creditor of the Company.

Appendix B: Directors' Statement of Affairs

Creditor Name	Address 1	Address 2	Address 3	Address 4	Address 5	Address 6	Balance	Comment	Details of Security Held
Boost & Co Limited	Agent for Growth Lending 2020 Limited	15 Crinan Street	London	N1 9SQ			£3,496,422.00	Initial Balance Per Company's records	Fixed and Floating Charges
10PIXELS Pty Ltd	19 W 24th Street	New York NY		10010 United States			£19,664.39	Initial Balance Per Company's records	none
Access UK Ltd	The Old School	School Lane	Stratford St. Mary	Colchester	Suffolk	CO7 6LZ	£2,322.00	Initial Balance Per Company's records	none
Ali Amad Khan							£589.93	Initial Balance Per Company's records	none
Angus Lift Trucks Ltd	Lime Kilns Way	Hinckley	LE10 3EL	United Kingdom			£486.00	Initial Balance Per Company's records	none
Biffa	Biffa Waste Services Ltd	Accuray House	Coronation Road	Cressex Business Park	High Wycombe	Buckinghamshire, HP12 3TZ	£954.47	Initial Balance Per Company's records	none
Bloom & Bambi Ltd	20-22 Wenlock Road	London	England	N1 7GU			£225.10	Initial Balance Per Company's records	none
Caldic (UK) Limited	Caldic (UK) Ltd	Stainsby Close	Holmewood	Chesterfield	Derbyshire	S42 5UG	£94,187.12	Initial Balance Per Company's records	none
Cam Cam Copenhagen N	Skyttegade 7, 3. Sal	KÅ,benhavn N		2200 Denmark			Unknown		none
Charlie Crane							£15.24	Initial Balance Per Company's records	none
CUDDLECO	Combrook, 2 Brindley Road	Old Trafford	Manchester	M16 9HQ	England		£1,916.07	Initial Balance Per Company's records	none
Dachser	Dachser Ltd	Northampton Logistics Centre	Thomas Dachser Way	Northampton	Northamptonshire	NN4 7HT	£50.00	Initial Balance Per Company's records	none
Deputy EMEA Limited	Herschel House	58 Herschel Street	Slough	Buckinghamshire		NN4 1PG	£43.20	Initial Balance Per Company's records	none
DSV Road Limited	D S V Road Ltd	Scandinavia House	Refinery Road	Harwich	Essex	CO12 4QG	£5,203.74	Initial Balance Per Company's records	none
Farrars Limited	Unit 1	Cedars Office Park	Butt Lane	Normanton On Soar, Unit 1	Loughborough	Nottinghamshire, LE12 5EE	£4,500.00	Initial Balance Per Company's records	none
FedEx Express	Fed Ex	Express House	Holly Lane	Atherstone	Warwickshire	CV9 2RY	£78,347.86	Initial Balance Per Company's records	none
Gabriel Jackson							£240.00	Initial Balance Per Company's records	none
Get Out Ltd T/a EZI Returns	The Oaks	Calverhall	Whitchurch	Shropshire	SY13 4PE	GBR	£391.12	Initial Balance Per Company's records	none
Global Opportunities Marketing Ltd	Unit 23	Link Business Centre	Link Way, Unit 23	Malvern	Worcestershire	WR14 1UQ	£1,079.29	Initial Balance Per Company's records	none
Godfrey Sanders PR	1506 Dolphin Terrace	Corona Del Mar	CA 92625	United States			£7,742.86	Initial Balance Per Company's records	none
Google Ads	Gordon House	Barrow Street	Dublin 4	Ireland			£131,510.29	Initial Balance Per Company's records	none
Google Cloud	Velasco	Cianwilliam Place	Dublin 2	Ireland			£276.00	Initial Balance Per Company's records	none
GREEN SHEEP GROUP	Green Sheep Group Ltd	The Green	Snitterfield	Stratford-Upon-Avon	Warwickshire	CV37 0JE	£1,482.90	Initial Balance Per Company's records	none
Hatch Collection LLC	412 Broadway, Fl 5	New York	NY 10013	United States			£6,145.12	Initial Balance Per Company's records	none
HAUS DISTRIBUTION	Unit 1 The Stottie Shed	Bakers Yard	Christon Road	Newcastle Upon Tyne	Northumberland	NE3 1XD	£71,998.63	Initial Balance Per Company's records	none
Hey Kiddo Studio	PO BOX 9495	Lanark	ML11 1BN	United Kingdom			£35.84	Initial Balance Per Company's records	none
HIBOU HOME	Little Crit	Cranbrook Road	Benenden	Kent	TN17 4EU	United Kingdom	£1,566.18	Initial Balance Per Company's records	none
HIPPYCHICK LTD	Hippychick Ltd	1 Roberts Drive	Bridgwater	Somerset	TA6 6BH	GBR	£355.60	Initial Balance Per Company's records	none
Impact Tech, Inc.	223 East De La Guerra Street	Santa Barbara, CA		93101 United States			£8,316.11	Initial Balance Per Company's records	none
Increasingly Technologies Ltd	7 Peacock Place	London	Middlesex	N1 1YG	GBR		£3,000.00	Initial Balance Per Company's records	none
Initial Washroom Hygiene	Rentokil Initial, Ebony House	Castlegate Way	Dudley	Worcestershire	DY1 4TA	GBR	£183.24	Initial Balance Per Company's records	none
Jordon Pawley							£137.08	Initial Balance Per Company's records	none
Kas Copenhagen	Strandvængen 39	Birkevej 37	IshÅ, j Strand	Nottinghamshire	2635 Denmark		£1,913.66	Initial Balance Per Company's records	none
Kendon Packaging Group	Kendon Packaging Midland	37 Wigman Road	Nottingham	Nottinghamshire	NG8 4PA	GBR	£4,617.04	Initial Balance Per Company's records	none
Kidcentral UK Ltd	St Helens House	King Street	Derby	DE1 3EE			Unknown		none
KIDS CONCEPT SWEDE	Sweden Concepts AB	Prognosgatan 8A	BORÅ...S	504 64	Sweden		£45,212.36	Initial Balance Per Company's records	none
Lavazza	Lavazza	Daneshill Industrial Estate	Armstrong Road	Basingstoke	Hampshire	RG24 8NU	£94.43	Initial Balance Per Company's records	none
LEANDER	Georg Jensens Vej 8	Silkeborg		8600 Denmark			£997.04	Initial Balance Per Company's records	none
Liewood ApS	Blegdamsvej 124	Copenhagen O		2100 Denmark			£138,398.88	Initial Balance Per Company's records	none
LOOG GUITARS	119 W 72nd Street, #335	New York	NY 10023	United States			£55.81	Initial Balance Per Company's records	none
MAILEG APS	Trehuse 14	Heming		7400 Denmark			£3,571.10	Initial Balance Per Company's records	none
Melton Mowbray BC	Melton Borough Council	Parkside	Burton Street	Melton Mowbray	Leicestershire	LE13 1GH	£48,624.00	Initial Balance Per Company's records	none
Merrilulu	2005 Palmer Ave. STE 1009	Larchmont	NY 10538	United States			£189.65	Initial Balance Per Company's records	none
Nobodinoz	C/Vic 10, local bajos	Barcelona		8006 Spain			Unknown		none
Nofred	RosenvÅngets AllÅ@ 7B	Copenhagen		2100 Denmark			£5,936.15	Initial Balance Per Company's records	none
Northgate Vehicle	Goode Durrant Administration	Goode Durrant Administration	PO Box 287	Darlington	Darlington	DL1 9LW	Unknown		none
Nosto Solutions	Bulevardi 21	Helsinki	FI-00180	Finland			£1,411.64	Initial Balance Per Company's records	none
Oliver Furniture	Nordre Strandvej 119G	2. sal	HellebÅk		3150 Denmark		£12,166.57	Initial Balance Per Company's records	none
Olli Ella	New Broad Street House,	35 New Broad Street	Lodon	Middlesex	EC2M 1NH	United Kingdom	£1.23	Initial Balance Per Company's records	none
Paase Digital Limited	1 Liscombe West	Liscombe Park	Soulbury	Leighton Buzzard	Buckinghamshire	LU7 0JL	£4,800.00	Initial Balance Per Company's records	none
Parcel Force	185 Farringdon Road	London	ECT1A 1AA	UK			£30,057.25	Initial Balance Per Company's records	none

