

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

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

### 1 Company details

Company number 0 5 1 4 0 6 7 1

Company name in full 50cycles Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Andrew

Surname McTear

### 3 Liquidator's address

Building name/number Townshend House

Street Crown Road

Post town Norwich

County/Region

Postcode N R 1 3 D T

Country

### 4 Liquidator's name ①

Full forename(s)

Surname

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

#### ② Other liquidator

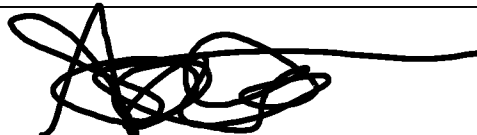
Use this section to tell us about  
another liquidator.

# LIQ03

## Notice of progress report in voluntary winding up

<b>6</b>	<b>Period of progress report</b>															
From date	<sup>d</sup> 0	<sup>d</sup> 6	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0								
To date	<sup>d</sup> 0	<sup>d</sup> 5	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1								

<b>7</b>	<b>Progress report</b>															
<input checked="" type="checkbox"/> The progress report is attached																

<b>8</b>	<b>Sign and date</b>																
Liquidator's signature	<div>Signature</div> <div>  </div>																
Signature date	<sup>d</sup> 1	<sup>d</sup> 7	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1									

# LIQ03

## Notice of progress report in voluntary winding up



### 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	Sara Shreeve
Company name	McTear Williams & Wood Limited
Address	Prospect House
	Rouen Road
Post town	Norwich
County/Region	
Postcode	N R 1 1 R E
Country	
DX	
Telephone	01603 877540



### 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)**

Contact Sara Shreeve  
Direct dial 01603 877646  
Email sarashreeve@mw-w.com

Your ref  
My ref 50cy2256/514

Prospect House  
Rouen Road  
Norwich  
NR1 1RE  
Office 01603 877540  
Fax 01603 877549



To all known creditors/members

17 December 2021

Dear Sirs

**50cycles Limited (in creditors' voluntary liquidation) ("the Company")**

I refer to my appointment as liquidator of the Company on 6 November 2019. This is my second annual progress report to creditors. This report should be read in conjunction with my previous progress report.

## 1 Receipts and payments

Attached as Appendix 1 is a copy of my receipts and payments for the period 6 November 2019 to 5 November 2021 which are shown net of VAT.

## 2 Overview

As detailed in Section 4 I currently estimate that it is unlikely there will be funds available for a dividend unsecured creditors taking into account the estimated costs of realisation and administration. This has changed since my last report due to more time being spent on dealing with the freehold property and the interest charged to the fixed charge holders claim.

## 3 Assets

### 3.1 Freehold property – 1 Charnwood Business Park, North Road, Loughborough ("the Property")

As previously reported the Company owns the above freehold unit. The Property had an estimated value of £575,000 and is subject to a mortgage and fixed and floating charge with Barclays Bank Plc of approximately £351,086.

Since my previous report I served notice on a tenant to vacate the property however they did not do this which has resulted in legal costs and Court orders being obtained to evict them. A warrant for possession was obtained giving full access however the tenant then

illegally re-entered the property and refused to vacate. Again this has resulted in the police getting involved and my solicitors incurring substantial costs relating to applications to Court to secure the premises. The matter is ongoing and there are likely to be further substantial costs in dealing with this matter.

As I do not have control of the property I have not been able to market it.

### 3.2 Rent deposit

I have received a rent deposit of £5,000 from a tenant currently occupying part of the freehold property.

### 3.3 Rent

I have received rental income of £16,548 from a tenant currently occupying part of the freehold property.

### 3.4 Other assets

The position remains as previously reported.

## 4 Creditors' claims

### 4.1 Fixed and floating charge creditor

Barclays Bank Plc was granted a debenture on 22 March 2021 giving them a fixed and floating charge over the assets of the Company. At this stage it is anticipated that Barclays Bank Plc will be settled in full following the sale of the property under their fixed charge.

### 4.2 Unsecured creditors

The director's statement of affairs showed 99 unsecured creditors with a book value of £1,618,291. To date 51 claims totalling £2,067,629 have been received of which 31 totalling £192,659 have been agreed.

Included in the claims received are claims in Euros. I have converted those claims into sterling at the rate of 1.16786 Euros to the pound, being the Bank of England mid-exchange rate on the date the Company went into liquidation.

There are provisions of the insolvency legislation that require a liquidator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company gave a "floating charge" over its assets. This is known as the "prescribed part of the net property" ("prescribed part"). If the charge is dated on or after 15 September 2003 the prescribed part is calculated as 50% of the first £10,000 of the net property and 20% of the remaining net property up to a maximum of £600,000 unless dated on or after 6 April 2020 in which case it is subject to a maximum of £800,000. However as the charges registered over the assets of the Company are likely to be settled in full from the sale of the property under the fixed charge the prescribed part provisions will not apply.

