

LIQ03

Notice of progress report in voluntary winding up



Companies House

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

1 Company details

Company number 0 5 3 8 6 5 4 0

Company name in full Adur Community Leisure Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Adam Henry

Surname Stephens

3 Liquidator's address

Building name/number 45 Gresham Street

Street

Post town London

County/Region

Postcode E C 2 V 7 B G

Country

4 Liquidator's name ①

Full forename(s) Colin

Surname Hardman

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 45 Gresham Street

Street

Post town London

County/Region

Postcode E C 2 V 7 B G


Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report															
From date	d	2	d	7	m	0	m	7	y	2	y	0	y	2	y	1
To date	d	2	d	6	m	0	m	7	y	2	y	0	y	2	y	2
7	Progress report															
	<input checked="" type="checkbox"/> The progress report is attached															
8	Sign and date															
Liquidator's signature	<div>Signature</div> <div>  </div>															
Signature date	d	2	d	1	m	0	m	9	y	2	y	0	y	2	y	2

**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 **Lynn Morse**

Company name **Evelyn Partners LLP**

Address **45 Gresham Street**

Post town **London**

County/Region

Postcode **E C 2 V 7 B G**

Country

DX

Telephone **020 7131 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**

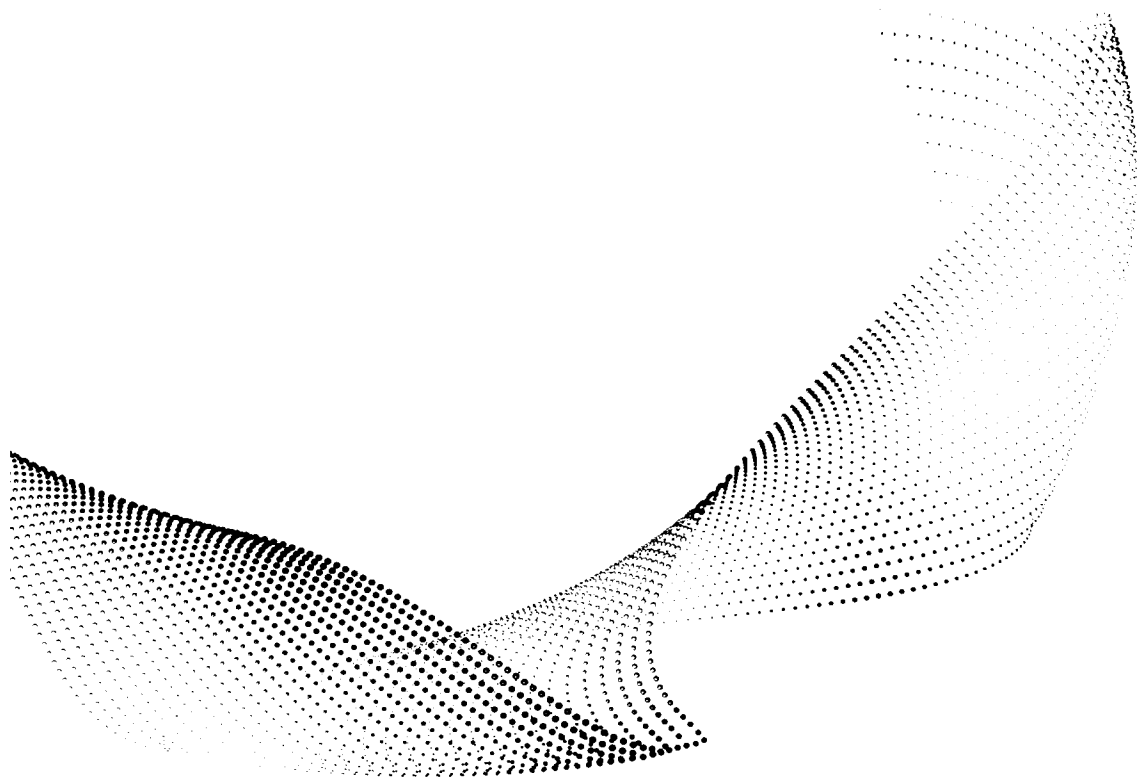
You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

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 or email enquiries@companieshouse.gov.uk

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



Adur Community Leisure Limited (in creditors' voluntary liquidation)

Joint liquidators' annual progress report for the period from 27 July 2021 to 26
July 2022

evelyn

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1. Glossary

Abbreviation	Description
the Company	Adur Community Leisure Limited
the liquidators/joint liquidators	Adam Henry Stephens and Colin Hardman
ERAS	ERA Solutions Limited
SIP	Statement of Insolvency Practice (England & Wales)
IR16	Insolvency (England and Wales) Rules 2016. If preceded by R this denotes a rule number
SOA	Statement of Affairs
HMRC	Her Majesty's Revenue and Customs
the ADC Landlord	Adur and Worthing District Councils as landlord to: Lancing Manor Leisure Centre, Lancing, West Sussex BN15 0PH Southwick Leisure Centre, Old Barn Way, Southwick, Brighton BN42 4NT Wadurs Community Pool, Kingston Broadway, Shoreham, West Sussex BN43 6TE
Storrington	Former trading premises at: Chanctonbury Leisure Centre, Spierbridge Road, Storrington, West Sussex, RH20 4PG
Worthing / Worthing Gym Hub	Former trading premises at: Worthing Gym Hub, Unit 17 Guildbourne Centre, Worthing, West Sussex BN11 1LZ

2. Introduction and Summary

This report provides an update on the progress of the liquidation of the Company for the period ended 26 July 2022 and should be read in conjunction with any previous reports.

