

Joint administrators' progress report from 30 October 2020 to 29 April 2021

F.W.E. Realisations Limited

(formerly F.W. Evans Cycles (UK) Limited)
(in administration)

High Court of Justice, Chancery Division,
Business and Property Courts in Leeds,
Insolvency and Companies List (ChD)
Case no. 1106 of 2018

26 May 2021

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Abbreviations and definitions

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

Abbreviation or definition	Meaning
Administrators / we / us / our	David Robert Baxendale and Mark James Tobias Banfield
Addleshaws	Addleshaw Goddard LLP
AIB	Allied Irish Bank Plc
Company	F.W.E. Realisations Limited formerly F.W. Evans Cycles (UK) Limited
Dentons	Dentons LLP
ECI	ECI Partners LLP
Firm / PwC	PricewaterhouseCoopers LLP
HSBC	HSBC Bank Plc
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
LtO	Licence to Occupy (leasehold premises)
Preferential creditors	Creditors with claims for: <ol style="list-style-type: none">1. unpaid wages for the whole or any part of the period of four months before 30 October 2018 (up to a maximum of £800);2. accrued holiday pay for any period before 30 October 2018, and3. unpaid pension contributions in certain circumstances.
Prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA86 and the IA86 (Prescribed Part) Order 2003
ROT	Retention of Title
Secured Creditors	HSBC, AIB & ECI Creditors with security in respect of their debt, in accordance with Section 248 IA86
SIP	Statement of Insolvency Practice (issued by regulatory authorities, setting out principles and key compliance standards with which insolvency practitioners are required to comply)
The Purchaser	Three companies all of whom are ultimately owned by Sports Direct International Plc. The business now trades as Evans Cycles Limited, formerly SDI (Propco 78) Limited.
Unsecured creditors	Creditors who are neither secured nor preferential
Proposals	The joint administrators' proposals for achieving the purpose of administration, dated 5 November 2018

This report has been prepared by David Robert Baxendale and Mark James Tobias Banfield as joint administrators of the Company, solely to comply with their statutory duty to report to creditors under IR16 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

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

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

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person. Please note you should read this report in conjunction with the Joint Administrators' previous reports issued to the Company's creditors, which can be found at www.pwc.co.uk/evanscycles. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

David Robert Baxendale and Mark Tobias Banfield have been appointed as Joint Administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.

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

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Key messages

Why we've sent you this report

We're writing to update you on the progress of the administration of the Company in the six months from 30 October 2020 to 29 April 2021.

Creditors may wish to read this report in conjunction with our previous reports and our Proposals, all of which continue to be available on our website at www.pwc.co.uk/evanscycles. The information provided in those reports is not repeated here unless considered necessary or beneficial for the purposes of this update. Please get in touch with Charlotte Smith at uk_evanscycles@pwc.com if you need the password to access the reports.

How much creditors may receive

The following table summarises the possible outcome for creditors, based on what we currently know.

Class of creditor	Previous estimate (p in £)	Current estimate (p in £)	Timing
Secured creditors			
HSBC/AIB	39	39	Up to 6 months
ECI	Nil	Nil	N/A
Preferential creditors	N/A	N/A	N/A
Unsecured creditors	3.34	3.34	Declared on 30 April 2020 Paid on 28 July 2020

Secured creditors

We have estimated that HSBC and AIB are expected to share distributions totalling £10.84m which represents 39% of their total indebtedness. To date, we have made distributions of £10.5m to these lenders and therefore further distributions are estimated at £0.34m.

Due to the order of priority between the charge holders, ECI is not expected to recover any of its debt. We report to HSBC and AIB separately with regards to the periodic release of funds to them and our most recent update was issued in March 2021.

Preferential creditors

All of the Company's employees transferred to the Purchaser, therefore we are not anticipating any preferential claims.

Unsecured creditors

On 30 April 2020, a first and final dividend was declared to unsecured creditors at a rate of 3.34p/£. In the circumstances of this case, the dividend was available from the prescribed part fund, capped at the statutory maximum amount of £600,000. The costs associated with adjudicating creditors' claims and distributing the funds have been deducted and the net amount of £483,352 was distributed on 28 July 2020. The total amount of admitted unsecured creditor claims was £14,470,233.