It is now uncertain if there will be funds available to pay a dividend to unsecured creditors.

## 5 Investigation into the affairs of the Company

We undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved. This included recovering, listing and reviewing the Company's accounting records, obtaining and reviewing copy bank statements, comparing the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and, if necessary, making enquiries about the reasons for the changes.

As reported previously this identified various transactions which the Company entered into prior to my appointment for more detailed investigation. Creditors will appreciate that such enquiries have to be dealt with a degree of sensitivity and it is inappropriate to make further disclosure at this time as to do so could prejudice future realisations.

## 6 Statutory matters

In accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016 I confirm the following:

- Company name: 50cycles Limited
- Registered office: Townshend House, Crown Road, Norwich, NR1 3DT
- Registered number: 05140671
- Liquidator: Andrew McTear
- Liquidator's address: Prospect House, Rouen Road, Norwich, NR1 1RE
- Liquidator's contact number: 01603 877540
- Date of appointment: 6 November 2019

## 7 Remuneration and expenses

### 7.1 Remuneration and expenses

My remuneration as liquidator was authorised by creditors on 12 January 2021 by a resolution by correspondence on a time cost basis as set out in my revised fee estimate of £166,172. That estimate acts as a cap and I cannot draw remuneration in excess of that without first seeking approval from creditors. In addition, creditors resolved that I be permitted to recover category 2 expenses.

My total time costs, remuneration and category 2 expenses charged in the period are:

Figure 1: Summary of time costs, remuneration charged and category 2 expenses

Period 6 November 2020 to 5 November 2021	Hours	Time costs and expenses recorded £	Accrued	Amount charged £
Remuneration	345	98,346	n/a	98,902
Category 2 expenses - storage	n/a	73	29	614
	<u>345</u>	<u>98,419</u>	<u>29</u>	<u>99,516</u>
Average rate per hour	£285			
<i>Source: Liquidator's records</i>				

Category 2 storage expenses are only charged up to 1 April 2021.

The remuneration charged relates to time costs recorded in the period 6 November 2020 to 5 November 2021 of £98,346 and 6 November 2019 to 5 November 2020 of £125,721. This brings the total remuneration and category 2 expenses charged since the commencement of the case to £166,172 and £614 respectively. However, I have only been able to pay £3,000 on account of the remuneration charged and the balance will be paid as future realisations allow. The remaining time costs recorded of £61,735 will be carried forward.

Attached as Appendix 2 is a summary of my firm's time costs for the period covered by this report and attached as Appendix 3 is a summary of my firm's total time costs from the commencement of the liquidation to 5 November 2021. Also attached as Appendix 4 is a comparison of the actual time spent with my fee estimate.

As at 5 November 2021 my total time costs have exceeded the fee estimate set out in my fee proposal dated 1 December 2020 as more time has been spent dealing with realisation of the freehold property, investigations and general case administration. However, I do not propose to seek an increased fee at this stage.

## 7.2 Future work and estimated remuneration

Future work still required is as follows:

Admin and planning – the future routine administrative work required to be carried out includes dealing with general correspondence and queries, case management and case progression reviews, compliance with regulatory requirements and dealing with closure matters. All of this work is required by statute or best practice.

Creditors – the future work required will include statutory reporting, general correspondence with creditors and shareholders and agreeing creditors' claims. Most of this work is required by statute.

Investigations – further work includes ongoing review of the directors' loan accounts and transactions prior to my appointment. This work is required by statute and best practice and should any claims be identified the realisations would be of benefit to creditors.

Realisation of assets – the future work required includes the sale of the freehold property and management until a time that a sale takes place. In addition, as detailed above on-going review of the directors' loan account is required. This work should ultimately result in realisations in the case however after allowing for deduction of costs and fees, it is unlikely that this will be of benefit to creditors but is a statutory requirement either way.

The relevant creditors' guide to liquidators' fees in a liquidation which came into force in April 2021 and this firm's charging and expenses recovery policy can be found on our website [www.mw-w.com](http://www.mw-w.com) by clicking on information hub and then fees and costs or a copy can be requested from this office. Our current charge out rates are director £470, associate director £440, associate £410, senior manager/manager £310-£350, assistant manager/senior professional £240-£290, administrator £190, assistant £155, assistant administrator £145 and trainee £85. Our charge out rates are reviewed annually and since 1 January 2003 have increased as detailed in our policy document.

### 7.3 Liquidation expenses

Details of the liquidation expenses incurred in the period of this report are attached as Appendix 6.

### 7.4 Further information

Within 21 days from receipt of this report creditors may request further information about the remuneration and expenses set out in the report. The request must be made in writing and made either by a secured creditor or an unsecured creditor or creditors that total at least 5% in value of unsecured creditors or the permission of the Court. Other than in specific circumstances, which if applicable we would explain, we will provide this within 14 days.

