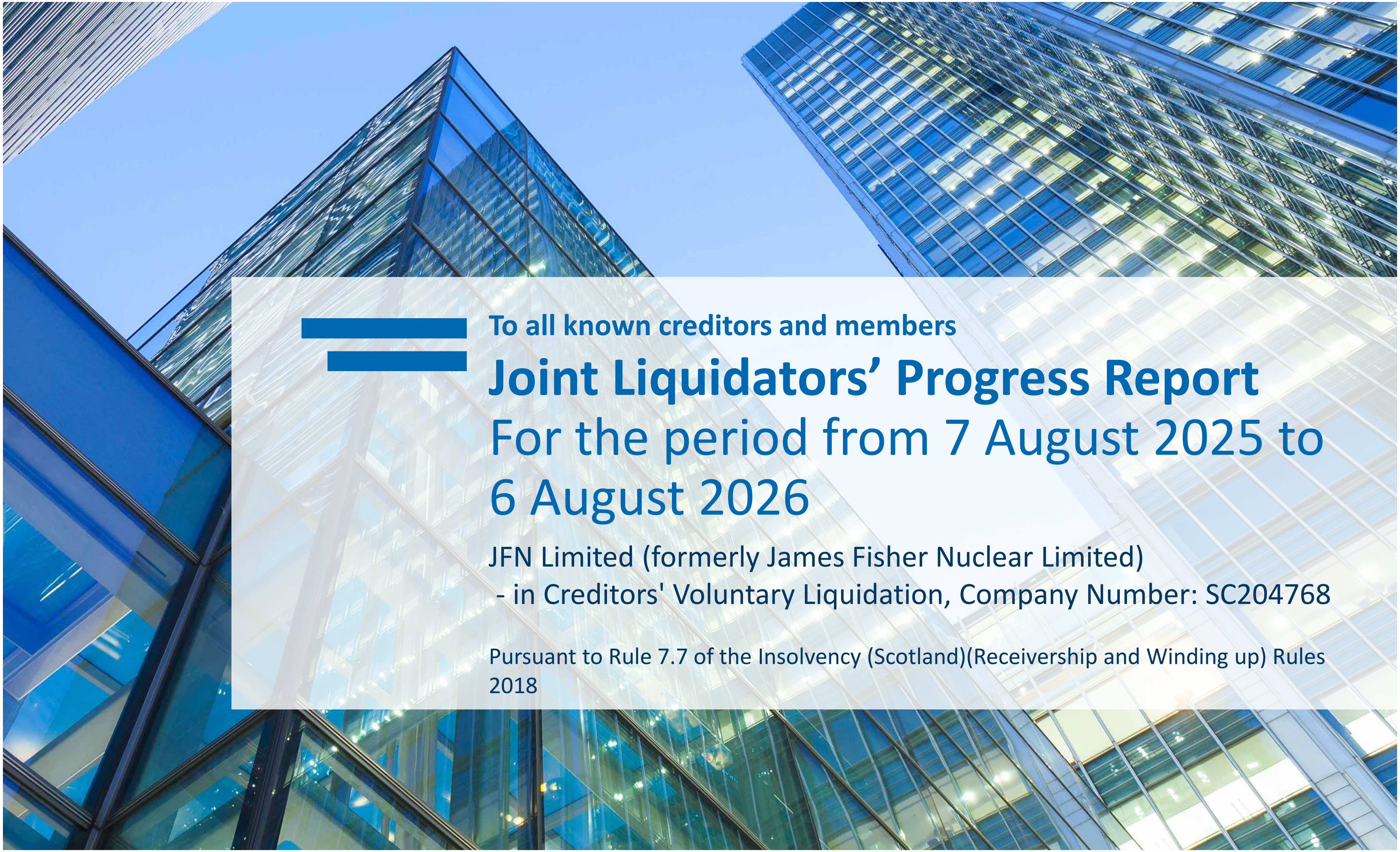

To all known creditors and members

Joint Liquidators' Progress Report

For the period from 7 August 2025 to 6 August 2026

JFN Limited (formerly James Fisher Nuclear Limited)
- in Creditors' Voluntary Liquidation, Company Number: SC204768

Pursuant to Rule 7.7 of the Insolvency (Scotland)(Receivership and Winding up) Rules 2018

