

# AM23

## Notice of move from administration to dissolution



For further information, please refer to our guidance at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number	0	7	8	1	3	4	7	1
Company name in full	Kin Limited							

→ **Filling in this form**  
Please complete in typescript or in bold black capitals.

### 2 Court details

Court name	In The High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD)													
Court number	C	R	-	2	0	2	3	-	0	0	4	5	5	4

### 3 Administrator's name

Full forename(s)	Rachael Maria											
Surname	Wilkinson											

### 4 Administrator's address

Building name/number	7 More London Riverside											
Street												
Post town	London											
County/Region												
Postcode	S	E	1		2	R	T					
Country	United Kingdom											

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Notice of move from administration to dissolution

**5 Administrator's name ①**

Full forename(s)	Jane
Surname	Steer

**① Other administrator**  
Use this section to tell us about another administrator.

**6 Administrator's address ②**


Building name/number	No 1 Spinningfields
Street	1 Hardman Square
Post town	Manchester
County/Region	
Postcode	M 3 3 E B
Country	United Kingdom

**② Other administrator**  
Use this section to tell us about another administrator.

**7 Final progress report**

I have attached a copy of the final progress report

**8 Sign and date**

Administrator's signature	Signature <b>X</b>  <b>X</b>
Signature date	<sup>d</sup> 1 <sup>d</sup> 6 <sup>m</sup> 0 <sup>m</sup> 8 <sup>y</sup> 2 <sup>y</sup> 0 <sup>y</sup> 2 <sup>y</sup> 4

# AM23

## Notice of move from administration to dissolution



### 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	Helena Perevalova
Company name	PricewaterhouseCoopers LLP
Address	8th Floor, Central Square 29 Wellington Street
Post town	Leeds
County/Region	West Yorkshire
Postcode	L S 1 4 D L
Country	United Kingdom
DX	
Telephone	0113 289 4000



### 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,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

# Continuation page

## Name and address of insolvency practitioner

✓ **What this form is for**  
 Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①  
 Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**  
 You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**  
 Please complete in typescript or in bold black capitals.  
 All fields are mandatory unless specified or indicated by \*

### 1 Appointment type

Tick to show the nature of the appointment:

- Administrator
- Administrative receiver
- Receiver
- Manager
- Nominee
- Supervisor
- Liquidator
- Provisional liquidator

① You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

### 2 Insolvency practitioner's name

Full forename(s)	Edward
Surname	Williams

### 3 Insolvency practitioner's address

Building name/number	One Chamberlain Square,
Street	
Post town	Birmingham
County/Region	
Postcode	B 3 3 A X
Country	United Kingdom

# Joint administrators' final progress report from 23 February 2024 to 16 August 2024

**Kin Limited** - in administration

High Court of Justice Business and Property Courts of England and Wales  
Insolvency and Companies List (ChD)

Case no. **CR-2023-004554**

16 August 2024

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# Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

<b>Abbreviation or definition</b>	<b>Meaning</b>
<b>Joint Administrators/we/us/our</b>	Rachael Maria Wilkinson, Jane Steer and Edward Williams
<b>Company</b>	Kin Limited
<b>DBT</b>	Department for Business and Trade
<b>HUK</b>	HUK 117 Limited, a secured creditor
<b>HMRC</b>	HM Revenue and Customs
<b>IP</b>	Intellectual property
<b>IR16</b>	Insolvency (England and Wales) Rules 2016
<b>NDA</b>	Non disclosure agreement
<b>Ordinary preferential creditors</b>	Creditors with claims defined in IA86 as ordinary preferential debts: These include claims for: <ul style="list-style-type: none"><li>• unpaid remuneration earned in the four months before the relevant date of the insolvency up to a maximum of £800, an unlimited amount of accrued holiday pay, unpaid pension contributions in certain circumstances;</li></ul>
<b>Secondary preferential creditors</b>	Creditors with claims defined in IA86 as secondary preferential debts to be paid after Ordinary preferential debts, if there are sufficient funds. These include claims for: <ul style="list-style-type: none"><li>• certain HMRC debts owed at the date of insolvency, consisting of VAT and relevant amounts deducted by the Company from payments due to another taxpayer and due to be paid over to HMRC (e.g. PAYE, employee NICs and Construction Industry Scheme deductions). Penalties and interest do not form part of HMRC's preferential claim.</li></ul>
<b>Prescribed part</b>	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
<b>Purchaser</b>	Coral Tools Ltd
<b>PwC</b>	PricewaterhouseCoopers LLP
<b>Regulations</b>	Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021
<b>Restructuring plan</b>	A compromise or arrangement under Part 26A Companies Act 2006]
<b>RPS</b>	Redundancy Payments Service, part of the Insolvency Service, which is an executive agency sponsored by DBT, and which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
<b>Sch B1 IA86</b>	Schedule B1 to the Insolvency Act 1986
<b>Secured creditor</b>	A creditor with security in respect of their debt, in accordance with section 248 IA86
<b>SIP</b>	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out

	principles and key compliance standards with which insolvency practitioners are required to comply.
<b>Unsecured creditors</b>	Creditors who are neither secured nor preferential
<b>WHSL</b>	WHSL Realisations Limited (formerly Wilkinson Hardware Stores Limited) - in administration, a shareholder
<b>Wider Group</b>	The group of companies owned directly or indirectly by WHSL, including but not limited to wilko Limited and wilko.com Limited. A full group structure is enclosed in Appendix A.
<b>wilko Group</b>	Wilkinson Hardware Stores Limited, wilko Limited and wilko.com Limited - all in administration
<b>wilko</b>	WL realisations (2023) Limited (formerly wilko Limited) - in administration
<b>wilko.com</b>	W.com realisations Limited (formerly wilko.com Limited) - in administration

This report has been prepared by Rachael Maria Wilkinson, Jane Steer and Edward Williams as Joint Administrators of the Company, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Administrators' previous reports issued to the Company's creditors, which can be found at [www.pwc.co.uk/Kin](http://www.pwc.co.uk/Kin). Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Rachael Maria Wilkinson, Jane Steer and Edward Williams have been appointed as Joint Administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Joint Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Administrators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.



# Key messages

## Why we've sent you this report

We're pleased to let you know that our work in the administration of the Company is now complete and so, we set out below our final report.

You can still view our earlier reports on our website at [www.pwc.co.uk/Kin](http://www.pwc.co.uk/Kin). Please get in touch with Helena Perevalova at [helena.perevalova@pwc.com](mailto:helena.perevalova@pwc.com) if you need the password to access the reports.