In addition within 8 weeks of receipt of the report creditors may apply to Court to challenge the amount and/or basis of the liquidator's fees and the amount of any proposed expenses or expenses already incurred. The application may be made by a secured creditor, or by unsecured creditor(s) that total at least 10% in value of the creditors or with the permission of the Court.

I am required to inform you that I am bound by the Insolvency Code of Ethics and further information on this, complaints procedures, our data protection/privacy statement, provision of services regulations and other statutory regulatory information can also be found on our website by clicking on information hub and then key information for creditors.



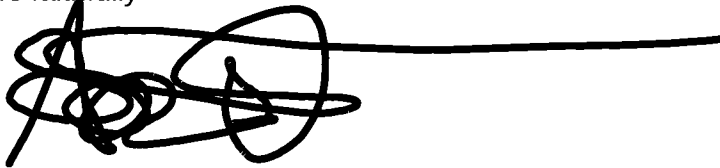
8 Closure

The following matters are outstanding:

- Sale of freehold property
- Ongoing investigations
- Closing formalities

If you require any further information please do not hesitate to contact Sara Shreeve at the above address.

Yours faithfully

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Andrew McTear  
Liquidator

Enclosures

50cycles Limited  
(In Liquidation)  
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 06/11/2020 To 05/11/2021 £	From 06/11/2019 To 05/11/2021 £
	SECURED ASSETS		
575,000.00	Freehold Property - Loughborough	NIL	NIL
NIL	Goodwill	NIL	NIL
NIL	Rent	16,547.69	16,547.69
		16,547.69	16,547.69
	COSTS OF REALISATION		
	Legal Fees and Expenses	17,515.80	17,515.80
	Annual Surcharge	1,577.73	3,109.73
		(19,093.53)	(20,625.53)
	SECURED CREDITORS		
(286,397.00)	Chargeholder - Barclays re Mortgage	NIL	NIL
(64,688.00)	Chargeholder - Barclays re Loan	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
1,000.00	Cash at Bank	NIL	NIL
NIL	Company name	NIL	1.00
971.00	Computer Equipment	NIL	NIL
NIL	Customer records	NIL	1.00
Uncertain	Directors' Loan Accounts	NIL	NIL
4,500.00	Motor Vehicles	NIL	NIL
3,194.00	Plant & Machinery	NIL	NIL
NIL	Rent Deposit	5,000.00	5,000.00
NIL	Stock, P&M & Computer equip	NIL	20,998.00
		5,000.00	26,000.00
	COST OF REALISATIONS		
	Accountancy/tax advice fees	228.66	228.66
	Agents/Valuers Fees (1)	3,150.00	3,150.00
	Appointment takers fees	3,000.00	3,000.00
	Bordereau	NIL	320.00
	Courier costs	NIL	298.44
	Legal Fees (1)	NIL	840.00
	Photocopying	NIL	108.30
	Pre appointment fees approved	NIL	6,000.00
	Searches and court fees	91.00	137.00
	Stationery & Postage	NIL	225.60
	Statutory Advertising	NIL	160.40
	Storage/archiving costs	174.00	506.05
	Travel & expenses	20.00	35.17
		(6,663.66)	(15,009.62)
	UNSECURED CREDITORS		
(137,944.49)	Unsecured cred - Consumer/Continge	NIL	NIL
(50,974.08)	Unsecured cred - Employees	NIL	NIL
(129,596.26)	Unsecured cred - Funding Circle Loan	NIL	NIL
(177,363.09)	Unsecured cred - HMRC	NIL	NIL
(1,122,413.00)	Unsecured cred - Trade and expense	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,384,810.92)		(4,209.50)	6,912.54
	REPRESENTED BY		

50cycles Limited  
(In Liquidation)  
Liquidator's Summary of Receipts & Payments

Statement of Affairs £	From 06/11/2020 To 05/11/2021 £	From 06/11/2019 To 05/11/2021 £
REPRESENTED BY CONTINUED		
Estate bank a/c - non interest bearing		7,505.06
Vat Control Account		633.25
Vat Payable		(1,425.85)
Vat Receivable		200.08
		<hr/>
		6,912.54
		<hr/>

Time Entry - SIP9 Time & Cost Summary

50CY2256 - 50cycles Limited  
Project Code: POST  
From: 06/11/2020 To: 05/11/2021

Classification of Work Function	Directors	Associates & Managers	Assistant Mgrs & Snr professionals	Case Administrators	Assistants & Trainees	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	4.60	21.30	1.70	0.20	36.80	64.60	14,380.50	222.61
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	21.80	0.10	0.00	2.60	24.50	7,121.00	290.65
Investigations	1.10	2.20	18.70	2.50	1.00	25.50	7,178.00	281.49
Realisation of Assets	17.60	180.40	5.50	0.20	26.40	230.10	69,666.00	302.76
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	23.30	225.70	26.00	2.90	66.80	344.70	98,345.50	285.31
Total Fees Claimed							3,000.00	
Total Disbursements Claimed							1,849.22	