16 September 2026

Glossary

Term	Meaning
Act / IA86	Insolvency Act 1986 (as amended)
Administration	The Administration of the Company (that ended on 6 August 2024)
AP	Accounting period
The Company/JFN	JFN Limited – in Liquidation
CNSL	Cumbria Nuclear Solutions Limited
CT	Corporation Tax
ERA Solutions	ERA Solutions Limited
FTI	FTI Consulting LLP
Hilco	Hilco Appraisal Limited, trading as Hilco Valuation Services, an independent specialist agent with adequate professional indemnity insurance cover
JCP	JCP Five Limited, an Rcapital lending vehicle
JFS	James Fisher & Sons plc
IR18/the Rules	Insolvency (Scotland)(Receivership and Winding up) Rules 2018
IP	Intellectual property
Joint Administrators/ Joint Liquidators/we/our/us	Oliver Wright, Matthew Callaghan and Christopher Bennett
Liquidation	The Liquidation of the Company (that commenced on 7 August 2024 when the Joint Liquidators were appointed)
NDL	Nuclear Decommissioning Authority
PAYE/NIC	Pay-as-you-earn tax/National Insurance Contributions
Period	7 August 2025 to 6 August 2026
Prior Period	7 August 2024 to 6 August 2025
RTI	Real Time Information
The First Accounting Period	7 August 2024 to 6 February 2025
The Second Accounting Period	7 February 2025 to 6 August 2025

Term	Meaning
Preferential creditors	First ranking: principally employee claims for unpaid wages (up to £800 per employee), holiday pay and certain unpaid pension contributions. Second ranking: HMRC in respect of certain specified debts, such as VAT, PAYE, employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions.
Rcapital	Rcapital Partners LLP
RPS	Redundancy Payments Service
Sch B1	Schedule B1 to the Act
Secured Creditor(s)	Creditors with security in respect of their debt in accordance with Section 248 IA86. In this case, the Secured Creditor is JCP Five Limited, acting as security agent for itself and Rcapital Partners LLP
Sellafield	Sellafield Limited, party engaged in potential IP transaction
SIP	Statement of Insolvency Practice. The purpose of SIPs is to promote and maintain high standards by setting out required practice and harmonising the approach of insolvency practitioners to particular aspects of insolvency practice. SIPs set principles and key compliance standards with which insolvency practitioners are required to comply. They apply in parallel to the prevailing statutory framework. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities, acting through the Joint Insolvency Committee.
SIP9	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates from an estate
SPB	Squire Patton Boggs (UK) LLP, a law firm
Stor-it Data	Stor-it Data Management Ltd
Unsecured creditors	Creditors who are neither secured nor preferential: principally trade creditors, landlords, intercompany debts and utility providers. HMRC and employee-related claims that do not rank preferentially are also included here.

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Introduction

Purpose of this report

- Oliver Stuart Wright, Matthew Boyd Callaghan and Christopher Jon Bennett were appointed as joint liquidators of the Company on 7 August 2024, having previously been appointed as joint administrators on 9 August 2023.
- Pursuant to Rule 7.7 IR18, we are required to provide creditors with a report setting out what has happened in the Liquidation during each 12-month period since our appointment.
- This report covers the period from 7 August 2025 to 6 August 2026 and contains:
  - An explanation of the work we have done in the Period and how the Liquidation has progressed;
  - An update on the estimated outcome for each class of creditor;
  - Details of the work required before the Liquidation can be concluded;
  - A statement of receipts and payments and details of expenses (outlays) we have incurred;
  - An update on our remuneration for acting as joint liquidators; and
  - Further information required by statute regarding our appointment as liquidators.
- Background information on the Company, events leading up to the preceding Administration proceedings and how the Administration was conducted is still available to view and download online (see How to Contact Us).
- Certain legal notices regarding this report, our appointment and creditors' rights are also included as an appendix.
- If you have any questions regarding this report or the Liquidation generally, please contact us.

…………………………………………………….

Oliver Wright
Joint Liquidator

How to Contact Us

- Creditors can contact us using the preferred methods below:

Email: JFN_Administrators@fticonsulting.com
Post: JFN Limited – in Liquidation
c/o FTI Consulting LLP
200 Aldersgate
Aldersgate Street
London, EC1A 4HD
Tel: +44 (0) 203 077 0363

- Further information can be found online at: www.fticonsulting.com/uk/creditors-portal/jfn

Actions Required by Creditors

- No action is required by creditors at this time. This report is issued for information purposes only.
- Creditors may submit a proof of debt and supporting evidence (if they have not previously done so) using the contact details above. However, creditors should note that it is currently anticipated that there will be no, or only a limited, further distribution available to unsecured creditors. Further details regarding the anticipated outcome for creditors are contained later in this report.

The affairs, business and property of the Company are being managed by the Joint Liquidators, who act as agents of the Company and without personal liability. The Joint Liquidators are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales, under Section 390A(2)(a) IA86. The Joint Liquidators are bound by the Insolvency Code of Ethics which can be found at: https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics.

Progress of the Liquidation

FTI CONSULTING

Recap on the Liquidation

At the date of our first report, the principal matters outstanding were the realisation of the remaining assets, payment of creditor claims and determining the eventual outcome for creditors.

