

# April Topco Limited in liquidation

**Remuneration Report: Information to creditors  
including fees estimate**

**6 September 2021**

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# 1. Abbreviations and definitions

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

Abbreviation or definition	Meaning
<b>Company</b>	April Topco Limited
<b>Firm</b>	PricewaterhouseCoopers LLP
<b>IA86</b>	Insolvency Act 1986
<b>IR16</b>	Insolvency (England and Wales) Rules 2016
<b>Preferential creditors</b>	Creditors with claims for: <ol style="list-style-type: none"><li>1. unpaid wages for the whole or any part of the period of four months before 20 June 2019 (up to a maximum of £800);</li><li>2. accrued holiday pay for any period before 20 June 2019; and</li><li>3. unpaid pension contributions in certain circumstances.</li></ol>
<b>Prescribed part</b>	The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
<b>RPS</b>	Redundancy Payments Service (part of the Insolvency Service, an executive agency of the Department for Business, Energy & Industrial Strategy)
<b>Secured creditors</b>	Creditors with security in respect of their debt, in accordance with Section 248 IA86
<b>SIP</b>	Statement of Insolvency Practice (issued by regulatory authorities, setting out principles and key compliance standards with which insolvency practitioners are required to comply)
<b>The Joint Liquidators</b>	David Robert Baxendale and Zelf Hussain
<b>Unsecured creditors</b>	Creditors who are neither secured nor preferential

This report has been prepared by David Robert Baxendale and Zelf Hussain as Joint Liquidators of the Company, solely to comply with the Joint Liquidators' statutory duty to report to creditors under IR16 on the progress of the liquidation, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

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

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

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

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

David Robert Baxendale and Zelf Hussain have been appointed as Joint Liquidators of the Company. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. 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>

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

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

## 2. Background

### 2.1 Purpose of this initial advice to creditors

If a company or individual is facing financial difficulty they may enter a formal insolvency process under the control of an independent external person (an insolvency practitioner). The costs of the proceedings are paid out of the assets of the company or the individual's estate and include the insolvency practitioners' remuneration, which in this case would be our fees for acting as joint liquidators.

We must seek approval on the basis of our remuneration before it is paid and provide the fee approving body with sufficient information for them to make a decision. Insolvency law determines who the fee approving body is (and it depends on the circumstances of the case), but it's usually those creditors who have a direct interest in the amount paid because it impacts on how much those creditors recover.

Changes to insolvency legislation on 1 October 2015 also now require us to give all known creditors details of the work we expect to carry out during the case and the expenses that are likely to be incurred. Also, if our fees are proposed to include remuneration calculated on a time costs basis, we must provide an estimate of those fees. This report provides all this information and details of where further information can be obtained.

### 2.2 Action required by you

The following table gives our current estimates on the likely return for the various classes of creditors. We caution creditors against using data in this report as a basis for estimating the value of their claims or their likely eventual entitlement to payment from the Company's assets.

**Table 1 – Dividend prospects**

Class of creditor	Forecast return	Timing
Secured creditors	N/a	N/a
Preferential creditors	N/a	N/a
Unsecured creditors	Nil	N/a

Where no committee is appointed, the basis of our fees and Category 2 disbursements (as defined in Section 4.1) will be fixed by the general body of creditors. Please read this Remuneration Report carefully before voting on the basis of our fees and disbursements.

#### Creditors' rights

You can find information on liquidator's fees and your rights at

<https://www.r3.org.uk/stream.asp?stream=true&eid=23084&node=257&checksum=321AB6DF0BC57639F727113253E148EA>

### 2.3 How fees are calculated

Insolvency law currently allows fees to be calculated in three ways:

- As a percentage of the value of the property which we realise and/or distribute (often referred to as a "percentage basis");
- By reference to the time properly given by us and our staff attending to the matters arising ("time costs basis"); or
- A set amount (a fixed fee).

The basis of our fees can be a combination of the above and different bases can be used for different parts of our work. The fee approving body decides which basis (or combination of bases) should be used to calculate fees,

once it is satisfied that the fee basis proposed represents the most appropriate mechanism in the circumstances of the case.