## How much creditors have received

The following table summarises the final outcome for creditors:

Class of creditor	Distributions paid (p in £)	Previous estimate (p in £)
Secured creditor	100*	100*
Ordinary preferential creditors	N/A**	N/A**
Secondary preferential creditors	2.44%***	Less than 2.5%***
Unsecured creditors	Nil****	Nil****

### Secured creditor\*

HUK is a direct Secured creditor in the estate of WHSL. The Joint Administrators are aware that wilko, wilko.com and Kin have provided secured guarantees to HUK in respect of the debt and are therefore jointly and severally liable for any amount of the debt which cannot be repaid by WHSL. The debt is secured by fixed and floating charges over all the assets in the estates. Interest and charges continued to accrue on the lending post administration.

This balance represents the position at the date of appointment and includes an element of unpaid interest and fees at that date. HUK has since been paid this balance in full by wilko.

As HUK has been repaid its lending from realisations in wilko, wilko will now have a subrogated or contribution claim against the Company. However there are insufficient realisations in the Company's estate to enable any return to wilko.

### Ordinary preferential creditors\*\*

As we previously reported there was no dividend to the first ranking Ordinary preferential creditors as we believed that all amounts that would be preferential were paid to employees during the administration and we have not received any subsequent claims.

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

The Company is a part of a single VAT group with wilko, wilko.com and WHSL and therefore is jointly and severally liable for the debt. We issued a notice of intended dividend and the deadline for submission of preferential claims was 11 March 2024. HMRC submitted a Secondary preferential claim for a total of £17,471,256.99 in respect of VAT owed by the VAT group.

As the Company is the first in the VAT group to issue a notice of intended dividend, the full claim is outstanding and therefore all available funds were paid to HMRC. The Company was itself in a VAT recoverable position at the date of administration, but it is understood that another VAT group member, wilko.com, may not be able to pay its Secondary preferential creditors in full. By virtue of the joint and several liability, any shortfall would be met by other members of the VAT group, including the Company, which will then have a claim in wiko.com for the balance paid on its behalf (all though return is expected from this claim).

A first and final dividend of 2.44p in the £ was declared on 9 May 2024 and paid on 16 May 2024. The total amount of dividend paid to the Secondary preferential creditor is £425,887.52 and is reflected on the receipts and payments account in the Appendix B.

## **Unsecured creditors\*\*\*\***

In our Proposals we said we thought there would be a Prescribed part of £40k. However, as a result of the HMRC claim as set out above, there was no return to Unsecured creditors as all net floating charge realisations were paid to the Secondary preferential creditor, HMRC.

## **What you need to do**

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

## **What happens next**

In line with our proposals approved by creditors, we will file a notice of move from administration to dissolution with the Registrar of Companies on 16 August 2024 and the Company will be dissolved three months later.

Dissolution was chosen as the most appropriate exit route as the Joint Administrators have realised all the assets of the Company and have distributed the funds in the administration to the Secondary preferential creditor, HMRC.

Further, the Joint Administrators have no outstanding matters which would warrant the administration to be extended and further costs to be incurred. The Joint Administrators have complied with their statutory obligations and received the relevant clearances to proceed with closure of the administration and subsequent dissolution of the Company.

As resolved by the Secured creditor and the preferential creditors, we will be discharged from liability in respect of any of our actions as Joint Administrators 14 days after ceasing to act as Joint Administrators.

# Overview of our work

## Why we were appointed

You may remember that when we were appointed, the position was as follows:

The Company is a 100% subsidiary of WHSL. The Company's principal activity was the development of product brands and the design of new product ranges for sale across business to business channels and via wilko and wilko.com. The Company was reliant on entities within the Wider Group from a trading and operational perspective, meaning it was unable to trade as a standalone entity.

As a subsidiary of WHSL, and given the fact that Kin was financed by wilko, Kin was heavily impacted by the trading performance of, and cost pressures faced by, the Wider Group. Any major decisions and investment in Kin, that were viewed by Kin management as being critical to scaling Kin's business and operations, were delayed given the Wider Group's financial position and challenges.

In June 2023, Kin was included in an accelerated sales process for the Wider Group. This involved initially approaching financial investors and seeking indicative offers during the week commencing 17 July 2023. Two indicative offers were received from financial investors, however both were conditional on additional financing from either debt or equity providers and therefore in their own right were not deliverable offers. As a result, at this stage trade parties were invited to partake in the process. No offers were received from trade parties for the business as a going concern.

Given the declining cash position of the Wider Group, and the lack of interest expressed through the sales process from both financial and trade investors, wilko, WHSL and wilko.com made the decision to file a Notice of Intention to appoint administrators on 2 August 2023. Following this the directors of the Company sought to understand whether there was any interest to acquire the Company as a standalone entity.

A sale process for the Company was launched on 4 August 2023 and c. 30 parties were approached to explore the possibility of a solvent transaction. Of the approached parties seven parties signed up to an NDA. Three parties expressed interest in a standalone transaction but ultimately given the reliance on wilko and WHSL, both from an operational and a sales volume perspective and the uncertainty around its future, no offers for a solvent sale were received.

Given the lack of interest in the business on a solvent basis, the directors resolved to file a notice of intention to appoint administrators on 16 August 2023 and the Company subsequently entered administration on 23 August 2023.

## Asset realisations

### Trading

On the appointment the strategy of the Joint Administrators was to retain all employees to continue to trade the business, while we explored whether a going concern sale was possible. The Company was heavily reliant on the central services provided by wilko and WHSL to allow its operations to function. It was agreed that this support would continue in the administration. This was done on the basis that there would be a minimal incremental cost in doing so and it would support the Company to maximise realisations which may benefit WHSL given it is a major creditor in the Company and also the Company was a guarantor to WHSL's debt. It was also agreed that in return for support being provided by wilko, no further royalties would accrue on sales made by wilko. Services provided by WHSL and wilko included the processing of payroll for the Company, continued access to systems, IT support and information provision to allow the realisation of the Company's assets.

Once it became clear that a going concern sale was not possible, and that there was no interest in the stock owned by Kin, it was agreed that the best way to realise value for the stock was through the wilko distribution network and stores. Following the finalisation of trading by wilko, a detailed reconciliation was undertaken to establish a net position between the entities. As the Company's branded and owned stock was sold through the wilko stores, the Company was due the net trading sale proceeds, offset by the post-appointment payroll for the Company, which was paid by wilko. The final net position due to the Company from wilko is £293,007.82 which was received during the period. No further realisations are expected.

### Sale of business and assets

As explained in our earlier reports, an accelerated sale process for the Company on a solvent basis (both on a standalone basis and as part of the Wider Group) was undertaken prior to appointment. Following appointment, the

sale process was pivoted to identify what options were available to maximise the position of all creditors from a sale of the business and assets only, this work included:

- Preparing a sales information specific to the opportunity in the administration (which differs from the proposition in our pre-appointment sales process);
- Determining the sales approach and strategy for the administration;
- Collating key documents to be made available to potential interested parties; and
- Communicating with interested parties within the existing, earlier process to maintain interest as well as new parties who had come forward as a result of the administration

Following appointment we engaged with multiple interested parties to determine their interest on a business and assets basis.