By way of reminder, we, Adam Henry Stephens and Colin Hardman of Evelyn Partners LLP, 45 Gresham Street, London EC2V 7BG were appointed liquidators of the Company on 27 July 2020 by a decision by the creditors of the Company.

From 14 June 2022, we are operating under a single new brand to offer the best of everything we do and the firm's name has changed to Evelyn Partners LLP. Please note that this is a change to our brand only and that the services provided are unaffected.

Please also be aware that we have recently changed our postal and registered office address to 45 Gresham Street, London EC2V 7BG. Where applicable, please update your records accordingly.

The Company traded under the name Impulse Leisure from five leisure centres at the following addresses:

- Lancing Manor Leisure Centre, Lancing, West Sussex BN15 0PH ("Lancing Manor")
- Southwick Leisure Centre, Old Barn Way, Southwick Brighton, BN42 4NT ("Southwick")
- Wadurs Community Pool, Kingston Broadway, Shoreham, West Sussex BN43 6TE ("Wadurs")
- Leisure Centre, Spierbridge Road, Storrington, West Sussex RH20 4PG ("Storrington")
- Worthing Gym Hub, Unit 17 Guildbourne Centre, Worthing, West Sussex BN11 1LZ ("Worthing" / "Worthing Gym Hub").

The Company's registered number is 05386540.

The Company's registered office was Blackshots Leisure Centre, Blackshots Lane, Grays RM16 2JU. Following the liquidators' appointment, the registered office was changed to 45 Gresham Street, London EC2V 6AR.

3. Realisation of assets

Attached at Appendix I is our receipts and payments account for the period from 27 July 2021 to 26 July 2022. This account includes cumulative figures for the period from 27 July 2020 to 26 July 2022. The receipts and payments account also includes a comparison with the directors' SOA values.

In the last progress report the joint liquidators advised that they were not aware of any additional or outstanding assets and as such, considered asset realisations to be complete. However, unanticipated book debts in the sum of £804.88 were received in this period and we do now believe asset realisations to be complete. Bank interest of £62.64 was also received in the period.

4. Investigations

Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors as a response to our request to complete an investigation questionnaire. Our investigations have not revealed any issues requiring further reporting.

5. Creditors

National Westminster Bank Plc ("NatWest") holds a fixed and floating charge over the Company's assets. At the date of the liquidation the indebtedness was estimated at £222,895.54 and has now been claimed at £271,682.90, including interest accrued but not charged up to the date of liquidation. No amounts have yet been paid to NatWest and a substantial shortfall to them is still expected.

The Company granted a floating charge to NatWest on 15 January 2007. Accordingly, we are required to create a Prescribed Part fund out of the Company's net floating charge property for unsecured creditors.

Based on present information, we estimate the value of the Company's net floating charge property to be nil therefore there will be no funds available to the unsecured creditors under the Prescribed Part.

As previously advised, the ordinary preferential claims total £16,880.93. The breakdown of this claim is shown below:

Ordinary preferential creditor	SOA claims £	Claims received £	Claims agreed £
Employee claims (2)		1,392.49	1,392.49
Redundancy Payments Service (redundancy pay)	12,416.48	15,185.08	15,185.08
Redundancy Payments Service (pension scheme)	244.64	1,695.85	1,695.85
Total	12,661.12	18,273.42	18,273.42

As advised in our last report, ERAS were instructed to assist with matters pertaining to the employee and pension claims. During the period we reviewed the adjudication of the preferential claims which was undertaken by ERAS and processed the data through our system. Finally, we declared and paid a dividend to the Department of Employment in respect of the preferential creditors, as shown below:

Date	Total amount of dividend paid	Rate of dividend p in the £
Insert date dividend paid	01/10/2021	100
Total paid in period	£18,273.42	100
Total Paid	£18,273.42	100

Accordingly, the ordinary preferential creditors have been paid in full.

Claims from the secondary preferential creditors mainly include Her Majesty's Revenue and Customs (HMRC) which will rank below the ordinary preferential creditors in relation to outstanding taxes 'paid' by employees and customers of that business. These include Value Added Tax (VAT), Pay As You Earn (PAYE), employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions. It is important to note that there is no cap or time limit on what HMRC can recover in respect of the above.

The secondary preferential creditors will only be entitled to receive a dividend after all the ordinary preferential creditors have received 100p in the pound (£).

HMRC will continue to be an unsecured creditor for corporation tax and any other taxes owed directly by a company/business (for example employer National Insurance Contributions).

Only where the ordinary preferential creditors have received 100p in the pound (£), we set out below a summary of the secondary preferential claims received:

This was introduced on the 1 December 2020 so as the liquidation commenced prior to this date this is not applicable.

We have received claims totalling £1,320,495.40 from 59 creditors. Total claims as per the directors' SOA were £986,764.24.

We confirm that we anticipate no dividend to unsecured creditors will be made in this case.

6. Liquidators' remuneration

The creditors approved that the basis of the liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the liquidation. This was granted following the joint liquidators providing a fees' and expenses' estimate (along with subsequent increases, if applicable) and the requisite majority of creditors granting approval by means of a resolution by correspondence on 22 December 2020.