Previously in the Liquidation

- A background on the Company and the events leading up to the appointment of liquidators was included in our first progress report and are not repeated here for the purposes of this report unless considered necessary or beneficial to do so.
- All previous reports from the Administration continue to be available online, at the website address provided earlier and creditors/members may wish to refer to these in conjunction with this report.

Realising the assets

- The majority of asset realisations were achieved in the preceding Administration, as previously reported. When the Administration ended, funds of c.£3.3m were transferred to the Liquidation, principally for distribution to all classes of creditors in the statutory order of priority.
- In the first year of the Liquidation, a further c.£0.141m was realised, notably from investment, interest and a sale of tax losses.
- The remaining asset realisation matters principally related to the sale of intellectual property, an update on which is included in this report.

Dealing with creditors and members

- Claims adjudication work represented the largest area of our work in the first year of the Liquidation, in preparation for distributing funds to creditors in September 2025.
- The secured creditor was expected to be repaid in full, with the final outcome reflecting agreed debt waivers and asset realisations.
- After some delay in receiving certain preferential creditor claims, these were finally agreed at c.£2.3m and were expected to be paid in full.
- Using a tiered methodology and after consultation with the Liquidation Committee, unsecured claims of c.£56.1m had been adjudicated and an initial dividend of approximately 1.07p/£ was anticipated.

Fulfilling our statutory duties

- Alongside realising assets and adjudicating claims for the purpose of dividend distributions, we continued to comply with our statutory reporting obligations and maintained regular reviews of the Liquidation strategy and anticipated outcome for creditors.

Realising the Assets

We have continued to pursue asset realisations for the benefit of creditors during the Period. The proposed sale of the Company's IP to Sellafield was discontinued after revised terms could not be agreed.

Asset Realisations

IP Sale

- During the Period, we continued to pursue the sale of a range of intellectual property ("IP") assets belonging to the Company.
- The IP portfolio was extensive, highly technical and included material of a sensitive nature. As a result, the sale process required detailed due diligence and specialist consideration of ownership, transferability and regulatory matters. We had previously engaged Hilco to assist with the marketing and sale process.
- Sellafield had expressed interest in acquiring certain IP assets and extensive discussions had taken place regarding the scope of assets to be acquired and the structure of a potential transaction.
- We previously reported that a successful negotiation had resulted in an increased offer of c.£0.037m, in recognition of (and more closely aligned to) the time costs we had incurred to that time in dealing with the IP sale. We anticipated completing the transaction shortly thereafter.
- During the Period, although commercial terms were substantially agreed and transaction documentation was prepared, the parties were ultimately unable to reach agreement on terms acceptable to all parties within a reasonable timeframe.
- Having considered the likely costs, timescales and uncertainty associated with pursuing the proposed transaction or recommencing the wider sale process, we concluded that no further action should be taken in respect of the proposed sale. There was no clear benefit for the Company's creditors in doing so.
- The fact that this IP sale was pursued meant that we were unable to determine the final position with regards to asset realisations within the period as we were awaiting the expected final realisation from Sellafield. This is a necessary step in our progression towards closure.
- Now that we have a final number for the position on asset realisations, we will be taking the required steps to bring the liquidation to a conclusion as detailed elsewhere in our report.

Other assets

- During the Period, we completed the sale of the Company's interests in CNSL and NDL, generating a recovery of £1.5k for the estate. The purchaser also made a contribution of £18k (including VAT) towards the associated legal costs.

Interest Received

- During the Period, the Company earned gross bank interest of £9,548.41 on funds held in the Liquidation.
- In addition, £76.74 of late payment interest was received from HMRC in respect of delayed VAT repayments.

Future asset realisations

- As the Liquidation is progressing towards closure and the level of funds held has reduced, surplus funds are no longer being invested in treasury deposits. This is intended to facilitate completion of the Company's final tax affairs and the progression of closure matters.
- No further asset realisations are anticipated. The remaining work will focus on dealing with the funds held, attending to final statutory matters and concluding the Liquidation.
- We intend to liaise with the creditors' committee at the earliest opportunity to agree a final strategy for case closure and to ensure that this process is concluded in an efficient manner.

Dealing with Creditors and Members

The principal focus during the early part of the Period was completing creditor distributions and finalising the outcome for stakeholders.

Secured Creditor

- The Company granted debentures dated 3 March 2023 containing fixed and floating charges over its assets in favour of JCP (as security agent for itself and Rcapital) and JFS.
- At the date of the Administration, JFS was not owed any sums and therefore did not constitute a secured creditor. JCP (as security agent) was owed approximately £0.517m, which subsequently increased to approximately £0.577m as interest and charges continued to accrue.
- As previously reported, the Secured Creditor received a fixed charge distribution of £0.07m. In addition, a debt waiver of £0.25m was agreed during the Administration and a further debt waiver of £0.01m was agreed during the Liquidation.
- On 19 September 2025, a distribution of c.£0.247m was paid to the Secured Creditor in full and final settlement of its debt.