Dividends for admitted claims have been paid by cheque and we have been re-issuing cheques where appropriate. We are taking steps to pay the remaining uncashed cheques to the Insolvency Service and creditors will have to write to them directly to recover the funds.

Other than this prescribed part dividend, there will be no further distributions to unsecured creditors.

What you need to do

As advised, we have now declared the first and final dividend to the unsecured creditors by virtue of the prescribed part. Therefore, this report is for your information and you don't need to do anything.

Recap on the administration

For details of the work we have done in prior periods of the administration, please refer to the Proposals and our previous progress reports, which can be found on our case website: www.pwc.co.uk/evanscycles.

When we last reported, the key outstanding matters in the administration were as follows:

- Finalise asset realisations;
- Pay future and final distributions to HSBC and AIB;
- Transfer surplus funds to the Purchaser in respect of the leasehold properties and cash indemnity;
- Reissue any cheques to unsecured creditors where appropriate and pay across unclaimed dividends to the Insolvency Service at the appropriate time;
- Monitor the progress of the class action claims as referred to later in this report; and
- Conclude all statutory matters, including VAT and tax clearance.

This report provides an update on these key outstanding matters.

Progress since we last reported

Leasehold Property

As advised in our previous report, the LtO was terminated on 14 February 2020 as all lease agreements had been dealt with.

We spent time in the previous period chasing refunds from landlords which were due to the Purchaser, in order to conclude our final reconciliation with the Purchaser. The property account in Appendix A shows the amounts paid and received in the period and the total for the administration to date.

During the period, we have repaid the Purchaser £191k (plus VAT), less a further contribution to costs of £10k. This can be seen in the receipts and payments account at Appendix A.

This means that all funds in relation to property matters have been dealt with and all property matters have been finalised.

Book debts

Gift cards and other

We previously reported gift card recoveries of £277k from an opening ledger totalling £428k. During the period, we have recovered £21.3k in respect of gift card debts which we identified had been paid to the Purchaser in error in the prior period.

Class action claim

As advised in our previous report, the Company is part of class action claims in respect of inflated credit card interchange fees and alleged price fixing by truck manufacturers.

As previously reported, we concluded that it would be in the best interests of creditors for the administration to be extended for a further period. Negotiations have ensued with the parties which are believed to have charged inflated credit card fees, however, the quantum and timing of a settlement figure is still unknown but we are hopeful this will occur in the next few months.

Any realisations made in respect of these claims will be caught under HSBC and AIB's floating charges and recoveries will not be available to unsecured creditors. We will provide an update in our next report to creditors, insofar as it does not prejudice any potential settlement discussions.

Bank interest and other receipts

No interest was received during the period on the interest bearing bank accounts due to the current Bank of England base rate.

We have realised £3.3k in respect of sundry debts and refunds, which consist mainly of monthly instalments relating to a Court compensation order.

Third Party Funds - Debtor Overpayments

As advised in our last report, the Company's records suggested that a number of customers paid amounts in excess of the balance owing at the time of our appointment and we had been attempting to return overpayments to them. We have continued to successfully liaise with many of these customers and reduce the amount still held by us to £6.8k.

We believe that we have exhausted efforts to return these funds and given the time that has passed since our appointment, we have concluded that the Company's records may not be accurate in these instances. If no customers contact us in this respect, we will treat the remaining funds as an asset of the Company, distributable to the Secured Creditors prior to closure of the administration.

VAT

During the period, our VAT team has been assisting with managing the VAT affairs of the Company. HMRC is currently experiencing delays in processing VAT returns and as a result, we are still waiting for the payment of VAT refunds, the receipt of which we will continue to monitor.

In addition, we have assessed whether a VAT bad debt relief claim is possible and commercially beneficial to pursue for the creditors. A nominal claim would be possible, however, a significant period of time would have to be spent collating the required documentation and it would be a nominal value at best. Accordingly, we have concluded our work on this matter.