## Time Entry - Detailed SIP9 Time & Cost Summary

50CY2256 - 50cycles Limited  
 From: 06/11/2019 To: 05/11/2021  
 Project Code: POST

Classification of Work Function	Directors	Associates & Managers	Assistant Mgrs & Snr professionals	Case Administrators	Assistants & Trainees	Total Hours	Time Cost (£)	Average Hourly Rate (£)
103 : Post appointment bank account	0.00	11.40	3.20	0.00	42.30	56.90	9,340.50	164.16
113 : Appointment formalities	10.40	1.80	8.00	0.00	14.60	34.80	8,570.50	246.28
114 : Checklists & IPS diary	0.20	4.10	1.30	0.00	14.00	19.60	3,182.50	162.37
115 : Case strategy & reviews	0.30	8.60	3.80	0.00	5.10	17.80	4,535.00	254.78
117 : Case progression meetings	1.80	10.90	1.90	0.20	2.10	16.90	5,317.00	314.62
118 : Fees & billing	0.30	4.70	2.00	0.00	13.30	20.30	3,797.50	187.07
120 : Bonding and pre appt insurance	0.00	0.60	0.90	0.00	3.40	4.90	842.50	171.94
<b>Admin &amp; Planning</b>	<b>13.00</b>	<b>42.10</b>	<b>21.10</b>	<b>0.20</b>	<b>94.80</b>	<b>171.20</b>	<b>35,585.50</b>	<b>207.86</b>
504 : Secured	0.00	13.40	0.20	0.00	0.20	13.80	4,156.50	301.20
505 : Preferential - adjudicate, declare & pay	0.00	0.00	0.20	0.00	0.00	0.20	45.00	225.00
506 : Unsecured - general correspondence	0.00	17.30	4.00	0.00	19.70	41.00	8,460.00	206.34
508 : Employees & RPS	0.40	5.70	3.50	0.00	1.20	10.80	2,832.50	262.27
510 : Unsecured - adjudicate, declare & pay	0.50	1.10	1.00	0.00	17.10	19.70	2,377.50	120.69
513 : Pension	0.00	1.20	0.40	0.00	14.60	16.10	2,137.50	132.76
514 : Reporting to creditors	0.60	11.60	4.10	0.00	8.30	24.60	5,832.00	237.07
515 : VAT / Tax	0.00	0.20	0.20	0.00	0.00	0.40	120.00	300.00
<b>Creditors</b>	<b>1.50</b>	<b>50.50</b>	<b>13.60</b>	<b>0.00</b>	<b>61.10</b>	<b>126.60</b>	<b>25,961.00</b>	<b>205.06</b>
202 : SIP2 / CDDA	0.00	4.30	9.40	0.00	1.90	15.60	4,119.50	264.07
204 : Books and records	0.10	1.30	3.60	0.00	17.60	22.60	3,843.50	170.07
205 : Investigating potential claims	1.10	8.70	47.40	2.50	0.60	60.30	17,495.50	290.14
<b>Investigations</b>	<b>1.20</b>	<b>14.30</b>	<b>60.40</b>	<b>2.50</b>	<b>20.10</b>	<b>98.50</b>	<b>25,458.50</b>	<b>258.46</b>
301 : Debtors	0.00	1.30	0.00	0.00	0.00	1.30	407.00	313.08
305 : Business sale	0.00	0.00	0.00	0.00	0.20	0.20	31.00	155.00
306 : Insurance	0.00	1.20	0.70	0.00	2.30	4.20	750.50	178.69
307 : Chattel	0.80	27.50	0.20	0.00	1.50	30.00	8,503.50	283.45
308 : Property	28.60	299.20	9.20	0.20	46.70	383.90	112,456.00	292.93
309 : ROT claims	0.00	0.10	0.00	0.00	0.00	0.10	33.00	330.00
310 : Civil recovery action & litigation	0.00	0.40	0.30	0.00	0.00	0.70	215.00	307.14
311 : Pre appointment bank account	0.10	1.00	2.60	0.00	121.20	124.90	11,444.00	91.63
312 : Director's loan account	0.00	6.60	0.00	0.00	0.00	6.60	2,119.00	321.06
319 : Pension / life policies	0.00	0.40	0.00	0.00	0.00	0.40	112.00	280.00
320 : VAT / Tax	0.40	6.80	1.90	0.00	14.90	24.00	4,831.00	201.29
<b>Realisation of Assets</b>	<b>29.90</b>	<b>344.50</b>	<b>14.90</b>	<b>0.20</b>	<b>186.80</b>	<b>576.30</b>	<b>140,902.00</b>	<b>244.49</b>
<b>Total Hours</b>	<b>45.60</b>	<b>451.40</b>	<b>110.00</b>	<b>2.90</b>	<b>362.80</b>	<b>972.60</b>	<b>227,907.00</b>	<b>234.33</b>
<b>Total Fees Claimed</b>							<b>3,000.00</b>	