The liquidators' time costs are:

Period	Total Hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
27 July 2020 to 26 July 2021	361.70	119,161.88	329.45	NIL
27 July 2021 to 26 July 2022	66.70	21,690.31	325.19	NIL
Total	428.40	140,852.19	328.79	

Attached at Appendix II, is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the liquidators and their staff in attending to matters arising in the liquidation. Details of work carried out in the period are also included in the body of this report.

Appendix III provides a summary of the previously authorised time cost estimate breakdown which was duly authorised by the creditors

Also attached as Appendix III is a cumulative time analysis for the period from 27 July 2020 to 26 July 2022 which provides details of the liquidators' time costs since appointment. No funds have been drawn in respect of these costs.

The joint liquidators' costs to date are £140,852.19, as above, compared to our original estimate of £110,003.10. Appendix III provides a summary of the previously authorised time cost estimate breakdown for comparison purposes.

The joint liquidators' time costs for the period of the liquidation from 27 July 2020 are £140,852.19. I am now seeking to increase the initial estimated fee by £43,249.09 due to the time costs of the liquidation exceeding the original estimate. A revised fee estimate can be found at Appendix IV. Any costs over and above the revised estimate will be written off.

A Voting Form, which contains details of the resolutions being proposed can be found on the portal in order for you to vote. If you **have not** already submitted a proof of your claim in the liquidation, please return this with your completed Voting Form if you intend to vote.

Creditors were invited to decide on the formation of a liquidation committee on the date of my appointment. The decision was taken not to form a committee in this case. Please note that whilst I do not consider a committee to be warranted, I am obliged to invite creditors to consider the formation of a committee each time I seek a decision from them. It is for this reason that the invitation appears on the Voting Form.

On a general note, creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include dealing with former employees' claims through the Redundancy Payments Service and providing information relating to the company and its former officers to the Insolvency Service as required by the Company Directors' Disqualification Act 1986.

A copy of 'A Creditor's Guide to Liquidator's Fees' can be downloaded free of charge from R3's website at the following address:

Alternatively, a hard copy is available on request, free of charge.

On 1 September 2020, the Smith & Williamson Group merged with the Tilney Group to extend our financial and professional services offering. In common with many professional firms, our scale rates rise to cover annual inflationary cost increases (which readers will be aware have been particularly high of late) and accordingly our rates have risen on average by approximately 7% with effect from 1 July 2022. Following the merger please note that there has been a change to our financial year-end and, as a result, we will be reviewing our charge-out rates again on 1 January 2023 (reverting to annual reviews

thereafter). The rate of any increase on 1 January 2023 will take into account that only six months will have passed from the date of the last increase and so will not cause any prejudice to creditors and stakeholders.

Details of Evelyn Partners LLP's charge out rates (including any changes during the case) along with the policies in relation to the use of staff are provided at Appendix IV.

We have no business or personal relationships with the parties who approve our fees.

7. Liquidation expenses

The following sections provide details of our expenses. Expenses are amounts properly payable by us as liquidators from the estate. The detail below excludes any distributions to creditors and any potential tax liabilities that we may need to pay as a liquidation expense because the amounts becoming due will depend on the position at the end of the tax accounting period.

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

The table at Appendix V provides details of the subcontractors we have engaged in the current period to undertake work that we could otherwise do ourselves.

The subcontractor utilised in the prior period was an employee of the Company, with valuable knowledge of the site management and the ownership of assets located at the trading premises. His work included frequent attendance at the premises to deal with various site matters including security, maintenance and assisting with matters pertaining to the utilities and other supplies maintained.

Comparison to Initial Expenses Estimate

The costs in this respect relate to the holding of the ADC Landlord premises and are therefore, have been met from the ADC Landlord funding. Accordingly, these costs were not included in the initial expenses estimate, as they have and no bearing on the liquidation funds.

As you will be aware, our estimated expenses included the cost of instructing professional advisors and the table at Appendix VI discloses the costs incurred and paid, along with the original estimates.

On this assignment we have used the professional advisers listed below. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

Comparison to Initial Expenses Estimate

Creditors may recall that our current expense estimate for the above criteria included agent's fees (SIA Asset Ingenuity Limited) relating to the realisation of the Company's assets, and professional fees (ERAS) relating to employee and pension matters. Details of the work carried out by both SIA and ERAS are provided at Appendix VI of this report and the rationale behind their instruction was provided in our previous report.

Appendix I shows that no expenses were paid or incurred in the current period:

Approval to recover Category 2 expenses was given following receipt of voting resolutions by correspondence from the requisite majority of creditors.

No Category 2 expenses have been incurred.

Appendix IV provides details of Evelyn Partners LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of expenses.

8. Outstanding matters

The remaining actions to be concluded in the liquidation are as follows:

- Finalising VAT matters including deregistration of the VAT group;
- Obtain tax advice so that we may ascertain any potential tax liability
- Instruct accountants to prepare the corporation tax return for the first year of the liquidation
- Repayment of surplus funds to the ADC Landlord following a reclaim of VAT on the trading expenses.
- Distribution to NatWest under their floating charge, funds permitting.
- Closure of the liquidation, including preparing and issuing our final report

As referred to in section 6.2, above, the joint liquidators anticipate the future costs for these actions to be in the region of £15,000 but the joint liquidators will not seek to recover any further time costs beyond the requested remuneration increase. As is also noted above, the joint liquidators' time costs are already significantly in excess of the requested remuneration increase.