In addition to the parties who had expressed an interest pre-appointment, two further parties entered the process post appointment, both signing NDAs and being provided with further information. The initial interest was either in the business and assets or on an asset only basis. The main assets available for realisation were: trademarks; registered designs and patents relating to the brands (primarily Clever Pots, Store & Order); and various domain names, including Kin.

Although some parties initially expressed interest in a business and assets transaction (including a transfer of the employees), ultimately we only received “asset only” offers for piecemeal assets. Seven offers were received on an asset only basis. The majority of these offers were for the Clever Pots and Store & Order brands. As a ‘white label brand’, Skin Therapy did not attract the same level of interest as the other brands.

Two of these offers were conditional upon the Joint Administrators being able to transfer title to tooling relating to the Clever Pots and Store & Order brands. This tooling was in the possession of third party manufacturers and the Joint Administrators were unable to secure the transfer of this to a buyer without incurring costs which were in excess of the offer values. Being unable to secure the tooling meant one of these offers fell away and the second was substantially reduced.

We ultimately transacted an offer from Coral Tools Ltd, which excluded any tooling assets. This offer was transacted on the basis it represented the highest offer and therefore represented the best outcome for creditors.

The transaction concluded on 2 October 2023 for £49,999 (excluding VAT) and was for all Kin IP, except for that related to the brand Skin Therapy. As the owner of one Clever Pots trademark, wilko was also a party to the transaction to sell the trademark. Both Kin and wilko also received a six month royalty free licence as part of the agreement to sell any remaining stock which was the subject of the IP.

We received limited interest in relation to the Skin Therapy brand and its associated IP. The majority of the IP assets for this brand were registered in favour of wilko, although a small number of trademarks were registered with the Company. Given the minimal value attributed to the brand from offers received, it was agreed that this would be transferred to the Purchaser of the wilko IP assets (The Range), so long as associated costs of doing so were covered.

During the period covered by this report, we have liaised with the solicitors in relation to the documentation necessary to transfer the ownership of the Company’s Skin Therapy brand and IP. This matter has been finalised and The Range has now paid a small amount of consideration which covered the costs of the Joint Administrators and its legal advice associated with the transfer of the IP.

In addition to the sale of the business we also secured and took control of the Company’s assets, which included the sale of the remaining small amount of tangible assets such as computer equipment, collected debts and completed a reconciliation of the amount of the Company stock sold via the wilko network of stores and the sale proceeds that are due to the estate. Further details on these matters can be found later in this report.

## **Other matters**

During the period since we last reported, we’ve completed the following tasks:

- Pay a first and final dividend to the Secondary preferential creditor;
- Finalising the sale of the remaining Skin Therapy IP;
- Dealing with the Company’s VAT and Tax affairs, submitting the VAT426 returns on as and when required, preparing the post-appointment tax computations and determining that all tax matters have been suitably concluded, prior to ceasing to act; and
- Preparing for the closure of the administration and subsequent dissolution of the Company.

We've now finished realising the Company's assets.

## Stock

The majority of stock manufactured under one of the Kin Brands was sourced directly from the manufacturers by wilko and therefore title to this stock belonged to wilko. At the date of appointment there was c.£155k of Store and Order branded stock which belonged to the Company. This stock was stored at the distribution centre operated by wilko and had been used primarily to satisfy Amazon orders.

This stock was offered as part of the business and assets sale as described above, however, no party expressed an interest in purchasing it. As set out above, in order to realise value in the stock it was agreed with wilko that it would be sold through the wilko store network. The net sales realisations of the stock amounted to £375,174 and following the setting off the payroll costs of £82,166.18. A total of £293,007.82 has been received by the Company and is reflected in the receipts and payments account in the Appendix B.

## Cash at bank

Following our appointment, we received £448,487 which represents a receipt from two sterling accounts and one euro account.

## Bank interest

During the period a total of £1,952.08 has been received in relation to bank interest, which brings the total realisations to £10,520.45. We have removed the bank account from the interest bearing facility, the final interest has been applied to the account and there will be no further realisations in this regard.

## Other debtors

On appointment the outstanding debtors ledger was £286,044 and since appointment we have received £92,500.35 in debtor realisations. However, due to there being insufficient information to substantiate the amounts owed, in the period of this report we've made no further realisations and none are expected.

## Intercompany debtors

There is a significant intercompany debtor between the Company and wilko. In addition, there are intercompany creditors with WHSL and wilko.com. We would note:

- We have undertaken a reconciliation of the position between the Company and other entities in the wilko Group companies. As part of this intercompany claim assessment process, we have established that there would be mandatory offset against intercompany claims between the Company and wilko Group companies. In addition to the existing claims, there would be claims arising from subrogation or contribution (where one company pays off the liability of another company under a guarantee or joint legal liability) which may also need to be incorporated for offset; and
- We have determined that there is virtually no prospect of a return to the Company from any other Group companies and therefore do not consider that there is any benefit to the creditors in keeping the administration open.

## Other tangible assets

There were a number of small tangible assets and we received a total of £5,000 for a sale of the Company's laptops (compared to a net book value of £2,131).

No further realisations are expected.

## Employees

The Company employed 16 team members, with two team members leaving during the administration period and the remaining 14 team members being made redundant on 4 September 2023, once it became clear that a sale of the business (including a transfer of employment) would not be possible. All team members were paid their wages up to their leave date along with any holiday pay that they had accrued. The RPS received claim forms from all 14 team members in respect of any redundancy and/or statutory notice pay to those team members who were eligible to claim.

## Royalties

The Company's products were manufactured by third parties and sold predominantly via a network of wilko stores across the UK under the brand names of Clever Pots, Store & Order and Skin Therapy. There were a number of agreements between Kin, wilko and the various manufacturers relating to both the manufacture of the products (including tooling) and royalties that Kin were entitled to, from wilko. While the majority of stock was sourced and paid for (and therefore owned by) wilko, there was a small amount of stock owned by Kin at the date of appointment.

The position in relation to the royalties was complex. At the date of appointment, the Company's records show that wilko owed Kin £7.35m, the majority of which related to accrued royalties. Kin will have an Unsecured claim in the wilko administration for this unpaid amount. However, wilko will have a claim against Kin in respect of payments it has made to HUK under the guarantee as set out earlier in this report. We consider that wilko's right of set off will extinguish the full £7.35m owed by wilko to Kin. In addition, as Kin is 100% reliant on WHSL and wilko and their staff and systems for a number of functions, including the administration of the payroll and financial information to support the sale of assets and collection of debtors, it was agreed that no royalties would be charged for sales which took place during the administration. In return wilko agreed to the following:

- Processing of payroll for September (the only payroll required during the administration). This included payment of arrears of wages, wages accrued during the administration and holiday pay. The cost of the payroll has been recharged during the administration;
- Storage of Kin owned stock in the wilko distribution centres and sale of it through the wilko stores;
- Ongoing provision of information and support regarding the collection of data required to support the statutory requirements of the Joint Administrators; and
- Access to information to support the collection of debtors and sale of assets during the administration.