Insolvency law says that in determining the basis of our remuneration, regard must be had to the following:

- The complexity (or otherwise) of the case;
- Any exceptional responsibility falling on us;
- The effectiveness with which we are carrying out, or to have carried out, our duties; and
- The value and nature of the property with which we have to deal.

In this case we are proposing that our remuneration is on a fixed fee basis of £16,895 + VAT and in the next section we include details of the work done and likely to be included.

We have now largely completed all the tasks required of us as Liquidators and once our fees are agreed, we will shortly be in a position to issue our final progress report and cease to act. Due to the final level of asset realisations being known and therefore certainty over the outcome of the liquidation, we are proposing to draw the assets available in the estate on a fixed fee basis.

As is standard practice, we have recorded the time spent by us and our staff in dealing with the liquidation. The value of our time spent (were we to request remuneration on a time spent basis) is higher than the amount of our proposed remuneration. In this case therefore, we believe a fixed fee basis is fair and reasonable and the quantum of the fee is limited to the amount available to draw from the estate.

## 2.4 Resolutions to be put to creditors

A set of resolutions will be put for decision by the creditors of the Company. The resolutions we intend to put and the reasons for these are set out below:

Resolution	Reasons for resolution
1. THAT the Joint Liquidators' fees be fixed at £16,895 (plus VAT) as set out in our remuneration report dated 6 September 2021.	<i>This sets the basis for The Liquidators' fees as explained above.</i>
2. THAT the following basis for charging category 2 expenses be approved: <ul style="list-style-type: none"><li>- Photocopying - at up to 10 pence per side copied</li><li>- Mileage - At a maximum of petrol/diesel/hybrid - 64 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc), full electric - 72 pence per mile, bicycle - 12 pence per mile.</li></ul>	<i>Regulation means that we need to obtain approval for the payment of certain expenses. We set out further information on this in section 4.1.</i>

## 3. Our fees estimate

Our previous progress reports set out the strategy followed by The Liquidators and our progress in the liquidation up to 19 June 2021. You can still view our earlier reports on our website, [www.pwc.co.uk/aprilcvls](http://www.pwc.co.uk/aprilcvls). If you require any passwords you can obtain these by getting in contact with Adam Thompson on 0113 289 4000 or at [adam.x.thompson@pwc.com](mailto:adam.x.thompson@pwc.com). Creditors may find it useful to read these documents to provide more information and context to the detailed description set out later in this section.

### 3.1 Overview of the administration strategy and work undertaken

#### Appointment of The Liquidators

- The Company was part of the Evans Cycles group and had been set up as a holding company.
- The main trading entity in the Evans Cycles group, F.W.E Realisations Limited (formerly F.W. Evans Cycles (UK) Limited), entered into administration in October 2018. The Company was part of the same VAT group and therefore jointly and severally liable for a VAT debt owed to HMRC. Upon the administration of F.W.E Realisations Limited, the Company's director resolved that the Company was insolvent and they entered into Creditors' Voluntary Liquidation on 20 June 2019.

After an initial review, we decided the most appropriate strategy was to wind down the Company and realise assets in April Topco Limited.

### 3.3 Work we have done and propose to do

The following table provides details of the work we propose to do (indicated by ☐), have already done (✓) or which is in progress (□). It provides a brief summary for each category rather than an exhaustive list of all possible tasks.

**Table 2 – Work we propose to do**

Category of work	General description	Work included
<b>Assets</b>	Cash at bank	<ul style="list-style-type: none"><li>• Liaising with company's pre appointment bank to arrange sweep of account contents into the estate account held ✓</li></ul>
<b>Creditors</b>	Creditor enquiries	<ul style="list-style-type: none"><li>• Receiving and following up creditor enquiries via telephone, email and post <input type="checkbox"/></li><li>• Reviewing and preparing correspondence to creditors and their representatives <input type="checkbox"/></li><li>• Receipting and filing proofs of debt when not related to a dividend <input type="checkbox"/></li></ul>
<b>Investigations</b>	Conducting investigations	<ul style="list-style-type: none"><li>• Collecting company books and records where related to investigatory work ✓</li><li>• Reviewing books and records ✓</li><li>• Preparing investigation file and lodging findings with the Department for Business, Innovation and Skills ✓</li></ul>
<b>Statutory and compliance</b>	Initial letters and notifications	<ul style="list-style-type: none"><li>• Preparing and issuing all necessary initial letters and notices regarding the liquidation and our appointment ✓</li></ul>
	Remuneration report	<ul style="list-style-type: none"><li>• Preparing and circulating to creditors a report giving details of the work we expect to carry out during the case and the expenses that are likely to be incurred <input type="checkbox"/></li></ul>
	Case reviews	<ul style="list-style-type: none"><li>• Conducting case reviews after the first month, then every six months thereafter <input type="checkbox"/></li></ul>