9. Privacy and Data Protection

As part of our role as joint liquidators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at [Data Protection Policy](#). If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact Lynn Morse of our office if you believe this applies.

10. Creditors' rights

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that the liquidators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds

that, in all the circumstances, the basis fixed for the liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the liquidators, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

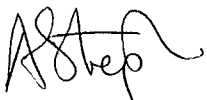
On a general note, if you have any comments or concerns in connection with our conduct, please contact Adam Henry Stephens or Colin Hardman in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 45 Gresham Street, London, EC2V 7BG or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

- i. Email:
- ii. Telephone number: +44 300 678 0015
- iii. Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

11. Next report

We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation unless we have concluded matters prior to this, in which case we will write to all creditors with our final account, prior to vacating office.



Adam Henry Stephens and Colin Hardman

Joint Liquidators

Date: 22 September 2022

Adam Henry Stephens and Colin Hardman have been appointed as Joint Liquidators of the Company on 27 July 2020. They act as agents and without personal liability.

Both officeholders are authorised and licensed in the UK by the Institute of Chartered Accountants in England and Wales and are bound by their code of ethics. Further details of their licensing body along with our complaints and compensation procedure can be accessed at: www.evelyn.com/insolvency-licensing-bodies

The Joint Liquidators may act as controllers of personal data, as defined by the UK data protection law, depending upon the specific processing activities undertaken. Evelyn Partners LLP may act as a processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators' appointment.

The Fair Processing Notice in relation to the UK General Data Protection Regulation can be accessed at www.evelyn.com/rsgdpr

Should you wish to be supplied with a hard copy of any notice, attachment or document relating to a case matter, please contact the staff member dealing with this matter at any time via telephone, email or by post and this will be provided free of charge within five business days of receipt of the request.

The word partner is used to refer to a member of Evelyn Partners LLP. A list of members is available at the registered office

Registered in England at 45 Gresham Street, London, EC2V 7BG No OC369631

Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities

Appendices



I Receipts and payments account

Adur Community Leisure Limited (In Liquidation) Joint Liquidators' Trading Account

Statement of Affairs £	From 27/07/2021 To 26/07/2022 £	From 27/07/2020 To 26/07/2022 £
POST APPOINTMENT SALES		
Funding - Adur District Council	NIL	26,000.00
Bank Interest - Trading	0.02	2.18
	<u>0.02</u>	<u>26,002.18</u>
TRADING EXPENDITURE		
Fire & Security	NIL	1,515.61
Utilities: Lancing, Southwick & Wadurs	NIL	7,589.22
Pool maintenance	NIL	750.00
Insurance - Lancing, Southwick & Wadurs	NIL	1,855.83
Subcontractor	NIL	12,750.00
Bank Charges - Trading	NIL	4.05
	<u>NIL</u>	<u>(24,464.71)</u>
TRADING SURPLUS/(DEFICIT)	<u>0.02</u>	<u>1,537.47</u>

Adur Community Leisure Limited (In Liquidation) Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 27/07/2021 To 26/07/2022 £	From 27/07/2020 To 26/07/2022 £
ASSET REALISATIONS		
Uncertain Leasehold Improvements	NIL	NIL
Uncertain Plant, Machinery, Equipment, Furniture	NIL	250,000.01
Uncertain Stock	NIL	NIL
15,822.00 Book Debts	804.88	819.28
NIL Cash at Bank	NIL	NIL
Bank Interest Gross	62.62	77.96
TRADING SURPLUS/(DEFICIT)	<u>0.02</u>	<u>1,537.47</u>
	<u>867.52</u>	<u>252,434.72</u>

			-
	COST OF REALISATIONS		
	Site Security - Storrington	NIL	409.03
	Utilities - Storrington	NIL	711.04
	Professional fees: Pension matters	NIL	330.00
	Professional fees: Employee claims	NIL	1,640.00
	Agents/Valuers Fees (1)	NIL	60,000.00
	Agents/Valuers Expenses	NIL	540.00
	Storage Costs	NIL	2,943.00
	Statutory Advertising	NIL	182.00
	Insurance of Assets	NIL	4,791.53
	Bank Charges	0.80	3.40
		(0.80)	(71,550.00)
	PREFERENTIAL CREDITORS		
	Customs & Excise	429.83	429.83
	Department of Employment	16,880.93	16,880.93
(12,415.48)	Employees Wage Arrears	962.66	962.66
(1.00)	Employees Holiday Pay	NIL	NIL
(244.64)	Pension Contributions	NIL	NIL
		(18,273.42)	(18,273.42)
	FLOATING CHARGE CREDITORS		
(222,895.54)	National Westminster Bank Plc	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(114,776.71)	Trade & Expense Creditors	NIL	NIL
(173,255.25)	Employees: Wages, Notice & Redundancy	NIL	NIL
(1.00)	Pension Contributions	NIL	NIL
(1.00)	Consumer Creditors	NIL	NIL
(33,900.26)	HM Revenue & Customs	NIL	NIL
(166,767.70)	Inter-Co: Impulse Leisure	NIL	NIL
(365,551.73)	Inter-Co: Thurrock Community Leisure	NIL	NIL
(81,509.59)	Landlord: Factory Outlets Limited	NIL	NIL
(1,000.00)	Landlord: Adur District Council	NIL	NIL
(1.00)	LL: Storrington & Sullington P. Council	NIL	NIL
(50,000.00)	Government Bounce Back Scheme	NIL	NIL
		NIL	NIL
(1,206,498.90)		(17,406.70)	162,611.30
	REPRESENTED BY		
	VAT Receivable FLT		13,302.65
	Clients Deposit A/c- Trading (IB)		32.65
	Clients Deposit (Int Bear)		197,771.18
	VAT Payable FLT		(50,000.00)
	VAT Receivable Trading		1,504.82
			162,611.30