Preferential creditors

- In their Statement of Affairs, the directors estimated preferential claims of approximately £0.356m in respect of ordinary preferential claims and c.£2.320m in respect of secondary preferential claims. Preferential claims are paid from the realisation of assets subject to a floating charge after the costs of the Liquidation have been paid or provided for.
- During the previous reporting period, claims from HMRC, the RPS and former employees were agreed. Admitted preferential claims totalled c.£2.334m, comprising first-ranking claims of c.£0.367m and secondary preferential claims of c.£1.967m.
- A dividend of 100p/£ was paid to admitted preferential creditors on 19 September 2025. A small number of anticipated claims totalling c.£0.016m were not received and therefore did not participate in the dividend. No further distributions to preferential creditors are anticipated.
- Employee dividends were paid net of applicable PAYE/NIC deductions. ERA Solutions assisted with the calculation of PAYE/NIC and the associated RTI reporting requirements to HMRC.

Unsecured creditors

- As the Secured Creditor was being repaid in full, there was no requirement to ring-fence a Prescribed Part fund. Accordingly, the dividend to unsecured creditors was paid from the balance of floating charge realisations remaining after the costs of the Liquidation, the Secured Creditor and preferential creditors had been paid.
- The directors estimated in their Statement of Affairs that non-preferential unsecured claims would total approximately £7.269m. As previously reported, unsecured claims admitted for dividend purposes ultimately totalled approximately £56m. The difference principally reflected the admission of contractual claims and other liabilities that were not fully reflected in the Company's accounting records when the Statement of Affairs was prepared.
- On 19 September 2025, a dividend of approximately 1.07p/£ was paid to c.450 unsecured creditors from a distribution fund of £0.6m. This work involved detailed accounting reconciliations, review of creditor records, correspondence with several creditors for the purpose of making payments electronically and where that was not possible, issuing cheques to last known addresses and monitoring their presentation to the bank.
- A small number of claims were received after the relevant deadline and did not therefore participate in the distribution. Should a further distribution be declared, those creditors may be eligible to receive a catch-up dividend in respect of amounts that would otherwise have been paid in the initial distribution.
- Based on current estimates, approximately £0.074m may remain available following settlement of all remaining costs and expenses of the Liquidation. We will consider, in consultation with the Liquidation Committee, whether the costs and administrative burden associated with making a further distribution would be proportionate to the likely benefit to creditors. Consequently, no decision has yet been made as to whether a further distribution will be declared.
- Please note that this guidance is only an indication and should not be used as the main basis of any bad debt provision. The amount ultimately distributed will depend upon the final level of admitted claims, the costs incurred in concluding the Liquidation and the funds remaining available for distribution.

Managing the Company's affairs

Our other work in the Liquidation has included the necessary fulfilment of the Company's ongoing obligations and those upon us as joint liquidators under insolvency legislation.

Corporation Tax

- Our tax team has continued to prepare and submit Corporation Tax returns where required, and all returns are up to date at the date of this report.
- During the Period, Corporation Tax liabilities totalling £45,668.75 relating to previous periods were settled, comprising £20,702.25 in respect of the Administration period and £24,966.50 in respect of the year ended 6 August 2025.
- Out tax team has calculated a draft liability of £2,540 which will be due in relation to the year ended 6 August 2026.
- Corporation Tax returns will continue to be prepared and submitted, as necessary, until the Liquidation is concluded and all outstanding tax matters have been finalised.

VAT

- During the Period, VAT returns were prepared and submitted in accordance with the Company's statutory obligations. VAT refund claims totalling £8,105.16 were submitted to HMRC.
- As at the end of the Period, all VAT refunds claimed had been received from HMRC, with the exception of the refund relating to Q2 2026, which remains outstanding and is expected to be recovered in due course.
- Following the decision not to proceed with the proposed sale of the Company's intellectual property assets, no further taxable supplies were anticipated. Accordingly, the Company was deregistered for VAT with effect from 30 June 2026, removing the need for future periodic VAT returns other than those required to conclude the deregistration process.
- A final VAT reclaim will be submitted in due course in respect of residual input VAT incurred but not recovered through the quarterly VAT return process.
- We will continue to monitor VAT matters to ensure compliance with the Company's statutory obligations.

Treasury and Accounting

- We have continued to maintain accounting records for the Liquidation and our receipts and payments account is set out as an appendix.
- The estate bank account has been reconciled on a monthly basis during the Liquidation. Receipts and payments have been regularly recorded and reviewed to ensure that the accounting records accurately reflect the cash balances held.

Fulfilling our Statutory Duties

As a consequence of the Company's insolvency, we have a number of responsibilities that do not necessarily or directly have a financial benefit for creditors but are required by insolvency legislation.