Appendix C: Statement on Administrators' Remuneration Pursuant to Statement of Insolvency Practice No. 9

parcelhub	Unit 6, Road No 2	Colwick Quays Business Park	Nottingham	NG4 2JY	UK			£26,582.98	Initial Balance Per Company's records	none
PLUMPRODUCTS	The Cliff, Middle Street	Ingham	LN1 2YQ	UK				£13,570.89	Initial Balance Per Company's records	none
Polybags Ltd	Polybags Ltd	1B Lyon Way	Greenford	Middlesex	UB6 0AQ	GBR		£302.34	Initial Balance Per Company's records	none
Pronto Direct	Unit 8 Hornsby Square	Basildon	SS15 6SD	UK				£853.86	Initial Balance Per Company's records	none
Provident IT Solutions Ltd	14 Digby Drive	Melton Mowbray	Leicestershire	LE13 0RQ	GBR			£298.80	Initial Balance Per Company's records	none
Rafa Kids	Insulindestraat 108	ROTTERDAM	3038 JC	The Netherlands				£8,188.10	Initial Balance Per Company's records	none
Redhead Freight Ltd	Kelsey Close	Attleborough Fields Industrial Est.	Nuneaton	CV11 6XN	UK			£50.00	Initial Balance Per Company's records	none
RIDGEBACKS	Old Park Farm, Letheringham,	Woodbridge	Suffolk	IP13 0LZ	UK			Unknown		none
Rosie Goldmark								£240.00	Initial Balance Per Company's records	none
S&J European Haulage Ltd	Unit C Asfordby Business Park	St Bartholomews Way	Melton Mowbray	LE143JL	England			£3,241.64	Initial Balance Per Company's records	none
Scottish Power	320 St. Vincent Street	Glasgow	G2 5AD	Scotland				£167.84	Initial Balance Per Company's records	none
SCREWDRIVER LTD	Screwdriver	70 South View Avenue	Caversham	Reading	Oxfordshire	RG4 5BB		£403.00	Initial Balance Per Company's records	none
Sebra	Sallingsundvej 10	Esbjerg N	Melbourne	6715 Denmark				£23,416.68	Initial Balance Per Company's records	none
sked social	Suite 861, 585 Little Collins Street		Victoria		3000 Australia			£76.00	Initial Balance Per Company's records	none
SUNNYLIFE UK LTD	PO Box 76827	London	SW20 2FZ	UK				£4,238.95	Initial Balance Per Company's records	none
tidy books Europe Ltd	Unit B3	Sutherland House	Sutherland Road, Unit B3	London	Essex	E17 6BU		Unknown		none
Titan Containers A/S	Titan Containers Ltd	Freightliner Road	Hull	Yorkshire	HU3 4XL	GBR		£232.50	Initial Balance Per Company's records	none
Toddlekind	Rodenbacher Str. 3A	Freigericht		63579 Germany				£341.62	Initial Balance Per Company's records	none
tonies GmbH	Oststraße 119	DÄßseldorf		40210 Germany				£5,099.76	Initial Balance Per Company's records	none
UK Fuels Limited	UK Fuels Ltd	Uk Fuels Ltd	Herald Drive	Crewe	Cheshire East	CW11 6EG		£318.01	Initial Balance Per Company's records	none
UPS	United Parcel Service Ltd	St. Davids Way	Bermuda Park	Nuneaton	Warwickshire	CV10 7SD		£117.57	Initial Balance Per Company's records	none
Upwork	475 Brannan St., Suite 430	San Francisco	CA 94107	USA				£1.29	Initial Balance Per Company's records	none
Zoey Koko	38 Montvale Ave #310	Stoneham	MA		2180 US			£198.71	Initial Balance Per Company's records	none
ZORIN INT SP ZOO	ul. Antoniego MadaliÅskiego 4	Szczecin	70-110	Poland				£896.00	Initial Balance Per Company's records	none
Nest	Nene Hall	Lynch Wood Business Park	Peterborough	PE2 6FY				Unknown		none
HMRC (PAYE, NI and VAT)	Debt Management - EIS C	HM Revenue and Customs	BX9 1SH					Unknown		none
Hortons' Estate Limited	Latham House 4th Floor	33-34 Paradise Street	Birmingham	B1 2AJ				Unknown		none
Pension Protection Fund	Renaissance	12 Dingwall Road	Croydon	CR0 2NA				Unknown		none
Anewall Decor	Email address held in company records							Unknown		none
Another Fox	Email address held in company records							Unknown		none
Autumns Corner	Email address held in company records							Unknown		none
Avery Row	Email address held in company records							Unknown		none
Banwood	Email address held in company records							Unknown		none
Bamabjörn	Email address held in company records							Unknown		none
Bear & Babe	Email address held in company records							Unknown		none
Bear Wood Furniture	Email address held in company records							Unknown		none
BeeCrayative Crayons	Email address held in company records							Unknown		none
BellaMoon	Email address held in company records							Unknown		none
Bellybambino	Email address held in company records							Unknown		none
Bigjigs Toys (see bottom for all br	Email address held in company records							Unknown		none
Blossom and Bear	Email address held in company records							Unknown		none
Boss Babs	Email address held in company records							Unknown		none
Cabana Kids	Email address held in company records							Unknown		none
ColourMe Lincoln	Email address held in company records							Unknown		none
Cuddledry	Email address held in company records							Unknown		none
Dotty Dungarees	Email address held in company records							Unknown		none
Each Peach Baby	Email address held in company records							Unknown		none
Eco Rascals	Email address held in company records							Unknown		none
Emily Rollings	Email address held in company records							Unknown		none
Etta Loves	Email address held in company records							Unknown		none
Floss & Rock	Email address held in company records							Unknown		none
Fred & Noah	Email address held in company records							Unknown		none
Grass & Air	Email address held in company records							Unknown		none