## Connected party transactions

No assets have been disposed of by the Joint Administrators to a party (person or company) with a connection to the directors, shareholders or Secured creditors of the Company or their associates and the Joint Administrators are not seeking approval from creditors to make a substantial disposal to a connected person.

## Approval of our proposals

We issued to creditors our proposals dated 10 October 2023 for achieving the purpose of administration.

We said in our proposals that we will aim to pursue objective (b) achieving a better result for creditors than would be likely if the Company were wound up (without first being in administration), as it was not reasonably practical to rescue the Company as a going concern. If we are unable to achieve (b) due to there being insufficient realisations to enable a dividend to be paid to Unsecured creditors via the Prescribed part, we will aim to achieve (c) by realising the assets in order to make a distribution to one or more Secured and/or Preferential creditors. In this case we achieved the objective (c) as there were insufficient funds to enable a distribution to the Unsecured creditors.

This meant that we did not have to seek a decision from creditors regarding the approval of proposals and our proposals would be treated as approved if creditors did not request a decision in the required manner. As creditors did not request a decision be sought, our proposals were treated as approved on 20 October 2023.

We attach a summary of our proposals at Appendix A.

## Investigations and actions

Nothing came to our attention during the administration to suggest that we needed to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

## Tax

We fulfilled our duties as proper officers for tax during the administration and filed VAT and corporation tax returns for all relevant accounting periods and accounted for PAYE/NI. HMRC raised no queries on our returns and on line submissions and has not objected to the administration ending.

## **Our final receipts and payments account**

We set out in Appendix B an account of our final receipts and payments in the administration from 23 February 2023 to 16 August 2024.

## **Our expenses**

We set out in Appendix C a statement of the final expenses that we incurred to the date covered by this report.

## **Our fees**

We set out in Appendix D an update on our remuneration which covers our fees, disbursements and other related matters.

## **Pre-administration costs**

You can find in Appendix E information about the approval of the unpaid pre-administration costs previously detailed in our proposals.

## **Creditors' rights**

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34 IR16. This information can also be found in the guide to fees at:

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

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

## **Next report**

This is our final report and the Company will be dissolved three months after the notice of move from administration to dissolution has been registered at Companies House.

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

Yours faithfully  
For and on behalf of the Company



Rachael Maria Wilkinson  
Joint Administrator

# Appendices



# Appendix A: Summary of our proposals

The Proposals included the following statements:

The purpose being pursued in the administration was objective (b), namely achieving a better result for creditors than would be likely if the Company were wound up (without first being in administration), as it was not reasonably practical to rescue the Company as a going concern. If we were unable to achieve (b), we would pursue objective (c) by realising the assets in order to make a distribution to one or more Secured and/or preferential creditors.

On appointment, the Joint Administrators continued to trade the business, including retaining all of the employees, to maximise the opportunity for a post-appointment transaction. The Company employed 16 team members, with two team members leaving during the administration period and the remaining 14 team members being made redundant on 4 September 2023, once it became clear that a sale of the business (including a transfer of employment) would not be possible.

The Company was heavily reliant on the central services provided by wilko and WHSL to allow its operations to function and it was agreed that this support would continue in the administration during the trading period. This was done on the basis that there would be a minimal incremental cost in doing so and it would support the Company to maximise realisations which may benefit WHSL given it is a major creditor in the Company and also the Company was a guarantor to WHSL's debt.

The main assets available for realisation were trademarks; registered designs and patents relating to the brands (primarily Clever Pots, Store & Order); and various domain names, including Kin. The final transaction was concluded on 2 October 2023 for £49,999 and was for all Kin IP, except for that related to the brand Skin Therapy as the owner of one Clever Pots trademark, wilko was also a party to the transaction to sell the trademark. This offer was transacted on the basis it represented the highest offer and therefore represented the best outcome for creditors.

The majority of stock manufactured under one of the Kin Brands was sourced directly from the manufacturers by wilko and therefore title to this stock belonged to wilko. At the date of appointment there was c.£155k of Store and Order branded stock which belonged to the Company. This stock was stored at the distribution centre operated by wilko and had been used primarily to satisfy Amazon orders. This stock was offered as part of the business and assets sale as described above, however, no party expressed an interest in purchasing it. In order to realise value in the stock it was agreed with wilko that it would be sold through the wilko store network.

Because we thought that the Company would have insufficient property to enable a distribution to be made to the Company's Unsecured creditors other than via the Prescribed Part, in accordance with Paragraph 52 (1) b of Schedule B1 to the IA86, no decision was sought on the approval of the Proposals. At the time we issued our Proposals, we thought that there would be a dividend for Unsecured creditors from the Prescribed part. However, due to the Company being jointly and severally liable for HMRC's debt, all the funds that were intended to be distributed to the Unsecured creditors under the Prescribed part were paid to the Secondary preferential creditor.

At the time we issued our Proposals, it was anticipated that the administration would end by filing a notice of dissolution with the Registrar of Companies and the Company would be dissolved three months later.

# Appendix B: Receipts and payments

Statement of Affairs (£)	Assets subject to fixed charge	Notes	From 23 August 2023 to 22 February 2024	From 23 February 2024 to 16 August 2024	From 23 August 2023 to 16 August 2024
	<b>Receipts</b>	3			
	<b>Total receipts</b>		-	-	-
	<b>Payments</b>				
	<b>Total payments</b>		-	-	-
	<b>Net fixed charge realisations</b>		-	-	-
	<b>Assets subject to floating charge</b>				
	<b>Receipts</b>				
50,000	Intangible assets		49,999.00	4,997.00	54,996.00
Nil	Plant, fixtures & vehicles		5,000.00	-	5,000.00
126,795	Other debtors		92,500.35	-	92,500.35
456,207	Cash		448,486.51	-	448,486.51
Nil	Intercompany debtors		-	-	-
Nil	Prepayments		-	-	-
Nil	Stock sales		-	375,174.00	375,174.00
Nil	Funding from third party		-	2,500.00	2,500.00
Nil	Bank interest gross		8,568.37	1,952.08	10,520.45
	<b>Total receipts</b>		<b>604,554.23</b>	<b>384,623.08</b>	<b>989,177.31</b>
	<b>Payments</b>				
	Office holders pre-appointment fees	2	-	(15,177.39)	(15,177.39)
	Pre-appointment legal fees and expenses		-	(11,609.00)	(11,609.00)
	Office holders post-appointment fees and expenses	2	-	(380,285.43)	(380,285.43)
	Post-appointment legal fees and expenses		-	(41,075.00)	(41,075.00)
	Corporation tax		-	(1,960.79)	(1,960.79)
	Wages and salaries		-	(82,166.18)	(82,166.18)
	Office costs, stationery & postage		(684.00)	-	(684.00)
	Statutory advertising		(95.00)	-	(95.00)
	Insurance		(14,287.00)	(15,950.00)	(30,237.00)
	<b>Total payments</b>		<b>(15,066.00)</b>	<b>(548,223.79)</b>	<b>(563,289.79)</b>
	<b>VAT control account</b>		<b>9,980.80</b>	<b>(9,980.80)</b>	<b>-</b>
	<b>Net floating charge realisations</b>		<b>599,469.03</b>	<b>(173,581.51)</b>	<b>425,887.52</b>
	First and final dividend of 2.44p in the £ to secondary preferential creditor, declared on 9 May 2024 and paid on 16 May 2024			(425,887.52)	(425,887.52)
	<b>Cash at bank</b>	1	<b>599,469.03</b>	<b>(599,469.03)</b>	<b>0.00</b>