Statutory investigations

- As previously reported, the required confidential report on the conduct of the Company's directors was submitted during the preceding Administration. No further matters came to light during the Period that required investigation or further reporting.

Other statutory matters

- In addition to the specific matters described elsewhere in this report, we have continued to attend to our statutory and regulatory duties throughout the Period.
- This included issuing the previous progress report to creditors and maintaining ongoing communication with stakeholders where required.
- We also undertook periodic case reviews to ensure that the strategy remained appropriate and that the Liquidation continued to progress in a timely manner.
- Routine work was also undertaken to maintain the Liquidation's statutory records and fulfil the Company's ongoing compliance obligations.
- Future statutory work is expected to focus on finalising the Company's tax affairs, dealing with the remaining funds held, obtaining any approvals required in connection with closure and taking the necessary steps to conclude the Liquidation and vacate office.
- The timing of closure will depend on the resolution of the remaining matters and completion of the necessary statutory processes.

Future reporting

- We are required to provide a further progress report to all creditors and members within six weeks of the end of the period ending 6 August 2027, or (if sooner) issue a proposed final account when the Liquidation is capable of being brought to an end.
- Pursuant to Section 173(2)(d) IA86, liquidators are released at the time they vacate office; which (pursuant to Section 171(7) IA86) is when the final account of the Liquidation is delivered to the Registrar of Companies.
- All documents will be retained on our website and will remain available until at least two months after the conclusion of the proceedings. If you require any hard copy documents, please contact us using the details provided earlier, and you will be provided with (free of charge) a hard copy of documents posted to the website, either now or in the future].

Joint Liquidators' Remuneration and Outlays

- In Appendix D, we have provided an update on matters relating to our remuneration and expenses, including the costs that have been incurred, what creditors have approved and how much has been drawn to date.

Key Matters Remaining

Work We Still Need To Do

The remaining steps that need to be taken ahead of concluding the Liquidation are shown below, in addition to certain periodic statutory duties we must fulfil whilst we remain appointed.

Area	Company Affairs	Other assets	Tax / VAT	Distributions	Winding-down
Work Required	▪ Administering the affairs of the Company while it continues to be in Liquidation, including cashiering, maintaining creditor information, reporting to creditors, and responding to *ad hoc* queries from creditors and employees.	▪ No further asset realisations are anticipated.	▪ VAT deregistration has been completed. A final post-deregistration VAT reclaim will be submitted in due course. ▪ Corporation Tax compliance obligations will continue until the tax affairs are complete.	▪ Ongoing responses to inbound queries received, including supporting creditors on the Turnkey Insolvency Portal. ▪ Considering, in consultation with the Liquidation Committee, whether a further distribution is appropriate and the most efficient way of concluding the Liquidation.	▪ Progress any other matters required to wind-down the Company's affairs prior to the Liquidation concluding. ▪ Complete statutory requirements to bring the Liquidation (and our appointment as liquidators) to an end.
Timing	▪ Management of the Company's affairs is continuous while we remain in office. ▪ We continue to report to creditors in accordance with statutory requirements.	▪ No further work required.	▪ Until conclusion of the Liquidation, including completion of the final VAT reclaim and Corporation Tax compliance requirements.	▪ To be determined following consultation with the Liquidation Committee.	▪ Dependent on completion of the remaining matters and consultation with the Liquidation Committee.

Appendices

Appendix A: Statutory Information

Company Name	JFN Limited		
Previous Name(s)	James Fisher Nuclear Limited	**Liquidators' Address**	FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London EC1A 4HD
Trading Names(s)	James Fisher Nuclear, JF Nuclear, JFN	**Liquidators' Recognised Professional Body**	ICAEW
Registered Number	SC204768	**Appointment Date**	7 August 2024
Date of Incorporation	9 March 2000	**Appointment made by**	Creditors, pursuant to Paragraph 83 of Sch B1
Registered Office	c/o FTI Consulting LLP, Wizu Workspace, 2 West Regent Street, Glasgow, G2 1RW	**Changes in Liquidator**	No changes
Former Registered Office	c/o BTO Solicitors LLP, 48 St. Vincent Street, Glasgow, G2 5HS	**Company Secretary**	Cossey Cosec Services Limited
Court Name / Address	Court of Session, Parliament House, Parliament Square, Edinburgh, EH1 1RQ	**Shareholders**	JFN Holdings Limited
Court Reference	P640/23	**Qualifying Floating Charge Holders**	JCP Five Limited, acting as security agent for itself and Rcapital Partners LLP
Liquidators' Names	Oliver Stuart Wright, Matthew Boyd Callaghan and Christopher Jon Bennett The Joint Liquidators act jointly and severally.		

Appendix B: Receipts and Payments Account

Our receipts and payments account for the period from 7 August 2024 to 6 August 2026, including the movements during the Period covered by this report.