Appendix C: Statement on Administrators' Remuneration Pursuant to Statement of Insolvency Practice No. 9

gus + beau	Email address held in company records	Unknown	none
Happy Little Doers	Email address held in company records	Unknown	none
heykiddostudio	Email address held in company records	Unknown	none
Hunter + Rose	Email address held in company records	Unknown	none
Incy Interiors	Email address held in company records	Unknown	none
Indigo Jamm	Email address held in company records	Unknown	none
Jem + Bea	Email address held in company records	Unknown	none
Kabode	Email address held in company records	Unknown	none
KAOS	Email address held in company records	Unknown	none
Kid of the Village	Email address held in company records	Unknown	none
Little Dots Co	Email address held in company records	Unknown	none
Little Fae	Email address held in company records	Unknown	none
Little Hotdog Watson	Email address held in company records	Unknown	none
Little Stories	Email address held in company records	Unknown	none
Love Ottilie	Email address held in company records	Unknown	none
Malabar Baby	Email address held in company records	Unknown	none
Mama Designs	Email address held in company records	Unknown	none
Marie-Chantal	Email address held in company records	Unknown	none
MiniCamp	Email address held in company records	Unknown	none
Nestie	Email address held in company records	Unknown	none
One Green Bottle	Email address held in company records	Unknown	none
Ooh My Light	Email address held in company records	Unknown	none
PacaPod	Email address held in company records	Unknown	none
Pretty In Print Art	Email address held in company records	Unknown	none
Rebecca Singh Designs	Email address held in company records	Unknown	none
Ridgebacks (Bumbo)	Email address held in company records	Unknown	none
Ridgebacks (DockATot)	Email address held in company records	Unknown	none
Ridgebacks (MamaToyz UK)	Email address held in company records	Unknown	none
Ridgebacks (Wigiwama UK)	Email address held in company records	Unknown	none
Riley Studio	Email address held in company records	Unknown	none
Roam Nappies	Email address held in company records	Unknown	none
Rosa & Blue	Email address held in company records	Unknown	none
Rosie Meringue	Email address held in company records	Unknown	none
Sawdust & Rainbows	Email address held in company records	Unknown	none
Slipfree	Email address held in company records	Unknown	none
Squelch Wellies	Email address held in company records	Unknown	none
Squidgearoo	Email address held in company records	Unknown	none
Sleepy Doe	Email address held in company records	Unknown	none
Stych Accessories	Email address held in company records	Unknown	none
The Charming Press	Email address held in company records	Unknown	none
The Den Kit Co.	Email address held in company records	Unknown	none
The Jam Tart	Email address held in company records	Unknown	none
The Little Jones	Email address held in company records	Unknown	none
Tiba + Mari	Email address held in company records	Unknown	none
Tigercub Prints	Email address held in company records	Unknown	none
Toastie Kids	Email address held in company records	Unknown	none
Toddlekind	Email address held in company records	Unknown	none
Wild House of Little	Email address held in company records	Unknown	none
Whynter Springs	Email address held in company records	Unknown	none
Wild & Stone	Email address held in company records	Unknown	none
Yaya Studio	Email address held in company records	Unknown	none
Zuri House	Email address held in company records	Unknown	none
Kura Organics	Email address held in company records	Unknown	none

Appendix C: Statement on Administrators' Remuneration Pursuant to Statement of Insolvency Practice No. 9

Leonie & The Leopard	Email address held in company records	Unknown	none
Wild Seven (Micador)	Email address held in company records	Unknown	none
Wild Seven (ErgoPouch)	Email address held in company records	Unknown	none
Minii and Maxii	Email address held in company records	Unknown	none
Hey Bear	Email address held in company records	Unknown	none
Paper & Bean	Email address held in company records	Unknown	none
The Crush Series (UK ONLY)	Email address held in company records	Unknown	none
Scrunch Kids	Email address held in company records	Unknown	none
Leosun	Email address held in company records	Unknown	none
Janemade Products	Email address held in company records	Unknown	none
Sian Zeng	Email address held in company records	Unknown	none
Threadbear Designs and Tenderlee	Email address held in company records	Unknown	none
CuddleCo	Email address held in company records	Unknown	none
Cuddleco (Childhome)	Email address held in company records	Unknown	none
Cuddleco (Doona)	Email address held in company records	Unknown	none
Cuddleco (Mother&Baby)	Email address held in company records	Unknown	none
Cuddleco (Troll)	Email address held in company records	Unknown	none
Haus (YOY)	Email address held in company records	Unknown	none
Haus (Little Dutch Textiles)	Email address held in company records	Unknown	none
Haus (Hello Hossy)	Email address held in company records	Unknown	none
Pastelowe Love	Email address held in company records	Unknown	none
Global Opportunities (Scoot and R	Email address held in company records	Unknown	none
Global Opportunities (Chillafish)	Email address held in company records	Unknown	none
Little Lights (US)	Email address held in company records	Unknown	none
BigJigs - Green Toys	Email address held in company records	Unknown	none
BigJigs - Lottie Dolls	Email address held in company records	Unknown	none
BigJigs - Tidlo	Email address held in company records	Unknown	none
BigJigs - Didicar	Email address held in company records	Unknown	none
BigJigs - Tiger Tribe	Email address held in company records	Unknown	none
BigJigs - Makedo	Email address held in company records	Unknown	none
BigJigs - Gowi Toys	Email address held in company records	Unknown	none
BigJigs - CollectA	Email address held in company records	Unknown	none
Adam & Ro	Email address held in company records	Unknown	none
Beet World	Email address held in company records	Unknown	none
Big Future Toys	Email address held in company records	Unknown	none
Billie Blooms	Email address held in company records	Unknown	none
Bling2o	Email address held in company records	Unknown	none
EcoBaby Dolls	Email address held in company records	Unknown	none
Ellie & Becks Co.	Email address held in company records	Unknown	none
Etta Loves	Email address held in company records	Unknown	none
Franklin + Emily	Email address held in company records	Unknown	none
Goumi Kids	Email address held in company records	Unknown	none
Grey Elephant	Email address held in company records	Unknown	none
Gryph & IvyRose	Email address held in company records	Unknown	none
Habbi Habbi	Email address held in company records	Unknown	none
Hallie + Harlow	Email address held in company records	Unknown	none
healthynest	Email address held in company records	Unknown	none
llMO USA	Email address held in company records	Unknown	none
Jupiduu - Designed for Kids	Email address held in company records	Unknown	none
Kidamento	Email address held in company records	Unknown	none
Kindred Kid & Baby	Email address held in company records	Unknown	none
L'amour Shoes	Email address held in company records	Unknown	none
Leosun	Email address held in company records	Unknown	none

