

AM10 (Scot)

Notice of administrator's progress report



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number S C 2 9 8 8 6 7

Company name in full Earthy Foods & Goods Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Kenneth Wilson

Surname Pattullo

3 Administrator's address

Building name/number 1 Lochrin Square

Street

Post town

92-98 Fountainbridge

County/Region

Edinburgh

Postcode

E H 3 9 Q A

Country

4 Administrator's name ①

Full forename(s)

Surname

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10 (Scot)

Notice of administrator's progress report

6 Period of progress report

| | | | | | | | | |
|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| From date | ^d 0 | ^d 9 | ^m 0 | ^m 7 | ^y 2 | ^y 0 | ^y 2 | ^y 3 |
| To date | ^d 0 | ^d 8 | ^m 0 | ^m 1 | ^y 2 | ^y 0 | ^y 2 | ^y 4 |

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X 

X

Signature date

| | | | | | | | |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| ^d 1 | ^d 2 | ^m 0 | ^m 2 | ^y 2 | ^y 0 | ^y 2 | ^y 4 |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|

AM10 (Scot)

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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Thomas McIntyre**

Company name **Begbies Traynor (Central) LLP**

Address **2 Bothwell Street**

Post town **Glasgow**

County/Region

Postcode **G 2 6 L U**

Country

DX

Telephone **0141 222 2230**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Earthy Foods & Goods Limited
(In Administration)
Administrator's Trading Account

| Statement of Affairs £ | From 09/07/2023 To 08/01/2024 £ | From 09/01/2018 To 08/01/2024 £ |
|----------------------------------|---------------------------------------|---------------------------------------|
| POST APPOINTMENT SALES | | |
| Sales | NIL | 11,935.14 |
| | NIL | 11,935.14 |
| PURCHASES | | |
| Purchases (2) | NIL | 4,155.52 |
| | NIL | (4,155.52) |
| TRADING EXPENDITURE | | |
| Wages & Salaries | NIL | 2,291.54 |
| PAYE & NI | NIL | 276.73 |
| Pension Contributions | NIL | 6.56 |
| | NIL | (2,574.83) |
| TRADING SURPLUS/(DEFICIT) | NIL | 5,204.79 |

Earthy Foods & Goods Limited
(In Administration)
Administrator's Summary of Receipts & Payments

| Statement of Affairs £ | From 09/07/2023 To 08/01/2024 £ | From 09/01/2018 To 08/01/2024 £ |
|------------------------------|---------------------------------------|---------------------------------------|
| ASSET REALISATIONS | | |
| Bank Interest Gross | 113.12 | 268.16 |
| Bank Interest Net of Tax | NIL | 132.69 |
| Book Debts | NIL | 750.00 |
| Cash at Bank | NIL | 23,217.17 |
| Sale of Business | NIL | 12,501.00 |
| Trading Surplus/(Deficit) | NIL | 5,204.79 |
| Wrongful Trading Action | NIL | 90,000.00 |
| | 113.12 | 132,073.81 |
| COST OF REALISATIONS | | |
| Sundry Expenses | NIL | 182.25 |
| Agents/Valuers Fees (1) | NIL | 2,719.00 |
| Bank Charges | NIL | 3.50 |
| HMRC Charges | NIL | 338.70 |
| Legal Fees - Litigation | NIL | 60,607.66 |
| Legal Fees (1) | 108.00 | 16,211.45 |
| Legal Fees (2) | NIL | 283.02 |
| License Transfer | NIL | 290.00 |
| Office Holders Expenses | NIL | 142.11 |
| Office Holders Fees | NIL | 25,000.00 |
| Re-Direction of Mail | NIL | 408.00 |
| Registers of Scotland | NIL | 15.00 |
| Specific Bond | NIL | 147.50 |
| Statutory Advertising | NIL | 169.92 |
| | (108.00) | (106,518.11) |
| | 5.12 | 25,555.70 |
| REPRESENTED BY | | |
| Bank 2 Current | | 25,301.70 |
| Vat Payable | | 27.00 |
| Vat Receivable | | 227.00 |
| | | 25,555.70 |

Administrator

PROGRESS REPORT ON THE CONDUCT OF ADMINISTRATION

Earthy Foods & Goods Limited
("the Company")

Company number:
SC298867

Court of Session - P1103/19

The Administrator:

Kenneth Wilson Pattullo
Begbies Traynor (Central) LLP
2 Bothwell Street, Glasgow, G2 6LU

of Earthy Foods & Goods Limited ('the Company')
hereby reports on the progress of the administration for the period the period from 9 July 2023 to 8 January 2024.