Unsecured creditor dividend

As detailed in our previous progress report, we have distributed the maximum prescribed part fund (after deduction of associated costs) to unsecured creditors and no further distributions are expected.

As a result of the administration's term being extended further to 29 October 2021, we have allowed creditors extra time to bank their dividend cheques and we have organised the reissuing of cheques, where requested to do so.

A small number of creditors have come to light recently and we will reissue a final batch of dividend cheques before paying the remaining uncashed dividend cheques to the Insolvency Service. Once this has occurred, creditors will need to write to them directly to recover the funds.

Investigations and actions

As previously advised, within three months following our appointment, we fulfilled our statutory obligations and filed our submissions on the conduct of the Company's directors with the Insolvency Service, the contents of which are confidential.

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and SIP 2.

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the administration from 30 October 2020 to 29 April 2021.

Our expenses

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses. The statement excludes any potential tax liabilities that we may need to pay as an administration expense in due course because amounts due will depend on the position at the end of the tax accounting period.

Our fees

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

Creditors' rights

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

This information can also be found in the guide to fees at:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

You can also get a copy free of charge by emailing Charlotte Smith at uk_evanscycles@pwc.com.

What we still need to do

Our future work will focus on the following areas:

- Finalise asset realisations;
- Pay future and final distributions to HSBC and AIB;
- Reissue any cheques to unsecured creditors where appropriate and pay across unclaimed dividends to the Insolvency Service at the appropriate time;
- Monitor the progress of the class action claims as referred to above; and
- Conclude all statutory matters, including VAT and tax clearance.

The Company will be dissolved three months after we cease to act as joint administrators.

Next steps

We expect to send our next report to creditors at the end of the administration or in about six months, whichever is the sooner.

If you've got any questions, please get in touch with emailing Charlotte Smith at uk_evanscycles@pwc.com.

Yours faithfully
For and on behalf of the Company



David Baxendale
Joint administrator

Joint administrators' property account *

Statement of Affairs £	From 30/10/2020 To 29/04/2021 £	From 30/10/2018 To 29/04/2021 £
PROPERTY INCOME		
Licence Fees - Rent	(127,016.97)	2,914,834.51
Licence Fees - Service Charges	(10,428.37)	302,610.16
Licence Fees - Insurance	(2,456.17)	58,354.87
Contributions to Legal Costs	NIL	77,921.00
Funding for LTO extension costs	10,000.00	126,000.00
Third party funds - PP indemnity	(51,000.00)	NIL
	(180,901.51)	3,479,720.54
PROPERTY COSTS		
Rents	NIL	2,961,589.22
Service Charges	NIL	261,705.54
Insurance	NIL	52,504.78
Legal Costs - Lease Assignments	NIL	77,921.00
Office holders' fees-% realisations	26,000.00	126,000.00
	(26,000.00)	(3,479,720.54)
TRADING SURPLUS/(DEFICIT)	(206,901.51)	(0.00)

* Referred to as "Trading Surplus/(Deficit)" on previous page

Notes to the receipts and payments account

- All amounts shown exclude VAT unless otherwise stated. The VAT balances collectively represent the amount payable / receivable at the period end. Refunds totalling £317k are due from HMRC. We are chasing HMRC regularly in respect of previous refunds.
- The statement of affairs (estimated to realise) balances for Book Debts and Cash in Transit were as at close of business on 29 October 2018, however receipts on the 30 October 2018, prior to our appointment, have been retained by the Bank as pre-appointment receipts.
- We have shown all transactions in relation to the management of the Company's leasehold property portfolio in the above Property Account.
- All funds are being held with a High Street clearing bank in an account which is interest bearing (subject to the prevailing interest rate).

Appendix B: Expenses

Expenses are defined in SIP9 as any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate. Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

Category:	Definition:
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1	These are payments to persons providing the service to which the expense relates who are not an associate of the office holder.
2	These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

We incurred the following disbursements in the period of this report:

Category	Policy:	Costs incurred £
1	Postage	16
1	Records archiving	1,259
Total		1,275

Our expenses policy allows for all properly incurred disbursements to be recharged to the administration but only once the appropriate approval has been received.