## Appendix 4

### 50cycles Limited (in creditors' voluntary liquidation)

#### Comparison of actual time spent to the anniversary with the fee estimate

Insolvency practitioner fee estimate	Note	Estimated hours	Estimated average rate £	Estimated cost £	Actual hours	Actual average rate £	Actual cost £
Admin and planning	1	150	214	32,041	171	208	35,586
Creditors	2	138	189	26,198	127	205	25,960
Investigations	3	88	262	22,987	99	259	25,459
Realisations of assets	4	393	216	84,946	576	244	140,902
		<u>769</u>	<u>216</u>	<u>166,172</u>	<u>973</u>	<u>234</u>	<u>227,907</u>

#### Notes

The work undertaken on this case includes routine administrative functions, statutory and compliance work required by statute, professional regulatory guidance or is otherwise necessary for the orderly conduct of the proceedings. Whilst this may not produce any direct benefit for creditors it still has to be carried out.

The appendix above details work under the following classifications:

#### 1 Admin & planning

This encompasses work required by statute and necessary for case progression.

I have exceeded the cost detailed in my initial estimate as the case could not be closed before the anniversary because the freehold property has not yet been sold and investigations remain ongoing. Whilst the majority of work completed in respect of administration and planning does not necessarily provide any direct benefit to creditors I am required to undertake this work in accordance with statute or best practice.

A schedule of routine work typically undertaken is attached as Appendix 5. In the period covered by the report I have dealt with the ticked items.

## 2 Creditors

This includes statutory reporting, corresponding with creditors and shareholders, agreeing creditors' claims, creating and updating the list of creditors, responding to enquiries from creditors and shareholders, reviewing completed creditor claim forms, formally admitting and maintaining claim records.

The costs are in line with my estimate.

A schedule of routine work typically undertaken is attached as Appendix 5. In the period covered by the report I have dealt with the ticked items.

## 3 Investigations

As previously reported, I have completed my statutory obligation to investigate the conduct of the directors' and filed my report with the Department for Business Energy & Industrial Strategy. Non-statutory work required includes reviewing the Company's accounting records to identify any potential assets and claims to be pursued for the benefit of creditors.

I have exceeded the cost detailed in my initial estimate however as detailed in Section 5 it is inappropriate for me to disclose further information at this time. Should my investigations lead to further realisations this will be of financial benefit to creditors, subject to the costs and expenses of the liquidation.

A schedule of routine work typically undertaken is attached as Appendix 5. In the period covered by the report I have dealt with the ticked items.

## 4 Realisation of assets

To discharge my duty to realise the assets of the Company this includes identifying, securing, insuring and realising assets, instructing and liaising with agents, reviewing, collecting outstanding debtors and pursuing any antecedent transactions claims identified.

I have significantly exceeded the cost detailed in my initial estimate due to dealing with the sale of the property remains ongoing and costs in dealing with this have been higher due to various issues with tenants and the ongoing marketing.

A schedule of routine work typically undertaken is attached as Appendix 5. In the period covered by the report I have dealt with the ticked items.

## Routine work undertaken

Time spent on casework is recorded in 6 minute units under the following categories:

### Admin and planning

#### Statutory and compliance

Carried out in  
period of report

- Collating initial information to enable us to carry out our statutory duties including creditor information, details of assets and other information. ┐
- Providing initial statutory notifications of our appointment to the Registrar of Companies, clients, creditors, other stakeholders and advertising our appointment. ┐
- Submitting initial notifications to HM Revenue & Customs. ┐
- Ensuring compliance with statutory obligations arising from the Insolvency Act 1986 within the relevant timescales. ✓
- Arranging for the redirection of the Company's mail. ┐
- Completing closing formalities. ┐

#### Post appointment bank account

- Setting up estate bank account. ┐
- Preparing and processing vouchers for the payment of post appointment invoices. ✓
- Creating remittances and sending payments to settle post appointment invoices. ✓
- Reconciling post appointment bank accounts. ✓

#### Checklists & IPS diary

- Use of multiple checklists and standard and modified diaries on our case management software. ✓

#### Case progression meetings

- Formulating, monitoring and reviewing case strategy and meetings with internal and external parties to agree the same. ✓
- Briefing staff on the case strategy and matters in relation to various work streams. ┐
- Regular reviews of progress and case management including team update meetings and calls. ✓
- Reviews, routine correspondence and other work. ✓
- Allocating and managing staff/case resourcing and reviews. ✓
- Documenting strategy decisions. ✓

#### Fees & Billing

- Preparation of our fee and expenses estimate. ✓
- Seeking a decision from creditors to fix the basis of remuneration. ✓
- Reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9. ✓



## Bonding

- Arranging bonding and, if necessary, reviewing the adequacy of the bond on a quarterly basis.