	Notes	Prior Period (£)	Current Period (£)	Total (£)
Fixed Charge Assets				
Transferred from Administration	1	25,000.00	-	25,000.00
Total		**25,000.00**	**-**	**25,000.00**
Fixed Charge Costs				
Office Holders Fees	1	-	(25,000.00)	(25,000.00)
Total		-	**(25,000.00)**	**(25,000.00)**
Net Fixed Charge Assets				**0.00**
Floating Charge Assets				
Transferred from Administration	2	3,311,838.64	-	3,311,838.64
Interest Received	3	99,865.81	9,548.41	109,414.22
Sale of Tax Losses		15,000.00	-	15,000.00
Other Assets		25,679.91	-	25,679.91
Contribution to Costs	4	-	18,000.00	18,000.00
Proceeds from Sale of Shareholding	5	-	1,500.00	1,500.00
HMRC Late Payment Interest		-	76.74	76.74
Total		**3,452,384.36**	**29,125.15**	**3,481,509.51**
Floating Charge Costs				
Professional Fees	6	(10,699.00)	(1,910.00)	(12,609.00)
Legal Fees	7	(7,034.00)	(16,000.00)	(23,034.00)
Statutory Advertising		(99.00)	-	(99.00)
Corporation Tax	8	-	(45,668.75)	(45,668.75)
Insurance		-	(2,961.36)	(2,961.36)
Storage Costs	9	-	(11,916.80)	(11,916.80)
HMRC Late Interest	10	-	(265.36)	(265.36)
Total		**(17,832.00)**	**(78,722.27)**	**(96,554.27)**
Net Floating Charge Assets				**3,384,955.24**

Notes to the Receipts and Payments Account

1. Balance of fixed charge realisations received from the Administration (£30,000) less a contribution of £5,000 to Administration floating charge legal fee costs approved by the Secured Creditor. The remaining £25,000 represented fixed charge remuneration approved in the Administration and drawn during the Period.
2. Balance of floating charge realisations received from the Administration, plus the above contribution to legal costs incurred in the Administration in the prior period.
3. Interest received on bank account funds and treasury deposits, plus interest from HMRC on the late repayment of VAT.
4. SPB fees paid during the Period were met from the purchaser's contribution towards the legal costs of the joint venture share sales.
5. Net proceeds from sale of shareholding in CNSL and NDL.
6. Costs incurred in the Period relate to ERA Solutions fees for the agreement of employee claims and assistance with processing the dividend (an amount paid to a sub-contractor for work that would otherwise have to be carried out by the office holder or their staff).
7. Legal fees paid to SPB net of VAT, covered by the contribution to costs plus £1k of fees to Burges Salmon relating to security releases.
8. During the Period, Corporation Tax liabilities totalling £45,668.75 relating to previous periods were settled, comprising £20,702.25 in respect of the Administration period and £24,966.50 in respect of the year ended 6 August 2025.
9. Storage costs paid to Stor-it in relation to the holding and destruction of relevant Company books and records.
10. Late payment interest paid to HMRC. This amount will be reimbursed to the estate.

Appendix B: Receipts and Payments Account

Our receipts and payments account for the period from 7 August 2024 to 6 August 2026, including the movements during the Period covered by this report.

	Notes	Prior Period (£)	Current Period (£)	Total (£)
PREFERENTIAL CREDITORS				
RPS Arrears & Holiday Pay	11		(169,400.19)	
Employee Arrears/Hol Pay	11		(133,534.87)	
PAYE/NIC deductions on Dividends	11		(64,510.18)	
Total				(367,445.24)
SECONDARY PREFERENTIAL CREDITORS				
HMRC	11		(1,966,917.97)	
				(1,966,917.97)
FLOATING CHARGE CREDITORS				
Floating Charge Creditor	11		(247,384.65)	
Total				(247,384.65)
UNSECURED CREDITORS				
Trade & Expense Creditors			(573,351.25)	
RPS			(25,577.71)	
PAYE/NIC deductions on Dividends			(1,071.04)	
Total				(600,000.00)
Net Balance				**203,207.38**
Represented By:				
VAT Control Account	12			1,328.96
Due from / to FTI				0.01
Bank Balance	13			201,878.41
Total				**203,207.38**

Notes to the Receipts and Payments Account

11. Dividend distributions paid on 19 September 2025 comprising £367,445.24 to first-ranking preferential creditors, £1,966,917.97 to secondary preferential creditors (both at 100p/£), and an unsecured creditor dividend of 1.07p/£. A final distribution of £247,384.65 was also paid to the Secured Creditors.
12. Amount due from HMRC with respect to Q2 2026 VAT return.
13. Balance held on interest bearing current account on 6 August 2026.

Appendix C: Joint Liquidators’ Remuneration and Outlays

We are yet to draw the £120k of fees that has been previously approved by the Liquidation Committee. We are also yet to determine whether we make a claim for further remuneration.