## Notes to the R&P

1. Funds were held in an interest bearing account with Barclays Bank Plc until March 2024, after which the accounts were taken off interest bearing facility pending the submission of the final tax returns and impending closure;
2. Joint Administrators' fees were approved by the Secured and Preferential creditors on 18 April 2024 as a fixed fee of £350,000 plus VAT with additional fixed asset realisation fee of £30,000 plus VAT; following the recategorization of certain assets becoming subject to the floating charge rather than fixed, the Joint Administrators sought further approval of the remuneration to be fixed as a set fee of £380,000 plus VAT which was approved by the Secured and Preferential creditors on 15 August 2024;
3. There have been no payments made to us, our firm or our associates other than from the insolvent estate as shown in the receipts and payments account provided above;
4. Included within our disbursements is £0.43 paid in the period and £0.43 paid in total, in relation to 'Category 2' disbursements in accordance with the policy explained in Appendix D.
5. Amounts shown exclude VAT; and
6. A fixed and floating charge debenture was granted by WHSL and guaranteed by wilko, wilko.com and the Company, each of whom provided fixed and floating charge security over their assets. Legal advice has been taken on the validity of this security and its application across the companies.

# Appendix C: Expenses

Expenses are amounts properly payable by us as administrators but exclude our fees and distributions to creditors. These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

Expenses fall into two categories:

Expense	SIP9 definition
<b>Category 1</b>	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
<b>Category 2</b>	Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors who approve our fees (in this case the Secured and preferential creditors) also has the responsibility for agreeing the basis for payment of Category 2 expenses.

The rate for services provided by the Administrators' own firm (Category 2 expenses) may periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. All other disbursements to be charged at cost.

The following table provides a breakdown of the Category 2 expenses incurred in the period, together with details of the Category 1 expenses that have been incurred as disbursements by PwC and will be recharged to the case

Category	Provided by	Basis of cost	Costs incurred (£)
2	PwC	<b>Photocopying</b> - up to 10 pence per side copied, only charged for circulars to creditors and other bulk copying.	1.40
2	PwC	<b>Mileage</b> - at a maximum of 64 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc) for petrol/diesel/hybrid; at a maximum of 72 pence per mile for fully electric and at a maximum of 12 pence per mile for a bicycle	Nil
1	PwC	Postage	1.52
<b>Total for the period</b>			2.92
Brought forward as at 22 February 2023			285.00
<b>Total since appointment</b>			<b>287.92</b>

The expense policy set out above has been approved by Secured and preferential creditors on 18 April 2024.

The table below provides details of all the expenses incurred in the administration:

	Brought Forward	Incurred from 23 February 2024 to 16 August 2024	Cumulative	Estimated future	Anticipated total	Initial estimate	Variance
	£	£	£	£	£	£	£
Office Holders' pre-appointment costs	17,855.75	-	17,855.75	-	17,855.75	17,855.75	-
Pre-appointment legal costs and disbursements	11,721.50	-	11,721.50	-	11,721.50	11,721.50	-
Legal costs and disbursements <sup>2</sup>	78,000.00	16,079.00	94,079.00	-	94,079.00	34,468.00	(59,611.00)
Bank charges	-	-	-	-	-	100.00	100.00
Insurance <sup>1</sup>	14,287.00	15,950.00	30,237.00	-	30,237.00	30,237.00	-
Disbursements <sup>5</sup>	285.00	2.92	287.92	-	287.92	785.00	497.08
Statutory advertising	95.00	-	95.00	-	95.00	180.00	85.00
Storage costs <sup>3</sup>	-	-	0.00	-	-	-	-
Office costs, stationery & postage <sup>4</sup>	684.00	-	684.00	-	684.00	684.00	-
Wages and salaries <sup>6</sup>	-	82,166.18	82,166.18	-	82,166.18	-	(82,166.18)
Corporation tax	-	1,960.79	1,960.79	-	1,960.79	-	(1,960.79)
<b>Total</b>	<b>122,928.25</b>	<b>116,158.89</b>	<b>239,087.14</b>	<b>-</b>	<b>239,087.14</b>	<b>96,031.25</b>	<b>(143,055.89)</b>

1. The insurers have apportioned the Insurance costs between wilko Group as it was commercially beneficial to carry on with the pre-appointment insurance providers;
2. Legal costs and disbursements provided in the previous progress report were an estimate based on the information available to us at the time, however the final post-appointment legal costs and disbursements paid, in line with the R&P, were £34,578.00 which explains the significant variance between the initial estimate and the anticipated total paid;
3. The large proportion of the books and records collected relate to wilko and as a result of that it is not proposed to apportion any of the costs associated with the storage of those;
4. This expense relates to the Royal Mail postal redirection for 12 months;
5. Disbursements incurred to date are category 1 disbursements in relation to the payment of the ICO registration fee and bonding; and
6. The wages and salaries payment was the offset applied by wilko prior to the transfer of the stock sale realisations.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

# Appendix D: Remuneration update

Our fees were approved by the Secured and Preferential creditors on 18 April 2024 as a fixed fee of £350,000 plus VAT with additional fixed asset realisation fee of £30,000 plus VAT. Since obtaining this approval, there was a material and substantial change in the categorisation of assets. It transpired that the IP sold during the course of the administration was reclassified from a fixed charge asset, to a floating charge asset.

Accordingly, in accordance with rule 18.29 Insolvency Rules 2016, we sought an approval from the Secured and Preferential creditors (as the fee approving body) to change the basis of our remuneration from a set amount (fixed fee) of £350,000 + VAT, to a set amount (fixed fee) of £380,000 + VAT. The reason we sought this change was due to the re-categorisation of assets, there were no longer fixed charge assets from which to draw the £30k + VAT and therefore we wished to draw the total amount from floating charge assets.