Appointment of Joint Administrators

Kenneth Wilson Pattullo and Adam Charles Southard of Begbies Traynor (Central) LLP were appointed Joint Administrators of the Company on 9 January 2018 by Caledonian Heritable Limited, the Floating Charge Creditor.

Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the administrators, acting jointly or alone.

Changes in Administrators

Adam Charles Southard resigned as Joint Administrator on 25 November 2022. No replacement Joint Administrator was appointed or considered required.

Joint Administrators' proposals

The Joint Administrator proposals were deemed to have been approved on 15 March 2018.

The purpose of the administration as stated in those proposals was to realise the Company's assets in order to make a distribution to one or more secured or preferential creditors.

The anticipated exit route is by way of dissolution.

Extension of Administration period

As you are aware, the period of the Administration was extended until 8 July 2024 by Interlocutor of the Court of Session.

Progress during period of report

The following actions have been taken during this period:

Realisation of Assets

Wrongful Trading Action

As you are aware, Manolete Partners, insolvency litigation funders, pursued the Directors of the Company in respect of a wrongful trading action. Based on the information available at the time, the action was progressed against one of the Directors, and Manolete were successful in achieving a settlement of £90,000. The net funds received in the Administration after payment of the recovery and legal costs was £29,392.34.

During this period, we were involved in discussion/correspondence with our legal agents in order to discuss potential recovery action against the Company's other Director. Based on the information available and investigations carried out, our legal agents have advised that there is no prospect of any recovery from the other Director. All available assets have therefore been realised in this matter.

Banking

- Reconciliation of Bank account to IPS system
- Payment of costs/expenses incurred during the period

Statutory reports and returns

- Preparation and submission of progress report to creditors and Companies House
- Periodic review of bordereau level
- Preparation and submission of extension progress report to creditors
- Correspondence/discussion with legal agents regarding Court application for extension
- Preparation and submission of circular to creditors regarding extension obtained from Court
- Filing extension documents at Companies House

Administration

- Update case diary
- Correspondence with legal agents

Receipts and Payments

An account of the joint administrators' intromissions during the period of the report is appended to this report at Appendix I.

Dividend Prospects for Creditors

Based on the estimated funds available and the outstanding costs and expenses of the Administration, no dividend will become available to any class of creditor.

Joint **Administrators' Remuneration and Expenses**

The Joint Administrators' remuneration is fixed by reference to the time properly given by us (as Administrators) and the various grades of staff calculated at the prevailing hourly rates of Begbies Traynor (Central) LLP in attending to matters arising in the Administration.

Remuneration charged in this period

The Joint Administrators' time costs charged for the period (exc. VAT) are as follows:

| Period | Incurred | Approved and paid |
|---|-------------|-------------------|
| For the period from 9 July 2023 to 8 January 2024 | £4,987.00 | £0.00 |
| For the period from 9 January 2018 to 8 July 2023 | £108,442.50 | £25,000.00 |
| Total | £113,429.50 | £25,000.00 |

To date we have drawn interim remuneration of £25,000 and expenses of £142.11 with the approval of secured and preferential creditors.

Further information about the rights of creditors under the insolvency legislation in relation to insolvency practitioners' fees may be found at: <https://www.icas.com/technical-resources/creditor-guides-to-office-holder-remuneration>. Alternatively, a copy is available free of charge upon request.

Further Information

Should you require any further information relating to this report or the administration of the company please do not hesitate to contact Thomas McIntyre on the telephone number shown in the covering letter enclosing this report.

Ken Pattullo
Administrator

Licensed in the United Kingdom to act as an insolvency practitioner by the Insolvency Practitioners Association and bound by the Insolvency Code of Ethics. Privacy notices and our privacy policy may be accessed on our website. The affairs, business and property of the Company are being managed by the Administrators.