Appendix C: Statement on Administrators' Remuneration Pursuant to Statement of Insolvency Practice No. 9

Let Them Play Toys	Email address held in company records	Unknown	none
Little Bot (US)	Email address held in company records	Unknown	none
Little Lights USA	Email address held in company records	Unknown	none
Loog Guitars	Email address held in company records	Unknown	none
Malabar Baby	Email address held in company records	Unknown	none
Merrilulu	Email address held in company records	Unknown	none
Milton and Goose	Email address held in company records	Unknown	none
Mindful	Email address held in company records	Unknown	none
Mini Bloom	Email address held in company records	Unknown	none
Olivia J	Email address held in company records	Unknown	none
OMAMimini	Email address held in company records	Unknown	none
Paper Cape	Email address held in company records	Unknown	none
Paume	Email address held in company records	Unknown	none
Piccoli Principi Swimwear	Email address held in company records	Unknown	none
Poppyseed Play	Email address held in company records	Unknown	none
Rookie Humans	Email address held in company records	Unknown	none
RS Barcelona	Email address held in company records	Unknown	none
Ruggish Co.	Email address held in company records	Unknown	none
Sian Zeng	Email address held in company records	Unknown	none
Tartan Blanket Co	Email address held in company records	Unknown	none
ternPaks	Email address held in company records	Unknown	none
Tikiri Toys	Email address held in company records	Unknown	none
Toddlekind	Email address held in company records	Unknown	none
Toki Mats	Email address held in company records	Unknown	none
TWELVElittle	Email address held in company records	Unknown	none
Vild - House of Little	Email address held in company records	Unknown	none
Zoey Koko	Email address held in company records	Unknown	none
EO	Email address held in company records	Unknown	none
BABA! toys	Email address held in company records	Unknown	none
Bloom and Bambi	Email address held in company records	Unknown	none
KAS kopenhagen	Email address held in company records	Unknown	none
Dock & Bay	Email address held in company records	Unknown	none
Nosy Crow	Email address held in company records	Unknown	none
The Crush Series	Email address held in company records	Unknown	none
Tapis Petit	Email address held in company records	Unknown	none
Pastelowe Love	Email address held in company records	Unknown	none
Plan Toys	Email address held in company records	Unknown	none
Fabelab	Email address held in company records	Unknown	none
CandyLab	Email address held in company records	Unknown	none
Moluk	Email address held in company records	Unknown	none
BIBS	Email address held in company records	Unknown	none
Stapelstein / joboo GmbH	Email address held in company records	Unknown	none
Moss & Fawn	Email address held in company records	Unknown	none
Trixie	Email address held in company records	Unknown	none

£4,326,270.73

## Appendix C Administrators' receipts and payments account for the period from 11 August 2022 to 18 August 2022

Estimated to  
Realise as per  
Director's  
Statement of  
Affairs (£)

<b>Fixed charge realisations</b>		<b>£</b>
n/a	Intellectual Property	78,000
		<u>78,000</u>
<b>Floating charge realisations</b>		
n/a	Inventory	351,950
n/a	Business records	1
n/a	Goodwill	1
n/a	Sales information	1
n/a	Customer database	1
n/a	Customer list	1
n/a	Customer contracts	1
n/a	Rights of action	1
		<u>351,957</u>
<b>Payments</b>		
	nil	-
		<u>          </u>
	Balance in hand	<u><u>429,957</u></u>
		<u>          </u>
	Represented by:	<u>          </u>
	Cash at bank	<u><u>429,957</u></u>

### Notes

1. Receipts and payments are stated net of VAT.
2. The receipts and payments account has been prepared on a cash basis and does not reflect future estimated receipts and payments.



## Appendix D Statement of pre-Administration costs

### Statement of pre-Administration costs

	Administrator		Details
	Remuneration £	Expenses £	
Time costs	20,000	Nil	Incurred by the Joint Administrators, as outlined in Section 6 of the Proposal
Legal fees		30,070	Time costs and disbursements incurred by Eversheds Sutherland LLP
Valuation agent fees		1,500	Costs incurred by Hilco Valuation Services
<b>Total costs incurred</b>	<b>20,000</b>	<b>31,570</b>	
<b>Paid before the Administration</b>			
Time costs	(20,000)	Nil	
Legal fees		Nil	
Valuation agent fees		(1,500)	
<b>Unpaid pre-Administration costs</b>	<b>Nil</b>	<b>30,070</b>	

Unpaid pre-Administration costs are costs which had not been paid at the date of Administration are still outstanding and are subject to approval under Rule 3.52 of the Insolvency (England and Wales) Rules 2016.

Unpaid pre-Administration costs are not part of the proposals subject to approval under paragraph 53 of Schedule B1 of the Insolvency Act 1986. This means that they must be approved separately from the proposals. Further information on the way in which approval will be sought for unpaid pre-Administration costs is set out in section 6 of this document.

Pre-Administration costs are stated net of VAT.

## **Appendix E      Detailed Explanation of Pre-Pack Transaction**

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TO ALL KNOWN CREDITORS

18 August 2022

Ref: TV/SW/BL

SDNrealisations@parthenon.ey.com

Dear Sirs

**SDN Realisations Limited (formerly Scandiborn Limited) (In Administration) (“the Company”)**

**Trading names: Scandiborn**

**Principal trading address: Unit O Unit O Melton Commercial Park, Welby, Melton Mowbray, LE14 3JL**

On 11 August 2022 the Company entered Administration and S J Woodward and I were appointed to act as Joint Administrators. The appointment was made by the director of the Company under the provisions of paragraph 22 of Schedule B1 to the Insolvency Act 1986. I attach formal notice of our appointment for your information.

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

**Sale of the business**

On 11 August 2022 we completed a sale of the business and certain assets to an unconnected party, Findel Education Limited (“Findel”). The total consideration is subject to the conclusion of a full stock count and valuation exercise and the reconciliation of certain creditor balances which form the basis of deductions to the consideration value applied by the buyer.

In accordance with Statement of Insolvency Practice 16, a detailed explanation of the transaction is set out below.

**Background**

The Company is a standalone entity which traded as an online retailer of Scandinavian-inspired nursery products via its UK and US websites.

The operations of the Company were based in the UK, operating principally from a leased warehouse in Melton Mowbray (Leicestershire) and employed 21 employees.

**Initial introduction to the Company**

We were introduced to the Company by Eversheds Sutherland LLP on 24 September 2021.