This request was made due to the re-categorisation of assets, and there was no impact on the outcome in the estate or the total amount of fees we wished to draw. Our fees were approved on 15 August 2024 by the fee approving body. As shown on the enclosed receipts and payments accounts, our total fixed fee of £380,000 has been drawn in full.

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

## Our work in the period

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work.

General Description	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<b>Assets</b>			
<ul style="list-style-type: none"> <li>Sale of business (intangible assets)</li> </ul>	<ul style="list-style-type: none"> <li>Liaising with Purchasers and solicitors to finalise matters relating to the sale; and</li> <li>Collecting the remaining sales proceeds for the remaining brands.</li> </ul>	<ul style="list-style-type: none"> <li>To fulfil our contractual obligations</li> </ul>	<ul style="list-style-type: none"> <li>To realise funds for the benefit of creditors</li> </ul>
<b>Creditors</b>			
<ul style="list-style-type: none"> <li>Creditor enquiries</li> </ul>	<ul style="list-style-type: none"> <li>Receiving and following up creditor enquiries via telephone, email and post; and</li> <li>Reviewing and preparing correspondence to creditors and their representatives.</li> </ul>	<ul style="list-style-type: none"> <li>Work is required by statute and for the proper management of the case.</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute</li> </ul>
<ul style="list-style-type: none"> <li>Secured creditors</li> </ul>	<ul style="list-style-type: none"> <li>Liaising with the Secured creditor to seek their consent to our fee request.</li> </ul>		
<ul style="list-style-type: none"> <li>Secondary preferential creditors</li> </ul>	<ul style="list-style-type: none"> <li>Reviewing and adjudicating Secondary preferential claims; and</li> <li>Calculating dividend rate and preparing and paying distribution.</li> </ul>		
<b>Employees and Pensions</b>			
<ul style="list-style-type: none"> <li>Communications with employees</li> </ul>	<ul style="list-style-type: none"> <li>Receiving and following up employee enquiries via telephone, post and email.</li> </ul>	<ul style="list-style-type: none"> <li>Work is required by statute and for the proper management of the case.</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute</li> </ul>
<b>Statutory and compliance</b>			
<ul style="list-style-type: none"> <li>Case reviews</li> </ul>	<ul style="list-style-type: none"> <li>Conducting case reviews every six months;</li> <li>Case database compliance including dealing with tasks as they fall due; and</li> </ul>	<ul style="list-style-type: none"> <li>Work is required by statute and for the proper management of the case.</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute</li> </ul>

	<ul style="list-style-type: none"> <li>• Creation and maintenance of a statutory record (permanent file) and including filenotes to ensure key strategic decisions are sufficiently evidenced.</li> </ul>
<ul style="list-style-type: none"> <li>• Progress reports and extensions</li> </ul>	<ul style="list-style-type: none"> <li>• Preparing and issuing periodic progress reports to creditors and the Registrar; and</li> <li>• Preparing the final report.</li> </ul>
<ul style="list-style-type: none"> <li>• Other meetings / resolutions</li> </ul>	<ul style="list-style-type: none"> <li>• Preparing documents and information for the purpose of obtaining approval to fees, Category 2 disbursements and other matters in the administration; and</li> <li>• Issuing notices and associated documentation for seeking decisions of creditors.</li> </ul>
<ul style="list-style-type: none"> <li>• Books and records</li> </ul>	<ul style="list-style-type: none"> <li>• Dealing with records in storage.</li> </ul>
<ul style="list-style-type: none"> <li>• Other statutory and compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Filing of documents; and</li> <li>• Updating checklists and diary management systems.</li> </ul>

**Tax and VAT**

<ul style="list-style-type: none"> <li>• Tax</li> </ul>	<ul style="list-style-type: none"> <li>• Preparing tax computations;</li> <li>• Liaising with HMRC and providing information requested; and</li> <li>• Determining that all tax matters have been suitably concluded, prior to ceasing to act .</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute</li> <li>• Ensures the correct amount of tax is paid, and tax expenses mitigated where possible.</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute</li> </ul>
<ul style="list-style-type: none"> <li>• VAT</li> </ul>	<ul style="list-style-type: none"> <li>• Preparing VAT returns and paying the VAT due to the main VAT group member representative;</li> <li>• Liaising with HMRC and providing information requested in relation to the VAT matters; and</li> <li>• Removing the Company from the VAT Group and deregistering for VAT purposes</li> </ul>		

**Administration**



- 
- Strategy and planning
    - Holding team meetings and discussions regarding the status of the administration and strategy in regards to asset sales, investigations and estimated outcomes for various stakeholders;
    - Monitoring costs against the budgets; and
    - Considering timings for key milestones and key strategic decisions.
  - Controls efficiencies, time costs and ensures continued case progression towards closure;
  - Undertaking statutory accounting duties; and
  - Proper stewardship of funds on behalf of the creditors.
  - Controls efficiencies, time costs and ensures continued case progression towards closure.
  - Required by statute
- 
- Accounting and treasury
    - Closing bank accounts and arranging facilities;
    - Dealing with receipts, payments and journals not relating to trading;
    - Carrying out bank reconciliations and managing investment of funds; and
    - Corresponding with the bank regarding specific transfers.
- 
- Closure procedures
    - Completing checklists and diary management system;
    - Preparing the final report;
    - Preparing the closure notices to dissolve the Company; and
    - Closing down internal systems.
-

## Our previous work

As this progress report is the first to be issued following the approval of the basis of our fees, below are details of work carried out by the administrators in previous periods.

General Description and	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<b>Assets</b>			
<ul style="list-style-type: none"> <li>Sale of business (intangible assets)</li> </ul>	<ul style="list-style-type: none"> <li>Preparing an information memorandum;</li> <li>Determining the sales approach and strategy for the administration;</li> <li>Collating key documents to be made available to potential interested parties;</li> <li>Communicating with interested parties within the existing, earlier process to maintain interest as well as new parties who had come forward as a result of the administration; and</li> <li>Holding internal meetings to discuss and review offers received.</li> </ul>	<ul style="list-style-type: none"> <li>To realise funds for the benefit of creditors</li> </ul>	<ul style="list-style-type: none"> <li>To realise funds for the benefit of creditors</li> </ul>
<ul style="list-style-type: none"> <li>Property</li> </ul>	<ul style="list-style-type: none"> <li>Liasing with the administrators of wilko to establish whether there is a valid lease in place and whether it had any value; and</li> <li>Establishing whether the lease improvements would deliver any value.</li> </ul>		
<ul style="list-style-type: none"> <li>Debtors</li> </ul>	<ul style="list-style-type: none"> <li>Corresponding with the Company management and obtaining the list of debtors and ledgers;</li> <li>Reconciling the debtor funds received following the administration;</li> <li>Corresponding with debtors;</li> <li>Reviewing and assessing debtors ledgers and holding internal strategy reviews; and</li> <li>Liaising with debt collectors and solicitors.</li> </ul>		
<ul style="list-style-type: none"> <li>Stock</li> </ul>	<ul style="list-style-type: none"> <li>Liaising with the administrators of the wilko group to establish if any of the stock remains</li> </ul>		