Note: Insolvency practitioners when appointed to act must have in place a bond which contains provisions whereby a surety or cautioner undertakes to be jointly or severally liable for losses in relation to the insolvent.

## Creditors

### Shareholders

- Providing notification of appointment and reports to shareholders.
- Responding to enquiries from shareholders.

### Secured

- Issuing our initial letter to secured creditors to obtain information and copy charges.
- Considering background to charge and which assets are covered.
- Calculation of the prescribed part and estimated outcomes.
- Agreeing secured creditors claims including checking the validity of security
- Reporting on progress of liquidation.

### Preferential – adjudicate, declare & pay

- Agreeing preferential creditors' claims
- Issuing notice of intended dividend, declaring dividend and making payment.
- Accounting to HM Revenue & Customs for tax.

### Unsecured – general correspondence

- Seeking to pass resolutions by correspondence and convening and preparing for meetings of creditors if requested.
- Creating and updating the list of unsecured creditors.
- Responding to enquiries from creditors regarding submission of their claims, prospects and paperwork required
- Reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records.

### Committee

- Forming a creditors' committee, reporting and liaising as necessary

### Employees & RPS

- Dealing with queries from employees regarding various matters relating to their employment if applicable.
- Issuing claim information to employees and assisting employees to complete online applications.
- Correspondence with employees to establish pay during notice period.
- Dealing with statutory employment related matters including obtaining information from Company records, statutory notices to employees and making statutory submissions to the relevant government departments if applicable.

- Reviewing employment contracts. ┐
- Liaising with Job Centre Plus, union representatives and payroll providers. ┐
- Administering the Company's payroll including associated taxation and other deductions and preparing PAYE and NIC returns where applicable. ┐
- Preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks. ┐
- Communicating and corresponding with HM Revenue & Customs. ┐
- Dealing with issues arising from employee redundancies including statutory notifications and liaising with the Redundancy Payments Service if applicable. ┐
- Agreeing employees claims to claims paid by Redundancy Payments Service. ┐
- Managing claims from employees if applicable. ┐
- Processing and agreeing Redundancy Payments Service claims. ┐

#### Landlords

- Dealing with landlord's claims for arrears of rent, loss of future rent and dilapidations. ┐

#### Unsecured – adjudicate & pay

- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims. ┐
- Agreeing/rejecting secured/preferential/client/unsecured claims. ┐
- Corresponding with rejected claims. ┐
- Dealing with disputed claims which would materially affect the dividend to other creditors. ┐
- Issuing a notice of intended dividend and placing an appropriate gazette notice. ┐
- Calculating, declaring and paying a dividend to creditors. ┐

#### Pension

- Requesting information from pension company and establishing if any claims. ┐
- Collating information and reviewing the Company's pension schemes where applicable. ┐
- Ensuring compliance with our duties to issue statutory notices. ┐
- Calculating employee pension contributions and review of pre-appointment unpaid contributions if applicable. ┐
- Communicating with employees' representatives concerning the effect of the insolvency on pensions ┐

#### Reporting to creditors

- Preparing statutory receipts and payment accounts. ┐

- Preparing progress reports to members and creditors and filing with Court/Registrar as appropriate.



## Investigations

### SIP 2/ CDDA

- Reviewing pre appointment transactions.
- Reporting on the director's conduct to the Insolvency Service.
- Reviewing the questionnaires submitted by the directors of the Company.



### Books & records

- Locating relevant Company books and records, arranging for their collection, listing records and dealing with ongoing storage.
- Collating information from the Company's records regarding assets and /or investigations.



### Investigating potential claims

- Identifying possible causes of action which could lead to a return to creditors.
- Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties such as banks, accountants, solicitors etc.
- Considering and discussing merits of potential claims with solicitors.
- Identifying heads of claims.
- Interrogating the books and records to provide evidence, meetings with the directors over a number of months to negotiate a settlement of the claims.
- Instructing solicitors to advise on the merits of the claim and if appropriate to commence action on the claim.
- Preparing documents of solicitors and editing draft witness statements and reviewing other documents.



## Realisation of assets

### Debtors

- Reviewing outstanding debtors and agreeing debt collection strategy.
- Liaising with Company credit control staff and communicating with debtors.
- Reconciling the sales ledger control account.
- Locating and copying invoices.
- Researching queries identified by debtors and agreeing to credit notes and/or disputing the queries.
- Seeking legal advice in relation to book debt collections if applicable.
- Considering merits of taking legal action and pursuing as appropriate, considering or providing further evidence as required.
- Reviewing the inter-company debtor position between the Company and other group companies if applicable.
- Identifying and realising debts that are not trade debts or director loan accounts, if shown on the statement of affairs.