Pursuant to an engagement agreement dated 30 September 2021, EY have conducted 4 phases of work. Initially EY were engaged to assist the Company in assessing its financial position and assist in

communications with its secured lender. The scope was subsequently broadened to conduct a marketing process for the business, outline options to the Company and to plan for an insolvency appointment

### **Circumstances Giving Rise to the Appointment of the Administrators**

Following start up in 2016, the Company had experienced rapid growth, achieving c.£17m turnover in FY21. The business had grown organically but had benefitted from favourable market dynamics for online retail during the COVID lockdown.

In May 2021 the Company was provided with a £4.0m CBILS loan by Growth Lending 2020 Limited, part of Boost & Co (“Boost”).

With the increased levels of activity and to seek to improve profitability, the Company decided to transition from a third-party logistics provider to operating its own leased warehouse during FY22.

However, during FY22, growth stalled amid a reduction in consumer demand (c.20% lower turnover compared to the previous financial year).

Unfortunately, the Company suffered heavy net losses in FY21 and FY22 due to inefficiencies arising from operating from two sites, increased marketing expenditure, and the change in operating model (with turnover reducing at the same time as the Company committed to a higher fixed cost base in anticipation of further growth).

Alongside this, the Company’s internal systems, processes and financial information had not evolved quickly enough to deal with the rapid growth experienced and management information required improvement.

#### *Sale process*

As a result of the above, in September 2021, the Company sought the services of EY to assist it in assessing its financial position, its ability to continue to trade in the short term, the options available to the Company, and in its communications with its secured lender (Boost). An interim financial consultant also began working with the Company around the same time to assist in improving management information.

The Company took actions to implement a turnaround plan through:

- Overhead reductions, exiting the third party logistics provider, reducing stock and managing suppliers;
- Transitioning to a drop ship model and implementing price increases to improve gross margin.

Unfortunately, market conditions deteriorated significantly during calendar year 2022 with sales at unsustainable levels and continuing net losses despite the actions taken with regard to the turnaround plan.

Consequently, this led the Director to consider options for the business, concluding in March 22 that a sale of the Company or external investment was necessary and EY was subsequently engaged to assist in seeking a buyer for the business.

During the sale process, further headwinds were experienced from further decreasing demand, cost inflation, and working capital pressure due to a lack of credit terms with a number of its suppliers.

A total of 54 potential purchasers were approached during the sale process of which, 18 entered into non-disclosure agreements.

Three offers were received, summarised as follows:

1. **Confidential Party 1 (“CP1a”)**: 25p in the £ against an estimated unencumbered stock balance of £1.0m, which was free from supplier creditor claims. This consideration was to also include the intellectual property and plant and machinery assets of the Company. It was envisioned that this offer would be transacted through a business and assets sale via an Administration process.
2. **Confidential Party 1 (“CP1b”)**: a second offer was also received from the same Confidential Party on another basis, which included £nil consideration, Boost switching its debt for an equity stake and Confidential Party 1 becoming the primary shareholder. This was not acceptable to Boost.
3. **Findel**: submitted an offer to acquire the business, IP & stock assets of the Company via a pre-packaged Administration sale. The ultimate consideration to be dependent on stock and certain creditor balances as at the time of the transaction. Based on the balance sheet as at 30 June, the consideration for the stock equated to an effective 54p in the £ (with value attributed to IP this reduces to 48p in the £). This is set out in further detail in the sections below.

The Company’s forecasts indicated an additional cash requirement first arising during September 2022. With no further funding available from either the secured lender or shareholders, the Director concluded that:

- The Company could not avoid an insolvency process; and
- The Findel offer provides the greatest financial benefit to the creditors of the Company compared to the other offers received.

On 26 July 2022 EY were engaged to take the necessary steps to in planning for an insolvency appointment.

### **Notice of intention to appoint Administrators**

A notice of intention to appoint Administrators was filed on 4 August 2022. Due to a technical issue with the original notice, a further notice of intention to appoint Administrators was filed on 10 August 2022. This was to provide protection from creditor action through an interim moratorium whilst the proposed Joint Administrators continued to work to execute the pre-packaged sale of the business and certain assets of the Company.

### **Alternatives to the Findel transaction**

The proposed Joint Administrators have considered the outcome from alternative scenarios to accepting the Findel offer, specifically, realising the assets via a wind down strategy or trading on the business in order to realise stock.

It was decided that it was not appropriate to trade the business in Administration due to:

- High commercial risks in the current economic climate meaning that the success of a discounting / trade out strategy would be highly uncertain;

- A lack of certainty over continued support from the sole director and other key staff required to run the business;
- The Company not holding sufficient stock to service the seasonal peak trading period;
- High trading, Administration and potential ransom costs impacting the net outcome for creditors;
- It being highly likely to result in a lower return to creditors than other options including wind down; and
- It being highly unlikely to support a going concern sale of the business (following the low level of interest arising from the sale process).

It was also concluded that realising the Company's assets via a wind-down strategy would likely result in a lower net outcome for the creditors than the proposed Findel offer. This is supported by valuation advice received from Hilco Asset Appraisal.

Accordingly, immediately following appointment as Administrators on 11 August 2022, the business and certain assets of the Company were sold to Findel.

### **Consultation with major creditors**

The Secured creditor (Boost) was consulted with throughout the process and consented to the transaction.

No direct consultations took place with other creditors given the outcome pursued already resulted in the best financial outcome for the secured and unsecured creditors, whilst minimising job losses and therefore the employee's preferential and unsecured claims in the Administration.

The Company has the following registered charge(s):

<b>Date of creation of charge</b>	<b>Date of registration of charge</b>	<b>Details of charge</b>	<b>Name of charge holder</b>
27 May 2021	28 May 2021	Fixed and floating charge	Growth Lending 2020 Limited

### **Statutory purpose of Administration**

The purpose of an Administration is to achieve one of three objectives:

- To rescue the company as a going concern.
- To achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration).
- To realise property in order to make a distribution to one or more secured or preferential creditors.

The objective being pursued is b) to achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration).

The sale of the Company's business and certain assets enables this objective to be achieved through delivering a better outcome than would have been achieved through a winding up. The outcome achieved through the pre-packaged sale to Findel was the best available outcome for creditors as a whole in the circumstances.

### **Marketing of the business and assets**

As noted above, the Company has explored a wide-ranging marketing process, over a period of over 3 months. During the marketing process, 54 parties have been approached, including trade buyers, institutional investors (including special situations and distressed investors) and high net worth individuals. The parties approached included UK, European and US based parties.

This list was compiled with the assistance of the Company's management and shareholders, Boost and EY's Mergers and Acquisitions team and retail sector experts.

We believe the marketing process to have been sufficiently thorough, over an appropriate period of time and that it was proportionate to the nature and size of the Company's business.