	unsold and if any realisations are due to the Company.		
• Tangible assets	<ul style="list-style-type: none"> <li>• Locating the small number of plant, fixtures and fittings and computer equipment; and</li> <li>• Liaising with the administrators of wilko to ensure that any realisations for the sale of those assets are forwarded to the Company.</li> </ul>		
• Insurance	<ul style="list-style-type: none"> <li>• Identifying potential issues requiring attention of insurance specialists;</li> <li>• Reviewing insurance policies; and</li> <li>• Corresponding with the insurer regarding initial and ongoing insurance requirements.</li> </ul>		

**Creditors**

• Creditor enquiries	<ul style="list-style-type: none"> <li>• Setting up a dedicated website for delivery of initial and ongoing communications and reports;</li> <li>• Receiving and following up creditor enquiries via telephone, email and post;</li> <li>• Reviewing and preparing correspondence to creditors and their representatives; and</li> <li>• Receipt and filing proofs of debt forms received to date.</li> </ul>	• Work is required by statute and for the proper management of the case.	• Required by statute
• Secured creditors	<ul style="list-style-type: none"> <li>• Notifying Secured creditors of appointment;</li> <li>• Responding to Secured creditor's queries; and</li> <li>• Liaising with the other wilko to establish the Secured subrogated claim position and how this would affect the dividend prospects.</li> </ul>		
• Secondary preferential creditors	<ul style="list-style-type: none"> <li>• Corresponding with HMRC regarding proof of debt.</li> </ul>		

**Employees and pensions**

• Communications with employees	<ul style="list-style-type: none"> <li>• Drafting, issuing and delivering initial communications and announcements; and</li> </ul>	• Work is required by statute and for the proper management of the case.	• Required by statute
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	<ul style="list-style-type: none"> <li>Preparing letters to employees advising of their entitlements and options available.</li> </ul>		
<ul style="list-style-type: none"> <li>Redundancy related work</li> </ul>	<ul style="list-style-type: none"> <li>Selecting and making redundancies; and</li> <li>Liaising with the RPS and external agencies.</li> </ul>		
<ul style="list-style-type: none"> <li>Pensions</li> </ul>	<ul style="list-style-type: none"> <li>Reviewing insurance policies; and</li> <li>Issuing statutory notices.</li> </ul>		
<b>Trading</b>			
<ul style="list-style-type: none"> <li>Trading management</li> </ul>	<ul style="list-style-type: none"> <li>Liaising with management and staff;</li> <li>Attending site; and</li> <li>Holding meetings to discuss trading position in relation to the stock.</li> </ul>	<ul style="list-style-type: none"> <li>Potential asset recoveries for the estate</li> </ul>	<ul style="list-style-type: none"> <li>Potential asset recoveries for the estate</li> </ul>
<b>Investigations</b>			
<ul style="list-style-type: none"> <li>Conducting investigations</li> </ul>	<ul style="list-style-type: none"> <li>Collecting company books and records where related to investigatory work;</li> <li>Reviewing books and records;</li> <li>Preparing comparative financial statements and deficiency statement;</li> <li>Reviewing specific transactions and liaising with directors regarding certain transactions; and</li> <li>Preparing investigation files and lodging findings with the Department for Business, Innovation and Skills.</li> </ul>	<ul style="list-style-type: none"> <li>Work is required by statute and for the proper management of the case.</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute and potential asset recoveries for the estate</li> </ul>
<b>Statutory and compliance</b>			
<ul style="list-style-type: none"> <li>Initial letters and notifications</li> </ul>	<ul style="list-style-type: none"> <li>Preparing and issuing all necessary initial letters and notices regarding the administration and our appointment.</li> </ul>	<ul style="list-style-type: none"> <li>Work is required by statute and for the proper management of the case.</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute</li> </ul>
<ul style="list-style-type: none"> <li>Remuneration report</li> </ul>	<ul style="list-style-type: none"> <li>Preparing a report giving details of the work we expect to carry out during the case and the expenses that are likely to be incurred.</li> </ul>		
<ul style="list-style-type: none"> <li>Case reviews</li> </ul>	<ul style="list-style-type: none"> <li>Conducting case reviews after the first months;</li> </ul>		

- 
- Case database compliance including dealing with tasks as they fall due; and
    - Creation and maintenance of a statutory record (permanent file) and including filenotes to ensure key strategic decisions are sufficiently evidenced.
- 
- Proposals and initial meeting of creditors
    - Drafting and reviewing a statement of proposals to creditors including preparing receipts and payments accounts and statutory information;
    - Circulating notice of the proposals to creditors, members and the Registrar of Companies; and
    - Preparing notice of deemed approval of the proposals and associated documentation.
- 
- Progress reports and extensions
    - Preparing periodic progress reports to creditors and the Registrar.
- 
- Other meetings / resolutions
    - Preparing documents and information for the purpose of obtaining approval to fees, Category 2 disbursements and other matters in the administration; and
    - Issuing notices and associated documentation for seeking decisions of creditors.
- 
- Books and records
    - Collecting company's books and records where not related to investigatory work;
    - Dealing with records in storage;
    - Sending job files to storage; and
    - Extracting and reviewing electronic records.
- 
- Other statutory and compliance
    - Filing of documents; and
    - Updating checklists and diary management systems.

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## Tax and VAT

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- |   |   |  |  |
|---|---|--|--|
| <ul style="list-style-type: none"> <li>• Tax</li> </ul> | <ul style="list-style-type: none"> <li>• Gathering information for the initial tax review;</li> <li>• Carrying out tax review and subsequent enquiries; and</li> <li>• Liaising with HMRC.</li> </ul> | <ul style="list-style-type: none"> <li>• Required by statute</li> <li>• Ensures the correct amount of tax is paid, and tax expenses mitigated where possible.</li> </ul> | <ul style="list-style-type: none"> <li>• Required by statute</li> <li>• Ensures the correct amount of tax is paid, and tax expenses mitigated where possible.</li> </ul> |
|---|---|--|--|

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• VAT</li> </ul> | <ul style="list-style-type: none"> <li>• Gathering information for the initial VAT review;</li> <li>• Carrying out VAT review and subsequent enquiries;</li> <li>• Preparing VAT returns; and</li> <li>• Liaising with HMRC.</li> </ul> |
|---|---|