	Progress reports	<ul style="list-style-type: none"> <li>• Preparing and issuing periodic progress reports to creditors and the Registrar <input type="checkbox"/></li> <li>• Preparing and issuing the liquidators' final account</li> </ul>
	Books and records	<ul style="list-style-type: none"> <li>• Collecting company books and records where not related to investigatory work ✓</li> <li>• Dealing with records in storage <input type="checkbox"/></li> <li>• Sending job files to storage</li> </ul>
	Other statutory and compliance	<ul style="list-style-type: none"> <li>• Filing of documents <input type="checkbox"/></li> <li>• Updating checklists and diary management system <input type="checkbox"/></li> </ul>
<b>Tax &amp; VAT</b>	Tax	<ul style="list-style-type: none"> <li>• Gathering information for the initial tax review ✓</li> <li>• Carrying out tax review and subsequent enquiries ✓</li> <li>• Preparing tax clearance request ✓</li> <li>• Obtaining tax clearance ✓</li> </ul>
	VAT	<ul style="list-style-type: none"> <li>• Gathering information for the initial VAT review ✓</li> <li>• Carrying out VAT review and subsequent enquiries ✓</li> <li>• Preparing VAT returns &amp; application to disband the VAT group <input type="checkbox"/></li> <li>• Liaising with HMRC ✓</li> </ul>
<b>Administration</b>	Strategy and planning	<ul style="list-style-type: none"> <li>• Completing tasks relating to job acceptance ✓</li> <li>• Preparing fee budgets &amp; monitoring cost <input type="checkbox"/></li> <li>• Holding team meetings and discussions regarding status of liquidation <input type="checkbox"/></li> </ul>
	Accounting and treasury	<ul style="list-style-type: none"> <li>• Opening and closing bank account and arranging facilities ✓</li> <li>• Dealing with receipts, payments and journals <input type="checkbox"/></li> <li>• Carrying out bank reconciliations and managing investment of funds <input type="checkbox"/></li> </ul>
	Closure procedures	<ul style="list-style-type: none"> <li>• Completing checklists and diary management system</li> <li>• Closing down internal systems</li> </ul>

Included in the above table are tasks that we must perform that may not directly benefit creditors financially. These typically relate to fulfilling obligations imposed by statute or regulatory bodies, such as the filing of the statement of affairs with the Registrar of Companies, drafting and submitting tax and VAT returns and other statutory matters, and regular communications with the creditors.

### 3.4 Further approval

We do not think we'll need to seek further approval because we do not anticipate there to be further work, other than that of which we are already aware. Furthermore, the assets in the estate are limited to the amount for which we're presently seeking approval, and we do not anticipate any further asset realisations to become available to meet any further fees.



## 3.5 Roles and grades of staff

The following descriptions of each grade of standard staff are a general guide only. From time to time there may be persons working on this assignment who, because of their skills and experience, are employed in positions where they may not necessarily meet all of these qualifications.