Earthy Foods & Goods Limited (in Administration)

Appendix I

Receipts and Payments

**Earthy Foods & Goods Limited
(In Administration)
Administrator's Summary of Receipts & Payments**

| Statement of Affairs £ | From 09/07/2023 To 08/01/2024 £ | From 09/01/2018 To 08/01/2024 £ |
|------------------------------|---------------------------------------|---------------------------------------|
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| Bank Interest Gross | 113.12 | 268.16 |
| Bank Interest Net of Tax | NIL | 132.69 |
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| Wrongful Trading Action | NIL | 90,000.00 |
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| COST OF REALISATIONS | | |
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| Re-Direction of Mail | NIL | 408.00 |
| Registers of Scotland | NIL | 15.00 |
| Specific Bond | NIL | 147.50 |
| Statutory Advertising | NIL | 169.92 |
| | <u>(108.00)</u> | <u>(106,518.11)</u> |
| | <u>5.12</u> | <u>25,555.70</u> |
| REPRESENTED BY | | |
| Bank 2 Current | | 25,301.70 |
| Vat Payable | | 27.00 |
| Vat Receivable | | 227.00 |
| | | <u>25,555.70</u> |

Earthly Foods & Goods Limited (in Administration)

Appendix II

Information relating to the **Joint Administrators'** Fees and Expenses

Joint Administrators' charging policy

INTRODUCTION

This policy applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the creditors' decision being made for the office holder to be remunerated on a time cost basis. Best practice guidance* requires that such information should be disclosed to those who are responsible for approving the basis of an office holder's remuneration. Within our fee estimate creditors can see how we propose to be remunerated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ☐ Category 1 expenses (approval not required) - Specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ☐ Category 2 expenses (approval required) - Items of expenditure that are directly related to the case and either:

(i) include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party; or

(ii) are items of expenditure which are payable to an associate of the office holder and/or their firm.

Shared or allocated costs (pursuant to (i) above)

The following expenses include an element of shared or allocated cost and are charged to the case (subject to approval).

- ☐ Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 per meeting;
- ☐ Car mileage which is charged at the rate of 45 pence per mile;

General Office Overheads.

The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a Category 1 expense:

- ☐ Telephone and facsimile
- ☐ Printing and photocopying
- ☐ Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Glasgow office as at the date of this report are as follows:

| Grade of staff | Charge-out rate range (£ per hour) 10 th July 2023 until further notice |
|-----------------------------|---|
| Appointment taker/partner | 560-640 |
| Managers/directors | 415-540 |
| Other professional | 215-300 |
| Junior professional/support | 170 |

Prior to 10th July 2023, the following rates applied:

| | Charge-out rate (£ per hour) |
|----------------------|------------------------------|
| Grade of staff | |
| Partner | 495-545 |
| Director | 445-490 |
| Senior Manager | 395-435 |
| Manager | 345-380 |
| Assistant Manager | 250-275 |
| Senior Administrator | 225-240 |
| Administrator | 175-195 |
| Junior Administrator | 140-155 |
| Cashier | 140-155 |
| Secretarial | 140-155 |

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

Time Costs Summary

Time and Expenses Report - Summary

15EA121.ADM | ADM - Earthy Foods & Goods Limited | From 09/07/2023 To 17/11/2023

| | Partner | Director | Senior Manager | Manager | Senior Case Administrator | Case Administrator | Support & Cashiering | Other | Total Hours | Total Cost | Avg Rate |
|-------------------------------|---------|----------|----------------|---------|---------------------------|--------------------|----------------------|-------|-------------|------------|----------|
| Realisation of Assets | 0.0 | 0.0 | 2.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.3 | 1£0.00 | 500.00 |
| Banking | 0.0 | 0.0 | 0.4 | 0.0 | 0.0 | 0.2 | 0.3 | 0.0 | 0.9 | 294.00 | 326.67 |
| Statutory reports and returns | 0.0 | 0.0 | 2.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.0 | 1000.00 | 500.00 |
| Administration | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.2 | 0.0 | 0.0 | 0.3 | 93.00 | 310.00 |
| Total Hours | 0.0 | 0.0 | 4.8 | 0.0 | 0.0 | 0.4 | 0.3 | 0.0 | 5.5 | | 461.27 |
| Total Cost | 0.00 | 0.00 | | 0.00 | 0.00 | 86.00 | 51.00 | 0.00 | | 2,537.00 | |