### Administration

- |   |   |  |  |
|---|---|--|--|
| <ul style="list-style-type: none"> <li>• Strategy and planning</li> </ul>   | <ul style="list-style-type: none"> <li>• Completing tasks relating to job acceptance;</li> <li>• Preparing fee budgets &amp; monitoring cost;</li> <li>• Holding team meetings and discussions regarding the status of the administration and strategy in regards to asset sales, investigations and estimated outcomes for various stakeholders; and</li> <li>• Considering timings for key milestones and key strategic decisions.</li> </ul> | <ul style="list-style-type: none"> <li>• Controls efficiencies, time costs and ensures continued case progression towards closure;</li> <li>• Undertaking statutory accounting duties; and</li> <li>• Proper stewardship of funds on behalf of the creditors.</li> </ul> | <ul style="list-style-type: none"> <li>• Controls efficiencies, time costs and ensures continued case progression towards closure.</li> <li>• Required by statute</li> </ul> |
| <ul style="list-style-type: none"> <li>• Accounting and treasury</li> </ul> | <ul style="list-style-type: none"> <li>• Opening and closing bank accounts and arranging facilities;</li> <li>• Dealing with receipts, payments and journals not relating to trading;</li> <li>• Carrying out bank reconciliations and managing investment of funds; and</li> <li>• Corresponding with the bank regarding specific transfers.</li> </ul>  |  |  |

## Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the period of this report. Relevant parties have been chosen due to their specific area of expertise or technical knowledge and payments to those parties based on standard commercial terms.

## Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the administration where the relationship could give rise to a conflict of interest.

## Details of subcontracted work

No work was subcontracted in the period covered by this report.

## Legal and other professional firms

We instructed the following professionals on this case:

Service provided	Name of firm/organisation	Reason selected	Basis of fees and actual cost of the work
<b>Legal advice, including:</b> <ul style="list-style-type: none"><li>• Appointment related matters;</li><li>• Administration filing;</li><li>• Security review;</li><li>• Sale of assets advice;</li><li>• Advice in relation to the Secondary preferential claim treatment.</li></ul>	<ul style="list-style-type: none"><li>• Pinsent Masons LLP</li></ul>	<ul style="list-style-type: none"><li>• Insolvency expertise and prior knowledge of the company</li></ul>	<ul style="list-style-type: none"><li>• Time costs and disbursements</li></ul> <p><i>Amounts paid:</i> £36,078.00</p>
<b>Insurance</b>	<ul style="list-style-type: none"><li>• Howden Insurance Brokers Limited</li></ul>	<ul style="list-style-type: none"><li>• Insolvency and industry knowledge</li></ul>	<ul style="list-style-type: none"><li>• Premium based on sums insured</li></ul> <p><i>Amounts paid:</i> £30,237.00</p>

We require all third party professionals to submit time costs analyses and narrative or a schedule of realisations achieved in support of invoices rendered. We undertake the following steps to review professional firms' costs:

- Review amounts charged against the description of work undertaken and the circumstances of the case;
- Seek further breakdown of costs and detail of work undertaken where necessary;
- Comparisons with upfront budgets;
- Review of disbursements claimed; and
- Ongoing dialogues with regards to the work being performed.

We are satisfied that the amounts incurred to date are reasonable in the circumstances of the case.

# Appendix E: Pre-administration costs

The table below provides details of costs which were incurred before our appointment as Joint Administrators but with a view to the Company entering into administration. No expenses were incurred by the Joint Administrators before our appointment. Details of the work carried out is set out below:

	Details of agreement including date and parties to it	Paid amount (£)	Payment made by	Unpaid amount (£)	Nature of the payment
Our fees as Administrators-in-waiting	17,855.75	Nil	N/A	17,855.75	N/A
Expenses incurred by us as Administrators-in-waiting	Nil	Nil	N/A	Nil	N/A
Pre-appointment legal fees - Pinsent Masons	11,664.00	Nil	N/A	11,664.00	N/A
Pre-appointment legal disbursements	57.50	Nil	N/A	57.50	N/A
<b>Total</b>	<b>29,577.25</b>	<b>Nil</b>	<b>N/A</b>	<b>29,577.25</b>	<b>N/A</b>

To date, we have drawn a total of £26,786.39 in relation to the pre-administration costs, which is in line with the approval obtained from the Preferential and Secured creditors on 18 April 2024 (£15,177.39 for our fees and £11,664 for legal fees). No further pre-administration costs will be drawn.

To the best of our knowledge, no fees or expenses were charged by any other insolvency practitioner.

## Details of the pre-administration work undertaken and a breakdown of expenses

On 16 August 2023 the directors filed a notice of intention to appoint administrators, in order to seek a moratorium whilst exploring options available to the Company. Our time costs from that date until our appointment totalled £17,855.75 (excluding VAT). The Company also incurred legal fees and expenses of £11,664 and £57.50 (plus VAT) over the same period.

We think that PwC's role in preparing and planning for the appointment made a significant contribution to achieving the purpose of the administration because:

- It confirmed that no alternative other option was available to the Company and ensured that the predicted outcome of the administration could be achieved after considering the likely asset realisations, costs, expenses and funding requirements;
- It enabled sufficient time to explore all of the offers received to ensure that we accepted the offer that represents the best outcome for the body of the creditors as a whole; and
- It allowed a short period of trading to allow the stock to be sold via wilko stores.

Our work performed with a view to the Company entering administration included, but was not limited to:

- Preparing statutory documentation and declarations required for effecting the administration appointment and liaising with our legal advisors in this regard;
- Assembling information on team members and discussing pre-administration communication to critical team members with the Directors;



- Collecting information required for post appointment notifications and other statutory requirements;
- Determining the sales approach and strategy for the administration; and
- Revisiting a wider interested parties list given the insolvency.

# Appendix F: Other information

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<b>Court details for the administration:</b>	In The High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD) Case CR-2023-004554
<b>Company's registered name:</b>	Kin Limited
<b>Trading name:</b>	Kin Limited
<b>Registered number:</b>	07813471
<b>Registered address:</b>	8th Floor Central Square 29, Wellington Street, Leeds, United Kingdom, LS1 4DL
<b>Date of the Joint administrators' appointment:</b>	23 August 2023
<b>Joint administrators' names, addresses and contact details:</b>	Rachael Maria Wilkinson of PricewaterhouseCoopers LLP, 7 More London, Riverside, London, SE1 2RT Jane Steer of PricewaterhouseCoopers LLP, No 1 Spinningfields, 1 Hardman Square, Manchester, M3 3EB Edward Williams of PricewaterhouseCoopers LLP, 1 Chamberlain Square, Birmingham, B3 3AX  All can be contacted via <a href="mailto:helena.perevalova@pwc.com">helena.perevalova@pwc.com</a> or via 0113 289 4000

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