- The first section of the receipts and payment account entitled 'Joint Liquidators' Trading Account' represents funding received from the ADC Landlord and expenses paid in respect of the ADC Landlord premises in the period to 27 July 2021. The Company was not traded in liquidation.
- We have not sought approval of or drawn any other costs that would require the same approval as our remuneration.
- No payments have been made to us from outside the estate.
- There were no significant expenses paid in the period and details of significant expenses paid in the prior period can be found in our last progress report.
- There were no payments made to sub-contractors in the period and details of payments made to sub-contractors in the previous period can be found in our last progress report.
- Information concerning the liquidators' remuneration and expenses incurred is provided in the body of our report.
- Information concerning the ability to challenge the liquidators' remuneration and expenses of the liquidation is provided in our report.
- All bank accounts are interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is an expense of the liquidation and shown as irrecoverable VAT.

II Time analysis for the period

Period	Partner	Director & Associate Director	Manager	Other Professionals	Support	Total	Cost	Average rate
	Hours	Hours	Hours	Hours	Hours	Hours	£	£/hr
Administration & planning								
Statutory & Regulatory	0.40	-	1.70	12.22	-	14.32	4,252.54	297.03
Case administration	3.60	0.17	4.52	16.48	-	24.77	8,454.34	341.36
Sub-total Administration & planning	4.00	0.17	6.22	28.70	-	39.08	12,706.88	325.12
Investigations								
Records and investigations	-	-	0.17	0.08	-	0.25	92.50	370.00
Sub-total Investigations	-	-	0.17	0.08	-	0.25	92.50	370.00
Realisation of assets								
Other assets	-	-	1.32	0.93	-	2.25	805.03	357.78
Sub-total Realisation of assets	-	-	1.32	0.93	-	2.25	805.03	357.78
Creditors								
Chargeholders	-	-	-	0.13	-	0.13	35.99	269.99
Employees, Pensions & RPS	0.30	-	3.12	13.63	-	17.05	5,198.86	304.92
Unsecured creditors (exc. Staff)	1.30	-	1.87	4.77	-	7.93	2,851.05	359.37
Sub-total Creditors	1.60	-	4.98	18.53	-	25.12	8,085.90	321.93
Total of all hours	5.60	0.17	12.68	48.25	-	66.70		
Total of all £	3,375.00	65.75	5,383.55	12,866.01	-		21,690.31	

- Consideration of GDPR matters and securing Company records
- Correspondence with agents regarding employees and the status of their claims
- Issuing letters to employees regarding their preferential claims
- Correspondence with the pension provider confirming amounts not paid over to be included in the preferential claim
- Submission of RP15 to the Redundancy Payments Service
- Answering questions and other correspondence from unsecured creditors including energy suppliers
- Drafting and issuing the Joint Liquidators' first progress report to creditors and answering questions from creditors regarding its contents
- Correspondence with HM Revenue & Customs regarding the VAT position of the Company
- Case file maintenance including regular case reviews

III Cumulative time analysis

Cumulative	Partner	Director & Associate Director	Manager	Other Professionals	Support	Total	Cost	Average rate
	Hours	Hours	Hours	Hours	Hours	Hours	£	£/hr
Administration & planning								
Statutory & Regulatory	0.40	-	5.27	25.63	-	31.30	9,100.38	290.75
Case administration	14.40	1.73	9.67	58.32	-	84.12	27,071.79	321.84
Administration & planning - other (legacy)	-	-	-	1.90	-	1.90	484.50	255.00
Sub-total Administration & planning	14.80	1.73	14.93	85.85	-	117.32	36,656.67	312.46
Investigations								
Directors	1.25	-	2.18	3.48	-	6.92	2,474.10	357.70
Records and investigations	0.10	-	4.88	27.35	-	32.33	8,914.53	275.71
Sub-total Investigations	1.35	-	7.07	30.83	-	39.25	11,388.63	290.16
Realisation of assets								
Freehold property assets	1.25	-	1.15	0.35	-	2.75	1,261.75	458.82
Leasehold property assets	0.45	-	27.98	22.45	-	50.88	17,174.51	337.53
Other assets	8.55	-	48.47	10.13	-	67.15	26,884.63	400.36
Tax assets	-	-	0.53	0.25	-	0.78	277.07	353.72
Business sale	0.20	-	-	1.13	-	1.33	402.99	302.25
Leasing and HP assets	-	-	0.50	4.92	-	5.42	1,453.76	268.38
Premises clearance	0.45	-	-	0.10	-	0.55	282.00	512.73
Realisation of assets, other (legacy)	-	-	-	0.10	-	0.10	25.50	255.00
Sub-total Realisation of assets	10.90	-	78.63	39.43	-	128.97	47,762.21	370.35
Creditors								
Chargeholders	2.00	-	2.88	1.10	-	5.98	2,575.86	430.50
Employees, Pensions & RPS	4.00	-	14.85	57.20	-	76.05	23,094.95	303.68
Unsecured creditors (exc. Staff)	5.15	-	19.62	35.87	-	60.63	19,301.12	318.32
Disclaimers	-	-	-	0.05	-	0.05	12.75	255.00
Sub-total Creditors	11.15	-	37.35	94.22	-	142.72	44,984.68	315.20
Shareholders								
Shareholders/members	-	-	0.15	-	-	0.15	60.00	400.00
Sub-total Shareholders	-	-	0.15	-	-	0.15	60.00	400.00
Total of all hours	38.20	1.73	138.13	250.33	-	428.40		
Total of all £	19,258.50	768.65	49,776.79	56,944.25	-		140,852.19	