Joint Liquidators’ Remuneration

- Insolvency law allows fees to be calculated in the three ways set out below. Different bases (or a combination of them) can be used for different parts of the work.
  - As a percentage of the value of the Company’s assets which are realised by the liquidator (often referred to as a “percentage basis”);
  - By reference to the work which was reasonably undertaken by the liquidator and the liquidator’s staff in attending to the matters arising in the winding-up (“time cost basis”); or
  - A set amount (a fixed fee).
- Remuneration must be claimed in respect of an accounting period and adjustments can be retrospectively made in respect of remuneration fixed in respect of any earlier accounting period.
- We were not in a position to make a distribution to creditors in respect of the First Accounting Period and therefore (in order to avoid unnecessary costs) our first claim in the Liquidation was made in respect of the Second Accounting Period.
- As previously reported, the Liquidation Committee approved remuneration of £120,000 plus VAT (a fixed fee) in respect of the Second Accounting Period on 4 September 2025. No creditor appeals were received following expiry of the statutory appeal period.
- For simplicity, we claimed remuneration only in relation to the Second Accounting Period and did not seek to retrospectively claim for any remuneration in respect of the First Accounting Period.
- The approved remuneration has not yet been drawn from the estate and will be paid in due course.
- We will consult with the Liquidation Committee regarding the treatment of any surplus funds remaining in the estate prior to closure of the Liquidation, including whether further remuneration approval should be sought in respect of this or future accounting periods, or whether a further distribution to creditors is appropriate.
- We are also likely to consult with the Liquidation Committee regarding whether the current accounting period should be shortened in order to facilitate the most efficient conclusion of the Liquidation.

Appendix D: Joint Liquidators’ Remuneration and Outlays

Costs are necessarily incurred by the Company and its Liquidators during the course of the Liquidation. Certain categories of these costs must be approved in the same manner as remuneration.

SIP9 Definition of Expenses

- SIP9 states that expenses are any payments from the estate which are neither officeholders’ remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the officeholder and then reimbursed to the officeholder from the estate.
- Expenses (outlays) are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2):
  - Category 1 expenses: these are payments to persons providing the service to which the expense relates who are not an associate of the officeholder. Category 1 expenses can be paid without prior approval.
  - Category 2 expenses: these are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an officeholder’s remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.
- The types of disbursements categorised as Category 1 expenses typically include external supplies of incidental services specifically identifiable to the case such as postage, statutory case advertising, bonding, invoiced travel and external services such as printing, room hire and document storage. Also included would be any properly reimbursed expenses incurred by personnel in connection with the case.
- The types of disbursements categorised as Category 2 expenses typically include mileage, in-house printing and electronic data storage.

Professional Advisors and Subcontractors

- The following professional advisors and subcontractors have been engaged to support our work over the course of the full Liquidation period.

Firm	Services	Fee Arrangement	Reason Selected
ERA Solutions	Employee Claims	Fixed fee based on the number of employees	Experienced provider of employee services to insolvency practitioners
EPE Reynell	Gazette Notices	Fixed cost per advert	Specialists in dealing with legal advertising
Aon UK Limited	Insurance Risk Services	Insurance premiums	Experienced provider of insurance services to insolvency practitioners
Hilco	Asset sale and valuation	Percentage of realisations and fixed fee	Experienced provider of valuation and auction services
SPB	Legal Advice	Time costs	Experienced legal advisors with specialist knowledge in insolvency law
Stor-it Data	Company records storage	Fixed rate per box held	Provider to the Company at the time of our appointment

- Our choice of professional advisors and subcontractors was based on our perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. We also considered that the basis on which they will charge their fees is appropriate in the circumstances. Other than the legal advice and insurance services, the work could have been undertaken by FTI or our team, but we have outsourced it as we consider it to be more cost effective and the providers have relevant specialist experience.

Appendix D: Joint Liquidators' Remuneration and Outlays

The Liquidation Committee previously determined that the outlays reported for the First and Second Accounting Periods were reasonably incurred. Approval of subsequent outlays will be sought at the appropriate time.

- Insolvency law requires that we make a claim for reasonably incurred outlays in the Liquidation. There is no statutory definition of outlays, however, case law indicates that (as SIP9 is a non-statutory statement of practice issued by regulators, with no statutory effect) a claim for outlays should be made for the full amount of expenses/outlays incurred, regardless of whether paid or not, and regardless of their SIP9 category. This is to provide the approving body with an opportunity to scrutinise the outlays and to ensure that they were reasonably incurred in the Liquidation.
- The table opposite, and the accompanying notes, provide a breakdown of the outlays that have been incurred in the prior and current periods of the Liquidation. The table should be read in conjunction with the earlier Receipts and Payments Account, which shows outlays actually paid during the Liquidation.
- In the interests of efficiency and minimising costs to the estate, we do not intend to seek approval of outlays incurred in the Period. Approval of these, and all subsequent outlays, will be sought from the Liquidation Committee at the appropriate time, whether or not any further remuneration application is made, likely at the end of the next accounting period.
- We are satisfied that the amounts incurred are reasonable for the work commissioned and that they were reasonably incurred in the Liquidation. No Category 2 expenses have been incurred and none are expected.