#### Business sale

- Planning the strategy for the sale of the business and assets including instruction and liaison with professional advisers. ☐
- Collating relevant information and drafting information memorandum in relation to the sale of the Company's business and assets and advertising the business for sale if applicable. ☐
- Identifying interested parties by reference to information provided by the directors, our own contacts and research of interested buyers. ☐
- Sending out memorandums to interested parties and collating return of confidentiality letters. ☐
- Chasing up interest and sending additional information. ☐
- Dealing with queries from interested parties and managing the information flow to potential purchasers if applicable. ☐
- Managing site visits with interested parties, fielding due diligence queries and maintaining a record of interested parties if applicable. ☐
- Consideration of offers. ☐
- Carrying out sale negotiations with interested parties if applicable. ☐
- Instructing solicitors to draft sale and purchase agreement. ☐
- Issuing press releases and posting information on our website/IP-bid as appropriate. ☐
- Addressing potential ROT claims arising and other contract specific matters in the sale and purchase agreement. ☐
- Agreeing and signing documents, monitoring the terms of sale and collecting the consideration. ☐

#### Insurance

- Arranging ongoing insurance for the Company's business and assets. ☒
- Liaising with post appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place. ☐
- Reviewing whether any insurance premiums due. ☐
- Assessing the level of insurance premiums. ☐

#### Chattel

- Liaising with agents regarding the sale of assets. ☐
- Dealing with any third party claims. ☐

#### Property

- Reviewing the Company's leasehold properties including review of leases if applicable. ☒
- Communicating with landlords regarding rent, property occupation and other issues if applicable. ☒
- Performing land registry searches if applicable. ☒
- Securing, insuring and making ready for sale. ☒
- Instructing agents to market, reviewing marketing materials and considering the most appropriate method of sale. ☒
- Instructing solicitors. ☒

- Liaising with secured creditors. ✓
- Dealing with tenants and utility companies. ✓
- Considering offers and negotiating heads of terms for sale. ✓
- Consider, review and amend sale contracts. ┐
- Dealing with rating authorities, planning issues and environmental issues. ✓
- Reviewing completion statement, paying fees and costs of solicitors and agents and secured creditors' claims. ┐

#### ROT claims

- Receiving and responding to claims from creditors that claim to have retained title to goods supplied. ┐
- Establishing terms of business and assets on site. ┐

#### Pre appointment bank account

- Liaising with the bank regarding transfer of funds and the closure of pre appointment bank accounts. ┐
- Dealing with the Company's pre appointment account. ┐

#### **Directors' loan account**

- Identifying from the Company's books and records. ✓
- Interrogating Company's books and records to substantiate the claims in the accounts. ✓
- Interviewing the directors and considering investigating and responding to possible defences put forward. ┐
- Meetings with the directors to negotiate settlement of the debt. ┐
- Instructing solicitors and editing witness statements for Court. ┐
- Collecting monies owed by directors ■

#### Assets not on statement of affairs

- Dealing with assets identified following appointment which were not detailed on the statement of affairs. ┐

#### VAT & tax

- Gathering initial information from the Company's records in relation to taxation. ┐
- Corresponding with the Company's former accountants, HM Revenue & Customs and directors to understand and obtain copies of the previous tax returns and accounts. ┐
- Calculating and claiming VAT bad debt relief. ┐
- Calculating and claiming corporation tax terminal loss relief. ┐
- Reviewing the Company's pre-appointment corporation tax and VAT position. ✓
- Analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations. ┐
- Analysing VAT related transactions. ✓

- Dealing with post appointment tax returns and compliance. ☒
- Prepare or instruct accountants to prepare tax returns to reclaim tax. ☐

#### Trading

##### Strategy and management

- Monitoring and controlling the day to day trading of the business. ☐
- Preparing cash flow statements to monitor the cash position. ☐
- Securing petty cash on site and monitoring spend. ☐
- Dealing with issues in relation to stock and other assets required for trading. ☐
- Monitoring stock and stock reconciliations. ☐
- Monitoring ongoing trading including attending site. ☐
- Attending to supplier and customer queries and correspondence. ☐
- Dealing with hauliers to ensure ongoing services. ☐
- Ensuring ongoing provision of emergency and other essential services to site. ☐
- Ongoing health and safety compliance. ☐
- Dealing with landlord and property issues. ☐
- General management and supervision of trading carried out by our staff based on site. ☐
- Compliance with legal and licensing obligations and ongoing monitoring. ☐
- To do all such other things as may be necessary or expedient for the management of the affairs, business and property of the company. ☐

##### Employees

- Liaising with staff and trade unions. ☐
- Setting up a new RTI registration for the business with HMRC and submitting relevant information in respect of wages and salaries paid. ☐

##### Utilities/purchases

- Attending to supplier and customer queries and correspondence. ☐
- Raising, approving and monitoring purchase orders and setting up control systems for trading. ☐
- Negotiating and making direct contact with various suppliers as necessary to provide additional information and undertakings, including agreeing terms and conditions in order to ensure continued support. ☐

##### Sales/contracts

- Communicating and negotiating with customers regarding ongoing supplies including agreeing terms and conditions. ☐

**50cycles Limited (in creditors' voluntary liquidation)****Liquidation expenses**

I have incurred expenses in the period covered by the report of £58,493 which brings total expenses incurred since my appointment to £82,676.