Creditors may recall that our fee estimate was £110,001.75. Our time costs for the cumulative period from the date of liquidation are higher than originally anticipated as significant time was spent considering preferential claims including correspondence with employees and correspondence with the pension provider and agent ERA in submitting the RP15 to the RPS. Further, the book debts which had been included by the directors on the Statement of Affairs were not all recoverable but significant time was spent by case staff in determining whether or not they were bad debts. Finally, the case staff received high volumes of calls and other correspondence from unsecured creditors of the Company, further increasing time costs.

A comparison is shown below. Our actual time costs for the current period were £21,690.31 while our cumulative time costs are £140,852.19. The Joint Liquidators intend to draw the approved fee of £110,003.10 shortly. The Joint Liquidators also will also draw a further fee, referred to above, if approved by the creditors.

Category	Estimate (£)	Actual (£)	Difference (£)	Reason
Administration & Planning	26,135.25	36,656.67	10,521.42	As advised in the previous progress report, costs incurred in the first period were consistent with the estimate however costs incurred in the second period, such as the drafting and issuing of the statutory progress report contributed to an increase in costs.
Investigations	11,340.00	11,388.63	48.63	Actual time costs incurred are consistent with the original estimate.
Realisation of Assets	39,464.35	47,762.21	8,297.86	The increase of costs in this area predominantly relates to difficulties incurring during the course of trading including delays in setting up trading accounts and utility providers not recognising the Joint Liquidators as controllers of the Company. Poor book debt records also contributed to increased time costs as case staff spent time reconciling the debtor book.
Creditors	32,963.50	44,984.68	12,021.18	The increase of costs relates to significant correspondence with pension providers required to reconcile their position with the Company's records. This work has however seen the full repayment of outstanding pension contributions.
Shareholders	100.00	60.00	(40.00)	Actual time costs incurred are consistent with the original estimate.
Total	110,003.10	140,852.19	14,857.67	

IV Revised fee estimate

FEE ESTIMATE	Partner	Director & Associate	Manager	Other Support	Total	Cost	Average
	Hours	Hours	Hours	Hours	Hours	£	£/hr
Administration & planning							
Statutory & Regulatory	0.40	-	7.27	35.63	-	43.30	13,020.38
Case administration	14.40	1.73	12.67	68.32	-	96.12	30,991.79
Administration & planning - other (legacy)	-	-	-	1.90	-	1.90	484.50
Sub-total Administration & planning	14.80	1.73	19.93	105.85	-	141.32	44,496.67
Investigations							
Directors	1.25	-	2.18	3.48	-	6.92	2,474.10
Records and investigations	0.10	-	4.88	27.35	-	32.33	8,914.53
Sub-total Investigations	1.35	-	7.07	30.83	-	39.25	11,388.63
Realisation of assets							
Freehold property assets	1.25	-	1.15	0.35	-	2.75	1,261.75
Leasehold property assets	0.45	-	27.98	22.45	-	50.88	17,174.51
Other assets	8.55	-	48.47	10.13	-	67.15	26,884.63
Tax assets	-	-	0.53	0.25	-	0.78	277.07
Business sale	0.20	-	-	1.13	-	1.33	402.99
Leasing and HP assets	-	-	0.50	4.92	-	5.42	1,453.76
Premises clearance	0.45	-	-	0.10	-	0.55	282.00
Realisation of assets, other (legacy)	-	-	-	0.10	-	0.10	25.50
Sub-total Realisation of assets	10.90	-	78.63	39.43	-	128.97	47,762.21
Creditors							
Chargeholders	2.00	-	4.88	5.10	-	11.98	4,695.86
Employees, Pensions & RPS	4.00	-	14.85	57.20	-	76.05	23,094.95
Unsecured creditors (exc. Staff)	5.15	-	21.62	39.87	-	66.63	21,741.12
Disclaimers	-	-	-	0.05	-	0.05	12.75
Sub-total Creditors	11.15	-	41.35	102.22	-	154.72	49,544.68
Shareholders							
Shareholders/members	-	-	0.15	-	-	0.15	60.00
Sub-total Shareholders	-	-	0.15	-	-	0.15	60.00
Total of all hours	38.20	1.73	147.13	278.33	-	464.40	
Total of all £	19,258.50	768.65	49,776.79	56,944.25	-	153,252.19	

Our estimated fee, in the table above, has been revised to £153,252.19 and Appendix II shows that the time costs we have incurred to date total £140,852.19. The Joint Liquidators are requesting approval of the above fee estimate which equates to a uplift of £43,249.09 on the previous estimate.