Firm	Notes	Prior Periods Expenses Incurred (£)	Current Period Expenses Incurred (£)	Total Expenses Incurred (£)	Total Expenses Paid (£)
HMRC	1	45,668.70	2,540.00	48,208.70	45,668.75
ERA Solutions	2	10,699.00	1,910.00	12,609.00	12,609.00
EPE Reynell	3	99.00	-	99.00	99.00
SPB	4	13,848.00	9,817.50	23,665.50	17,792.50
Burges Salmon	5	-	1,000.00	1,000.00	1,000.00
FTI Consulting		216.77	11.04	227.81	-
Hilco	6	-	-	-	-
Stor-it Data	7	-	11,916.80	11,916.80	11,916.80
Total		**70,531.47**	**27,195.34**	**97,726.81**	**89,086.05**

Notes to the Expenses Table

1. Corporation Tax payable to HMRC. The amount due from the prior period to a value of £46k was settled in the Period. R
2. Relates to the work done in respect of the calculation of PAYE/NIC on employee dividends and the preparation and submission of RTI information to HMRC.
3. Prior period advertising of our appointment as joint liquidators in the London Gazette.
4. Squire Patton Boggs legal fees incurred in the Period in relation to the IP Sale and other matters relevant to the Liquidation.
5. Legal fees paid in relation to security releases.
6. Our previous report noted that Hilco fees could arise in connection with the proposed IP sale. As the sale did not complete and Hilco's remuneration was success-based, no fees became payable.
7. Company records storage and destruction costs. The amount paid relates to the ongoing storage and subsequent destruction of Company records maintained throughout the Administration and Liquidation.

Appendix E: Legal Notices

We have set out below some important notices regarding this report and the appointment of liquidators.

About this report

- This report has been prepared by the Joint Liquidators solely to comply with their statutory duty to report to creditors under the Insolvency (Scotland)(Receivership and Winding up) Rules 2018 on the progress of the insolvency proceedings.
- 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 is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or Companies subject to these insolvency proceedings.
- Any person that chooses to rely on this report for any purpose or in any context other than under the Rules does so at its own risk. To the fullest extent permitted by law, the Joint Liquidators do not assume any responsibility and will not accept any liability in respect of this report to any such person.
- 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.

Provision of Services Regulations

- To comply with the Provision of Services Regulations, some general information about FTI Consulting LLP, including about our complaints policy and Professional Indemnity Insurance, can be found online at: https://www.fticonsulting.com/uk/creditors-portal.

Information on creditors' rights

- A creditors' guide to liquidations can be found on the website below. It includes information to help creditors understand their rights and describes how best these rights can be exercised.

  www.r3.org.uk/technical-library/scotland/technical-guidance/fees/more/29162/page/1/liquidation-a-guide-for-creditors-on-insolvency-practitioner-fees-scotland/
- A hard copy of the guide can be obtained free of charge by contacting us on the details provided at the beginning of this report.

Data Protection

- FTI Consulting LLP ("FTI") uses personal information in order to fulfil the legal obligations of its insolvency practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how FTI uses your personal information in our Data Privacy statement on our website at https://www.fticonsulting.com/uk/creditors-portal.

Creditors' Right to Challenge Remuneration and/or Outlays

- Pursuant to Rule 7.12 IR18, within 14 days after issue of a determination by the Liquidation Committee, any creditor may appeal against that determination, to the court. Such an appeal may only be made if notice is delivered to the Joint Liquidators of the intention to appeal.
- Pursuant to Rule 7.15 IR18, if the Joint Liquidators' outlays and remuneration have been fixed by the Liquidation Committee or by the creditors, any creditor or creditors of the Company representing in value at least 25% of the creditors may apply to the court for an order that the Joint Liquidator's outlays or remuneration be reduced, on the grounds that they are, in all the circumstances, excessive.
- If the court considers the application to be well-founded, it must make an order fixing the outlays or remuneration at a reduced amount or rate. Unless the court orders otherwise, the expenses of the application must be paid by the applicant and are not payable as an expense of the Liquidation.

Creditors Right to Inspect the Accounts

- As required by Rule 7.11(7) IR18, the accounts submitted to the Committee for audit, the Scheme of Division and the Committee's determination of our remuneration, are available for inspection by the members of the Company and the creditors. Anyone wishing to do so, should contact us in writing using the details provided earlier.

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