The major areas of expenditure incurred in the period of this report and the reasons why these were incurred were:

- Spire Solicitors LLP are instructed on a time costs basis to assist me with a number of matters in respect of the property and sale. During the period of this report they have incurred fees and expenses of £15,016 bringing total incurred fees and expenses to £20,632 plus VAT of which they have been paid £17,516 plus VAT in the period of this report from asset realisations.
- Mather Jamie estate agents have been paid £1,578 in respect of the annual surcharge due on the premises.
- MAPS Solutions Europe Ltd were engaged to secure the property and provide ongoing security as detailed in section 3.1 above. They have incurred fees totalling £33,731 plus VAT for their services which will need to be settled from asset realisations in due course.
- Sanderson Weatherall LLP chartered surveyors, property consultants and asset advisors are instructed to assist me with the marketing and sale of the freehold property. I have agreed a fee of 2% of sale proceeds for dealing with the sale of the property and a budget of £4,000 plus VAT for marketing materials in connection with the sale. In addition a cap of £4,000 plus VAT on general time costs was agreed which has been exceeded but will remain at that level as agreed. These will be settled from realisations from the sale of the property in due course.
- I obtained insurance over the assets of the Company, including the freehold property which remains in place with Marsh Limited. The insurance premiums incurred in this period total £7,753 which brings total premiums in the liquidation to £11,148. These will be paid from asset realisations in due course.
- Additional expenses may become payable in respect of utilities and rates payable on the property.

Detailed below is a statement of the expenses accrued in the liquidation during the period covered by this report.

As at 5 November 2021 I have exceeded the total expenses estimated in my fee proposal as I did not allow for security costs, legal fees and surcharges in my estimate. In addition the sale of the property has taken longer than originally anticipated meaning that all other costs associated with it such as insurance are higher than originally expected.

I anticipate that the further work required as detailed in the report will incur additional expenses of between £5,000 and £10,000 but this could vary depending on the eviction of the tenant and the sale of the property. This will exceed the total expenses estimated in my fee proposal.

Statement of expenses incurred and not paid for in the period 6 November 2020 to 5 November 2021

Nature of expense	Details	Estimated expenses	Expenses brought forward	Expenses incurred in period	Expenses paid in period	Expenses carried forward
		£	£	£	£	£
Professional fees re Secured assets						
Legal fees and expenses	Spire Solicitors	20,397	5,616	15,016	17,516	3,116
Security costs	MAPS Solutions	nil	nil	33,731	nil	33,731
Annual surcharge	Mather Jamie	3,064	nil	1,578	1,578	nil
		<u>23,461</u>	<u>5,616</u>	<u>50,325</u>	<u>19,094</u>	<u>36,847</u>
Professional fees						
Agents' fees	George Hazell & Co	3,150	3,150	nil	3,150	nil
Agents' fees	Sanderson Weatherall LLP	6,000	4,000	nil	nil	4,000
		<u>9,150</u>	<u>7,150</u>	<u>nil</u>	<u>3,150</u>	<u>4,000</u>
Sundry expenses						
Statutory advertising	McTear Williams & Wood Limited	250	nil	nil	nil	nil
Bordereau	McTear Williams & Wood Limited	320	nil	nil	nil	nil
Stationary and postage	McTear Williams & Wood Limited	226	nil	nil	nil	nil
Searches and court fees	McTear Williams & Wood Limited	75	9	88	91	6
Courier costs	McTear Williams & Wood Limited	298	nil	nil	nil	nil
Travel and expenses	McTear Williams & Wood Limited	35	20	nil	20	nil
Insurance of assets	Marsh Ltd	5,095	3,395	7,753	nil	11,148
Accountancy/tax advice fees	Xero Subscription	132	88	211	229	70
		<u>6,431</u>	<u>3,512</u>	<u>8,052</u>	<u>340</u>	<u>11,224</u>
Category 2 expenses						
Storage/archiving costs	McTear Williams & Wood Limited	639	87	116	174	29
Photocopying	McTear Williams & Wood Limited	108	nil	nil	nil	nil
		<u>747</u>	<u>87</u>	<u>116</u>	<u>174</u>	<u>29</u>
		<u>39,789</u>	<u>16,365</u>	<u>58,493</u>	<u>22,758</u>	<u>52,100</u>



The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I consider their expertise and reputation are sufficient for me to rely on their judgement. I also consider their fees represented value for money and am satisfied that they are reasonable in the circumstances of this case.