V Staffing, charging, subcontractor and advisor policies and charge out rates

Detailed below are:

- Evelyn Partner LLP's policy in relation to:
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Expense recovery
- Evelyn Partners LLP's current charge out rates

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director or consultant as joint office-holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the case (including our cashiers (which is centralised in London), support and secretarial staff) charge time directly to the assignment and are included in any analysis of time charged. Each grade of staff has an hourly charge-out rate which is reviewed from time to time. Time up to 31 July 2020 is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1 minute units or multiples thereof. The minimum time chargeable is one minute. We do not charge general or overhead costs.

It may be necessary to utilise staff from both the regional and London offices, subject to the specific requirements, eg, geographical location, of individual cases.

This case is predominantly being conducted from the London office.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised in the period covered by this report are set out in appendix V.

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add best value and service to the assignment.

- The expertise and experience of the service provider;
- The provider holds appropriate regulatory authorisations; and
- The professional and ethical standards applicable to the service provider.

Arrangements will be reviewed periodically to ensure that best value and service continue to be obtained.

External professional advisers are third party entities. The insolvency practitioners and their firm do not have any association with any external provider of services and therefore they do not fall within the definition of an associate as defined in Section 435 of the Insolvency Act 1986 and in Statement of Insolvency Practice 9. Payments to external professional advisers for the services they provide are therefore not a category 2 expense as defined in Statement of Insolvency Practice 9 and therefore do not require prior approval from the committee or creditors.

Category 1 expenses do not require approval by creditors. The type of expenses that may be charged as a Category 1 expense to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also, chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 expenses do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 Evelyn Partners LLP's policy is to recover only one type of Category 2 expense, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 expenses.

No Category 2 expenses were incurred and/or recovered in the period.

A schedule of Evelyn Partners LLP's charge out rates was issued to creditors at the time the basis of the liquidators' remuneration was approved.

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from the dates noted in the tables below.

Evelyn Partners LLP	London office	Regional Offices
Restructuring & Recovery Services		
Charge out rates as at 1 July 2020	£/hr	£/hr
Partner / Director	495-570	N/A
Associate Director	380-465	N/A
Managers	285-400	N/A
Other professional staff	125-465	N/A
Support & secretarial staff	105	N/A

Evelyn Partners LLP	London office	Regional Offices
Restructuring & Recovery Services		
Charge out rates as at 1 July 2021	£/hr	£/hr
Partner	590-610	N/A
Director / Associate Director	395-530	N/A
Managers	290-430	N/A
Other professional staff	130-280	N/A
Support & secretarial staff	100-120	N/A

Evelyn Partners LLP	London office	Regional Offices
Restructuring & Recovery Services		
Charge out rates as at 1 July 2022	£/hr	£/hr
Partner	650-670	N/A
Director / Associate Director	420-570	N/A
Managers	280-460	N/A
Other professional staff	205-300	N/A
Support & secretarial staff	100-120	N/A

Notes

- Up to 31 July 2020 time is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1-minute units or multiples thereof.
- It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
- The firm's cashiering function is centralised and London rates apply. Up to 31 July 2020 the cashiering function time is incorporated within 'Other professional staff' rates. Following a change to our time reporting software, from 1 August 2020 the cashiering function time continues to be reported according to the seniority of staff undertaking the work in our time analyses and is split between 'Other professional staff', 'Managers' and 'Associate Director'.
- Partner includes a consultant acting as an office-holder or in an equivalent role.

VI Subcontractors

Provider / Service(s)	Basis of fee arrangement	Initial / revised estimate	B/f from previous period	Costs incurred in current period	Cumulative total	Estimate for future	Anticipated future total	Variance – initial to anticipated	Costs paid in current period	Total costs outstanding at period end
		£	£	£	£	£	£	£	£	£
Former employee of the Company	Fixed daily rate	N/A	NIL	12,750	12,750	NIL	NIL	N/A	12,750	NIL

As detailed at section 7.2 of this report, the costs incurred and paid in this respect relate to the holding of the ADC Landlord premises and are therefore, have been met from the ADC Landlord funding. Accordingly, these costs were not included in the initial expenses estimate, as they have and no bearing on the liquidation funds. These costs are shown on the Joint Liquidators' Trading Account in the prior period at Appendix I.