Title	Description
<b>Partner</b>	A licensed insolvency practitioner with extensive experience of insolvencies. A partner in PwC and senior member of management with ultimate responsibility (along with joint appointees) for the conduct of the insolvency and decisions on a case. If not an office-holder in relation to the appointment (usually only on large and complex appointments), may be qualified to accept appointments in their own right. Alternatively, may have specialist business or industry skills, and management experience at a senior level, or a combination of skills.
<b>Director</b>	Individuals highly experienced in insolvency matters at a senior level, including managing complex insolvencies and supervising teams. Usually a licensed insolvency practitioner and an office-holder in relation to the appointment with similar decision-making responsibilities. If not an office-holder in relation to the appointment (usually only on large and complex appointments), may be qualified to accept appointments in their own right. Alternatively, may have specialist business or industry skills, and management experience at a senior level, or a combination of skills.
<b>Senior Manager</b>	Experienced in insolvency matters with strong technical knowledge and commercial skills. Capable of supervising teams, often with a project management role on larger cases and/or responsibility for complex aspects of larger matters. Alternatively, may have specialist business or industry skills, and management experience at a senior level, or a combination of skills. Grades of Senior Manager and below have delegated authority to make decisions on behalf of the appointed office-holders in certain aspects of a case.
<b>Manager</b>	Experienced in insolvency matters with well-developed technical and commercial skills. Capable of supervising smaller teams, and can take day-to-day responsibility for smaller to medium matters, or aspects of more complex matters. Alternatively, may have management, business, or industry skills, or a combination of skills.
<b>Senior Associate</b>	Generally has an insolvency qualification or accounting qualification. Assists with planning and control of various aspects of the insolvency, but is primarily responsible for completing fieldwork and/or compliance related matters under the supervision of more senior staff.
<b>Associate</b>	Has appropriate skills to provide administrative support to the team including efficient document preparation and data entry, records management, and general data analytics. Often a part-qualified accountant or works regularly on insolvency matters.
<b>Offshore professionals</b>	Generally a qualified or trainee accountant, depending on the nature of the work. Assists with planning and control of various aspects of the insolvency, but is primarily responsible for completing office work under the supervision of more senior staff.
<b>Support staff</b>	Has appropriate skills to provide administrative support to the team.

## 4. Expenses

### 4.1 What is an expense?

Expenses are defined in SIP9 as amounts properly payable by the office holder from the estate which are not office holders' remuneration or a distribution to creditors. These include disbursements, which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment. They fall into two categories: Category 1 and Category 2:

Expense	SIP9 definition
<b>Category 1</b>	Payments to independent third parties where there is specific expenditure directly referable to the appointment in question.
<b>Category 2</b>	Costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis, or payments to associates of the office holder or their firm.

Our firm's disbursements policy allows for all properly incurred expenses to be recharged to the case. We don't need approval from creditors to draw Category 1 disbursements as these have all been provided by third parties, but we do need approval to draw Category 2 expenses or disbursements as these are for services provided by our firm or an associate. The body of creditors who approve our fees (in this case the unsecured creditors) also have responsibility for agreeing the policies for the payment of Category 2 expenses and disbursements, which in this case are as follows:

<b>Photocopying</b>	At 20 pence per sheet copied, only charged for circulars to creditors and other bulk copying.
<b>Mileage</b>	At a maximum of: <ul style="list-style-type: none"><li>• Conventional engines and hybrids: 64p per mile (up to 2,000 cc) or 80p per mile (over 2,000cc) from time to time.</li><li>• Full electric: 72p per mile</li><li>• Bicycle: 12p per mile</li></ul>

No Category 2 expenses have been incurred by us as Liquidators during the reporting period. The table below sets out details of the Category 1 expenses that have been incurred by PwC and will be recharged to the case (disbursements):

Category	Policy	Costs Incurred (£)
2	Photocopying - At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	-
2	Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc).	-
1	Statutory advertising	231.00
<b>Total</b>		<b>231.00</b>

### 4.2 Our expenses estimate

The following table shows expenses incurred to date and an estimate of further expenses we consider will be (or are likely to be) incurred.

The total expenses estimate for the case is £731.00.

**Table 5 – Expenses estimate**

<b>Nature of expenses</b>	<b>Incurred to date (£)</b>	<b>Estimate of future expenses (£)</b>	<b>Total estimated expenses (£)</b>
Office holders' disbursements	231.00	500.00	731.00
<b>Total expenses</b>	<b>231.00</b>	<b>500.00</b>	<b>731.00</b>

## 5. Professionals and subcontractors

We do not expect that any professionals or subcontractors will be required during the course of this liquidation.

# 6. Notes and assumptions

## 6.1 Expenses

- We have assumed there will be no creditors' committee.
- We have assumed any post appointment tax matters are not complex.
- We are not aware of any other assets to be realised.

## 6.2 Associates

The liquidators have no business or personal relationships with parties responsible for approving remuneration or who provide services to the liquidators in respect of the appointment where the relationship could give rise to a conflict of interest.