The marketing has complied with the "Marketing Essentials" set out in SIP 16 in all aspects other than the use of "Connectivity", with no online communication being used to market the business. It is our view that this medium would not have been appropriate, given that an extensive marketing exercise was able to be conducted via direct communication. Additionally, it was decided not to market the business online for the following reasons:

- The sale process needed to be conducted quickly and was focused on parties who were likely to be interested and be able to perform within relatively short timescales;
- The level of marketing which could be undertaken online is relatively limited, as the process needed to be confidential until parties signed an NDA; and
- We believe there would have been limited value in advertising the business to a general audience given the niche nature of the business and its precarious financial position.

### **Valuation of the business and assets**

Hilco Valuation Services (led by Peter Atkinson MRICS and assisted by Jack Gillespie), were instructed to provide advice on the realizable value of the stock owned by the Company and the Company's Intellectual Property. They have confirmed their independence and that they carry adequate professional indemnity insurance. They indicated the following:

- **Stock:** It would be difficult and costly to trade the stock to the public due to it currently being a non-peak trading period, a lack of warranty and the requirement to retain fully operational sales, distribution and customer service teams.
- Whilst there may be an appetite for the stock from retailers and distributors, they are likely to have already sourced Christmas stock and would therefore be overstocking and therefore expect the attendant discounts. Additionally, due to the lack of available credit terms, this could restrict interest and / or value.

- A valuation of range of c.20-30pence in the £ on an ex-situ basis (prior to costs of realisation).
- **Intellectual Property:** It was estimated, that a value of £78,000 would be applicable to the Company's intangible assets in the event of a forced sale from insolvency (although could ultimately be lower due to the relatively small size of the business with relevant comparatives).

The Joint Administrators did not obtain a valuation for the remainder of the assets prior to the proposed transaction due to the timing of the realisations being likely to be in early 2023. Given the marketing process that was undertaken prior to the transaction and third-party valuation advice we are satisfied that the market has been tested and that market value has been obtained.

### **The transaction**

As previously stated, sale was completed on 11 August 2022. Further details of the transaction are given below;

### ***The purchaser and related parties***

The purchaser is Findel Education Limited and has no connection to the Company.

We are not aware of any directors, former directors or associates of the Company who are involved in the financing or management of the Purchaser. The Purchaser has advised that it will employ the Company's director.

We are not aware of any guarantees given by the director of the Company for amounts due from the Company to a prior financier, or that a prior financier is financing the new business.

### ***The assets***

The assets sold comprise the following:

Description of asset	Purchase consideration (£)	Allocation of consideration between fixed and floating charge
Stock	48p in the £ subject to final stock count and reconciliation process	Floating
Brand & IP	78,000	Fixed
Business records	1	Floating
Goodwill	1	Floating
Sales information	1	Floating
Customer database	1	Floating
Customer list	1	Floating
Customer contracts	1	Floating
Rights of action	1	Floating

The transaction is in respect of the business and certain assets of the Company.



The consideration has been allocated between the fixed and floating charges in accordance with the existing registered charge.

### ***Sale consideration***

Initial funds of 429,957 were transferred to the Company upon completion and a retention balance of £321,276 is being held on trust by the Administrators' solicitors, which is subject to the stock count and valuation and the reconciliation of certain creditor balances, which are taken into account in calculating the final value.

Once this has been clarified, the appropriate amounts will be paid to the Company and to Findel (if applicable). If the calculated consideration value exceeds the retention balance, the additional amount will be paid by Findel to the Company.

### **Significant assets not included in the sale agreement**

The assets that have been excluded from the sale agreement include all other assets owned by the Company, including, but not limited to:

- Trade and other debts due to the Company;
- Cash in the Company's bank accounts upon completion of the transaction; and
- Plant and machinery, computer & office equipment and a motor vehicle.

Given the short period since our appointment, we do not currently have a clear estimate of what the related realisations from the excluded assets may be. We shall therefore provide further updates in our future progress reports.

### **Administrators' proposals and remuneration**

In accordance with paragraph 49(5) of schedule B1 to the Insolvency Act 1986, we shall be preparing proposals within eight weeks of our appointment. The proposals will be made available to all creditors and will give an indication of the likely dividend prospects.

At this time, we will also set out our proposals for remuneration and will seek approval for the basis. The statutory provisions relating to remuneration are set out in Chapter 4, Part 18 of the Insolvency (England and Wales) Rules 2016 (the Rules). 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 the Joint Administrators.

### **Creditors' claims**

Please note that debts incurred by the Company before our appointment will rank as unsecured claims against the Company. Any sums due to the Company arising after our appointment must be paid in full and without set-off against any debts incurred by the Company prior to our appointment.

The directors are required to submit a statement of affairs to us and you will appreciate that the full financial position is not yet known.

Should you believe that you are an unsecured creditor and wish to submit a claim against the Company then please email [SDNrealisations@parthenon.ey.com](mailto:SDNrealisations@parthenon.ey.com), detailing the nature of your claim.

Certain debts due from the Company may be preferential in accordance with section 386 of the Insolvency Act 1986. If you consider that you have a claim in this category, please advise me immediately. If you hold any security for your claim or you consider that you have title to any assets in the Company's possession, please forward details to me as soon as possible.

You may be entitled to VAT bad debt relief on debts arising from supplies more than six months old. This procedure does not involve the Administrators and claims should be made directly to HM Revenue and Customs.

### **Opting out**

Under the provisions of Rule 1.39, creditors have the right to elect to opt out of receiving further documents relating to the Administration.

If you do elect to opt out you will still receive the following documents:

- Any which the Insolvency Act requires to be delivered without expressly excluding opted-out creditors;
- Notice relating to a change in the Administrators, or their contact details;
- Notice of dividend or proposed dividend; or
- A notice which the court orders to be sent to all creditors, or all creditors the particular category to which you belong.

Any election to opt-out will not affect your entitlement to receive dividends, if any are paid.

Unless the Rules provide to the contrary, opting-out will not affect your rights to vote in a decision procedure or participate in a deemed consent procedure, although you would not receive notice of such procedures.

Any opted-out creditors will be treated as opted out in respect of any consecutive insolvency procedure which might follow the Administration.

You may opt-out by delivering an authenticated (eg signed) and dated notice to me stating that you are electing to be an opted-out creditor in relation to this Administration. You may at any time revoke this election by delivering to me an authenticated and dated notice stating that you no longer wish to be an opted-out creditor.

**Other matters**

If there are any matters concerning the Company's affairs which you consider may require investigation and consequently should be brought to our attention, please forward the details to me in writing as soon as possible.

If you require any further information or explanation, please do not hesitate to contact at [SDNrealisations@parthenon.ey.com](mailto:SDNrealisations@parthenon.ey.com)

Yours faithfully  
for the Company



T Vance  
Joint Administrator

Enc Notice of Administrator's Appointment

T Vance is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland and S J Woodward 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, T Vance and S J Woodward, 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 Administrator's appointment. The Office Holder Data Privacy Notice can be found at [www.ey.com/uk/officeholderprivacy](http://www.ey.com/uk/officeholderprivacy).