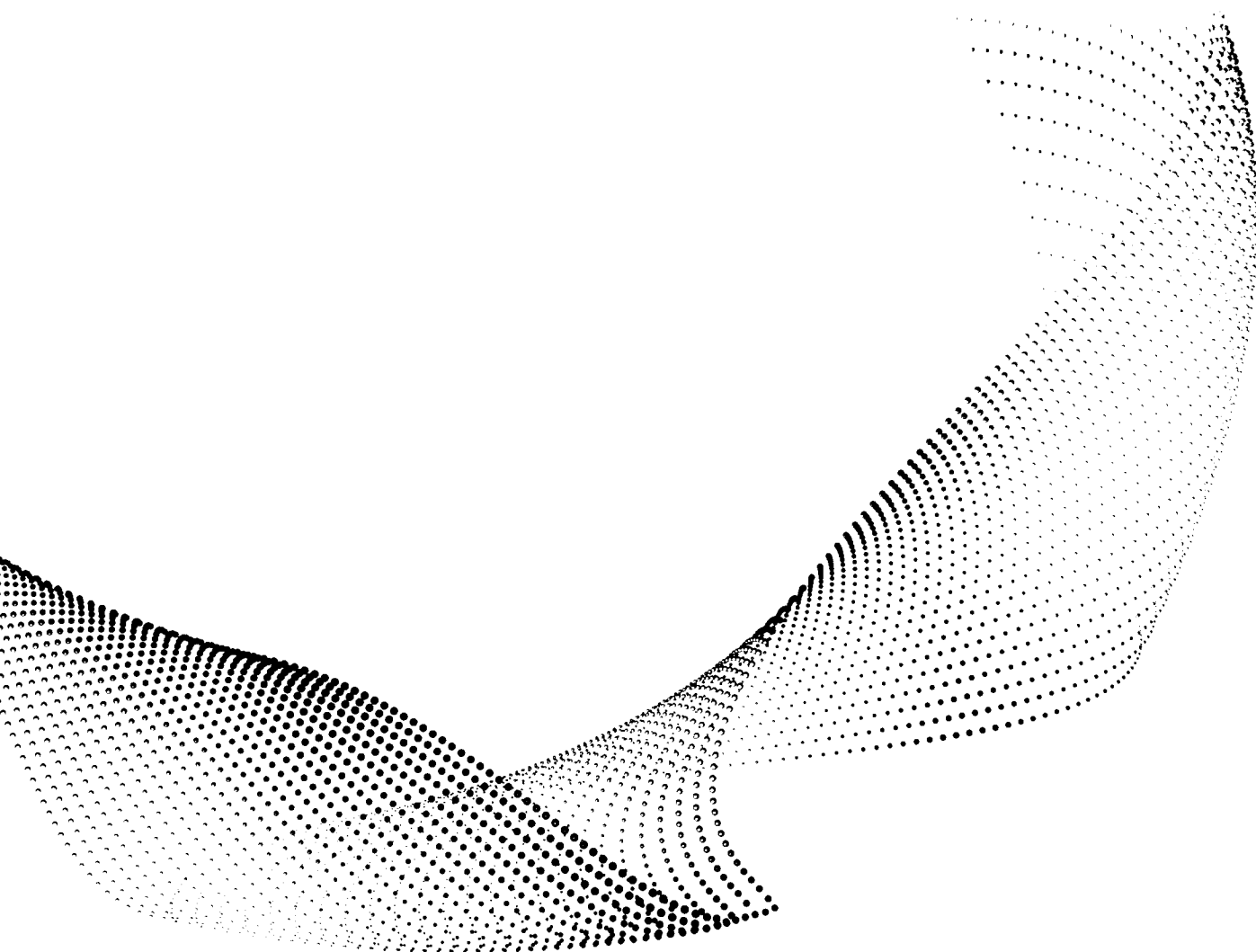
VII Professional advisers

Name of professional advisor	Basis of fee arrangement	Initial / revised estimate £	B/f from prior period £	Costs incurred in current period £	Cumulative total £	Estimate for future £	Anticipated future total £	Variance – initial to anticipated £	Costs paid in current period £	Total costs outstanding at period end £
SIA Asset Ingenuity Limited	Hourly rate, plus 10% commission, plus expenses	60,000	60,540	NIL	60,540	NIL	60,540	540	NIL	NIL
Re: Valuation and sale of assets, return of third-party assets, and site security of leasehold premises.										
ERA Solutions Limited	Fixed fee	2,015	1,970	NIL	1,970	NIL	1,970	(45)	NIL	NIL
Re: Employee claims and pension matters.										
Total		62,015	62,510	NIL	62,510	NIL	62,510	495	NIL	NIL

VIII Liquidators' expenses

Description	Initial / revised estimate £	B/f from previous period £	Costs incurred in current period £	Cumulative total £	Estimate for future £	Anticipated future total £	Variance – initial to anticipated £	Costs paid in current period £	Total costs outstanding at period end £
Insurance of Assets	4,791.53	4,791.53	NIL	4,791.53	NIL	4,791.53	0.00	NIL	NIL
Site Security – Storrington (CCTV, fire alarms, security lights)	409.03	409.03	NIL	409.03	NIL	409.03	0.00	NIL	NIL
Statutory Advertising	182.00	182.00	NIL	182.00	NIL	182.00	0.00	NIL	NIL
Storage (books & records)	2,943.00	2,943.00	NIL	2,943.00	6,000.00	8,943.00	6,000.00	NIL	6,000.00
Utilities – Storrington & Worthing Gym Hub	1,094.73	711.04	NIL	711.04	NIL	711.04	(383.69)	NIL	NIL
Site Security – Storrington (key holding service)	16.67	16.67	NIL	16.67	NIL	16.67	0.00	NIL	NIL
Liquidators' bonds	140.00	140.00	NIL	140.00	NIL	140.00	0.00	NIL	NIL
Total	9,576.96	9,193.27	NIL	9,193.27	6,000.00	14,943.00	5,366.04	NIL	6,000.00

Note: Costs shown at the Joint Liquidators' Trading Account in the prior period are not included in the above table, as those costs have been funded by the ADC Landlord and have no bearing on the Liquidation funds.



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Principal offices: London, Belfast, Birmingham, Bristol, Cheltenham, Dublin, Glasgow, Guildford, Jersey, Salisbury and Southampton.

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