## SDN Realisations Limited – in Administration

### Estimate of remuneration to be charged

The joint administrators are seeking approval for their remuneration to be fixed on a time cost basis. In accordance with Rule 18.16(4) of the Insolvency (England and Wales) Rules 2016, they set out below their estimate of remuneration to be charged.

The estimate of remuneration is £75,000 plus VAT. An explanation of how this sum has been arrived at is set out below and a breakdown of the expected costs is attached on the following pages.

### Explanation of the work proposed to be undertaken

Basis of work	Category of work	Description of work to be completed
Statutory	Accounting & Administration	<b>Tasks required by legislation and professional best practice - no direct financial benefit to creditors:</b> <ul style="list-style-type: none"> <li>▶ Overall management of the case, treasury and accounting functions, statutory compliance diaries and time cost reporting.</li> </ul>
Statutory	Bank and Statutory Reporting	<b>Tasks required by legislation and professional best practice - no direct financial benefit to creditors:</b> <ul style="list-style-type: none"> <li>▶ Regular reporting to the secured creditor.</li> <li>▶ Preparing the Joint Administrators' Statement of Proposals, six monthly progress reports and final report.</li> </ul>
Statutory	Creditors	<b>Tasks providing a direct benefit to creditors, to allow their claims to be submitted in the administration for any potential future distribution of funds:</b> <ul style="list-style-type: none"> <li>▶ Correspondence with creditors.</li> <li>▶ Dealing with creditor claims</li> <li>▶ Processing distributions to the creditors (as applicable).</li> </ul>
Asset realisation	Debtors	<b>Tasks providing a direct benefit to creditors by preserving and realising value in assets:</b> <ul style="list-style-type: none"> <li>▶ Monitoring collection of the debtor book</li> <li>▶ Monitoring and recording cash receipts</li> </ul>
Statutory	Employee Matters	<b>Tasks providing a direct benefit to creditors, to allow any residual employee claims to be submitted in the administration for any potential future distribution of funds:</b> <ul style="list-style-type: none"> <li>▶ Writing to employees regarding TUPE related matters.</li> <li>▶ Dealing with any employee enquiries.</li> </ul>
Asset realisation	Immediate Tasks	<b>Tasks required by legislation and professional best practice - no direct financial benefit to creditors:</b> <ul style="list-style-type: none"> <li>▶ Tasks requiring immediate attention following the appointments to execute the strategy outlined in the Proposals.</li> </ul>
Statutory	Investigations	<b>Tasks required by legislation and professional best practice - no direct financial benefit to creditors:</b> <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> <li>▶ The Joint Administrators' reports on the conduct of the directors under the Company Directors Disqualification Act 1986.</li> </ul>
Asset realisation	Job Acceptance & Strategy	<b>Tasks providing a direct benefit to creditors by preserving and realising value in assets – please see section 2 of the Proposals for further information:</b> <ul style="list-style-type: none"> <li>▶ Matters relating to the appointments and initial planning of the administration strategy, including meetings with the Company's directors and management and formulating and executing the strategy adopted.</li> <li>▶ Considering exit routes from administration and implementing the most appropriate route.</li> </ul>

Asset realisation	Legal Issues	<p><b>Tasks providing a direct benefit to creditors by preserving and realising value in assets:</b></p> <ul style="list-style-type: none"> <li>▶ Legal advice regarding such matters required to maximise realisations from the Company's estate</li> </ul>
Asset realisation	Other Assets	<p><b>Tasks providing a direct benefit to creditors by preserving and realising value in assets that have not been sold since the commencement of the Administration:</b></p> <ul style="list-style-type: none"> <li>▶ Realising the Company's assets.</li> <li>▶ Assessing, quantifying and seeking to realise value from assets not recorded in the management accounts of the Company at the date of appointment.</li> </ul>
Asset realisation	Other Matters	<p><b>Tasks providing a direct benefit to creditors by preserving and realising value in assets:</b></p> <ul style="list-style-type: none"> <li>▶ Sale of the business and/or assets of the Company in pursuance of the Administrators' objectives.</li> <li>▶ Dealing with any assets owned by third parties.</li> <li>▶ Recovery of the Company's physical books and records, and electronic records (including a backup of Company's servers and systems).</li> </ul>
Statutory	Prescribed Part	<p><b>Tasks providing a direct benefit to creditors, to allow their claims to be submitted in the administration for any potential future distribution of funds:</b></p> <ul style="list-style-type: none"> <li>▶ Correspondence with creditors.</li> <li>▶ Inviting and adjudication of claims submitted by unsecured creditors.</li> <li>▶ Processing distributions to the unsecured creditors via the Prescribed Part (as applicable).</li> </ul>
Asset realisation	Property	<p><b>Tasks providing a direct benefit to creditors by preserving and realising value in assets:</b></p> <ul style="list-style-type: none"> <li>▶ Managing the License to Occupy which has been granted.</li> <li>▶ Realising value from the Company's leasehold interests (if any).</li> </ul>
Statutory	Public Relations	<p><b>Tasks required by legislation and professional best practice - no direct financial benefit to creditors:</b></p> <ul style="list-style-type: none"> <li>▶ Agreeing and issuing statements to the press as required in pursuit of the administration strategies.</li> </ul>
Asset realisation	Retention of Title	<p><b>Tasks providing a direct benefit to creditors by preserving and realising value in assets:</b></p> <ul style="list-style-type: none"> <li>▶ Assessment and settlement or rejection of claims for retention of title from the Company's suppliers (if applicable).</li> </ul>
Statutory	Statutory Duties	<p><b>Tasks required by legislation and professional best practice - no direct financial benefit to creditors:</b></p> <ul style="list-style-type: none"> <li>▶ Completion of statutory requirements of the administration, including notifications to creditors and members, advertising the appointment, letter to creditors pursuant to Statement of Insolvency Practice 16, and sending to creditors and filing at Companies House.</li> </ul>
Statutory	VAT & Taxation	<p><b>Tasks required by legislation and professional best practice - no direct financial benefit to creditors:</b></p> <ul style="list-style-type: none"> <li>▶ Preparing annual corporation tax and quarterly VAT returns, with input from EY VAT and tax specialists.</li> <li>▶ Assessment of the VAT and tax treatment of transactions and agreements entered into during the administration.</li> <li>▶ Preparing claims for VAT bad debt relief.</li> </ul>

## Estimated Remuneration

	Staff Grade					Total Hours	Total Cost £	Average Rate £
	Partner	Assistant Director	Manager	Executive	Analyst			
Accounting & Administration	0.4	1.9	2.5	4.2	8.0	17.0	7,500	441
Bank and Statutory Reporting	1.6	6.2	3.3	-	4.5	15.6	9,750	627
Creditors	0.7	1.7	2.3	-	11.6	16.3	6,750	414
Debtors	0.1	1.3	1.5	-	3.2	6.2	3,000	484
Employee Matters	0.1	-	1.0	3.7	2.1	7.0	3,000	429
Immediate Tasks	0.3	1.0	-	-	1.6	2.8	1,500	526
Investigations	0.7	-	2.5	-	5.4	8.6	3,750	437
Job Acceptance & Strategy	0.7	1.1	-	-	2.0	3.9	2,250	577
Legal Issues	0.2	2.1	-	0.5	0.4	3.3	2,250	688
Other Assets	0.3	2.9	-	-	1.6	4.8	3,000	630
Other Matters	0.4	1.9	-	-	1.2	3.5	2,250	645
Prescribed Part	1.2	-	6.3	-	35.4	42.8	15,000	350
Property	0.4	1.9	-	-	3.8	6.1	3,000	492
Public Relations	0.0	-	0.6	0.8	-	1.4	750	528
Retention of title	0.1	1.3	-	-	1.1	2.6	1,500	588
Statutory Duties	1.0	3.7	-	-	4.7	9.3	5,250	562
VAT & Tax	0.5	1.7	1.5	2.5	2.4	8.7	4,500	520
<b>Total Hours</b>	<b>9.0</b>	<b>28.8</b>	<b>21.4</b>	<b>11.7</b>	<b>89.0</b>	<b>159.8</b>		
<b>Time Costs (£)</b>	<b>9,443</b>	<b>22,613</b>	<b>12,825</b>	<b>5,213</b>	<b>24,908</b>		<b>75,000</b>	
<b>Average Hourly Rate (£)</b>	1,055	785	600	445	280		527.9	

**Note:**

- Time is charged in 6 minute intervals
- Time costs incurred to date are included as part of the estimated time costs

## Details of expenses incurred and anticipated to be incurred

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. Expenses expected to be incurred total £181,077 plus VAT.

No expenses have been paid from the Companies estate to date. The expenses anticipated to be incurred from the Company's estate can be summarised into the following categories.

### Estimated expenses

Category of expenses	Description of expense/disbursements incurred to be incurred	Estimated total £
<b>Category 1 expenses</b>		
Bank charges	Charges associated with operation of the Company's bank accounts during the administration	250
Legal costs	To assist Joint Administrators by providing legal services	15,000
Agent's costs	To assist with the clearance of the Company's trading premises and disposal of the Company's residual assets	7,500
Statutory costs	Costs of completing requirements of the administration, including advertising and filing costs	1,000
Insurance	Insurance costs for the company's assets, including public liability insurance. These are estimated based upon an initial quotation received at the commencement of the Administration, and will be further updated to reflect the date of disposal	2,000
Property occupation costs	Costs which will be recharged to Findel Education Limited by way of a Licence to Occupy at the Melton Mowbray site in relation, but not limited to Rent, service charges and insurance	82,537
Property exit costs	Exit costs in connection with the Melton Mowbray property following the period of the Licence to Occupy	10,000
Storage costs	Costs in connection with storing the Company's books and records	500
Carriage costs	Third-party carriage costs incurred in fulfilling orders received by the Company prior to the appointment of the Joint Administrators	30,000
Sundry costs	Other costs incurred in order to execute the strategy outlined in the Proposals.	1,000
<b>Category 2 expenses</b>		
Pre-administration costs	Third -party expenses incurred prior to our appointment in relation to legal advice in connection with the appointment as outlined in the Proposals.	30,070
<b>Category 1 disbursements</b>		
Specific penalty bond	A form of insurance required by insolvency law	420
Postage, Printing and Public Notices	Those costs incurred by the Joint Administrators in printing and posting written communication to all relevant creditors and shareholders.	500
<b>Category 2 disbursements</b>	No category 2 disbursements estimated	
Mileage	Costs relating to mileage incurred by the Joint administrators and their staff in respect of work on the Administration.	300
<b>Total</b>		<b>181,077</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 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

## Exceeding estimates of remuneration and expenses

These estimates may be exceeded, in which case an explanation will be provided in the appropriate progress report. The joint administrators will only draw remuneration in excess of the estimate with the prior agreement of the approving body, in accordance with Rule 18.30 the Insolvency (England and Wales) Rules 2016.

## Estimate of return for creditors

We currently estimate the following return for creditors:

### Secured creditors

Boost, the Company's principal secured lender, has total indebtedness of c.£3,946,000 as at the date of the Appointment.

It is currently anticipated that Boost will suffer a shortfall against their debt.

### Preferential creditors

We estimate that HMRC related preferential creditor claims may total c.£152,000 in respect of claims for VAT, PAYE and NIC.

It is anticipated that the preferential claims will be paid in full.

### Non-preferential creditors

The level of dividend which will eventually be available to non-preferential creditors is uncertain, but given the shortfall expected to be suffered by the secured creditor, we anticipate distributions to non-preferential creditors will be limited to funds set aside pursuant to the Prescribed Part, as estimated in the Joint Administrators' Statement of Proposals.



## Notice of Administrators' Appointment – paragraph 46(3) of Schedule B1 to the Insolvency Act 1986

### SDN Realisations Limited (In Administration) (“the Company”)

Name of Court	High Court of Justice, Business and Property Courts Manchester, Insolvency and Companies List (ChD)	
Court reference number	CR-2022-MAN-000677	
Company registered number:	10159378	
Nature of business	Online Retailer	
Registered office of company	c/o Ernst & Young LLP, 1 Bridgewater Place, Water Lance, Leeds, LS11 5QR	
Principal trading address (if different from above)	Unit O, Melton Commercial Park, Welby Melton Mowbray, LE14 3JL	
Any other name under which the company was registered in the previous 12 months	Scandiborn Limited	
Any other name(s) or style(s) under which the company carried on business or incurred debts	Scandiborn	
Date of appointment of administrators	11 August 2022	
Name(s) and address(es) of administrator(s)	Timothy Vance Ernst & Young LLP 1 Bridgewater Place Water Lane, Leeds LS11 5QR	Samuel James Woodward Ernst & Young LLP 2 St Peters Square Manchester M2 3EY
Joint / Administrator(s) IP No(s)	26710 / 12030	
Telephone number	0161 234 0521	
Name of alternative person to contact with enquiries about the case	Max Wilde	

#### Notice to all creditors

On 11 August 2022 the Company entered Administration and S J Woodward and I were appointed as Joint Administrators. The appointment was made by the Company's Directors under the provisions of Paragraph 22(2) of Schedule B1 to the Insolvency Act 1986.

Signed



Date 11 August 2022

T Vance

T G Vance is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland and S J Woodward is licensed in the United Kingdom to act as insolvency practitioners 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, T G Vance and S J Woodward, 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 Administrator's appointment. The Office Holder Data Privacy Notice can be found at [www.ey.com/uk/officeholderprivacy](http://www.ey.com/uk/officeholderprivacy).