Approval for Category 2 expenses was sought from the secured creditor at the same time as approval for our fees.

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

IR16 defines expenses as all fees, costs, charges and other expenses incurred in the course of the administration. The table below therefore provides details of our expenses properly payable by us as administrators from the estate and includes our fees, but excludes distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

We confirm that we do not consider any of the parties to whom expenses have or will be paid to be associates. All transactions are on a purely commercial basis and parties have been chosen based on their expertise in accordance with the needs of the administration.

	Brought forward	Incurred in the period	Cumulative	Estimated future	Anticipated total	Initial estimate	Variance
	£	£	£	£	£	£	£
Agents' Fees	3,602	-	3,602	-	3,602	4,137	(535)
Duress Payments	1,446	-	1,446	-	1,446	1,446	-
Debt collection fees (1)	5,026	-	5,026	-	5,026	-	5,026
General expenses	-	17	17	-	17	-	(17)
Storage costs	10,379	1,259	11,638	-	11,638	8,000	(3,638)
Bank charges	93	-	93	57	150	150	-
Legal fees & disbursements	45,340	-	45,340	-	45,340	50,000	(4,660)
Statutory advertising	958	-	958	-	958	1,750	(792)
Insurance	8,674	-	8,674	-	8,674	8,964	(290)
Total	75,518	1,276	76,794	1,915	78,709	74,447	4,228

Notes to the expenses account

1. Debt collection fees are in relation to commission deducted at source by a debt collection agent, which has been included as an expense to allow for input VAT recovery.

Appendix C: Remuneration update

The basis of our fees for acting as joint administrators of the Company has been determined by the Secured Creditors as follows:

- A percentage of realisations in relation to work performed for the benefit of (and paid for by) the Purchaser; and
- Time costs for all other work, including dealing with the prescribed part fund.

Further details on each of the above are set out in this Appendix.

Fees as a percentage of realisations

As advised previously, the Company periodically invoiced the Purchaser for our time in attending to matters arising as a result of its extended occupation of the properties. The Secured Creditors agreed that we could draw fees in relation to this work, calculated as 100% of the VAT-exclusive amount invoiced by the Company. This mechanism was chosen in order to avoid interfering with the fees estimated in our Remuneration Report, given the indeterminate amount of work involved. The amount paid has no impact on the creditors of the Company.

As shown in Appendix A and in line with the approval given, prior to the present period we had drawn fees of £100k (plus VAT) from the invoiced contribution to costs of £116k. As discussed earlier in this report, a further £10k was contributed by the Purchaser and, in the current period, we have drawn the final (percentage of realisation) fees of £26k.

Fees on a time cost basis

In our Remuneration Report, we proposed that our fees be determined on a time costs basis and we gave an estimate for those fees of £780k. Included in that amount was an estimate of £80k for dealing with the agreement of creditor claims and distributing the prescribed part fund, which was payable from the fund itself and with the net amount being distributed to creditors.

In accordance with insolvency legislation and in the circumstances of this case, it was for the Secured Creditors to consider the above proposal and their consent was duly obtained.

As summarised in the following table, our time costs for the six-month period of this report were £68k. This represents the work we described earlier in this report, further details of which are set out later in this Appendix. We also provide the total time costs for the administration since our appointment and a comparison to the above estimate and give an indication on the likelihood of seeking further approval to draw fees in excess of the fees estimate.

As previously advised, the Secured Creditors approved an increase in the fees estimate from £780k to £880k as a result of achieving significantly increased asset realisations (when compared to initial expectations), with a resultant net benefit for the administration estate.

We capped our fees for dealing with the prescribed part at £115k (compared to costs to date of £127k), the payment of which can be seen in Appendix A and includes other expenses of £1.6k.

Our hours and average rates

Time costs incurred in the period

Work category	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Total hours	Total cost	Average rate per hour
Strategy and planning									
Project management	2.3	0.5	6.0	-	3.5	12.9	25.0	10,547	422
Asset realisation									
Sale of business	-	-	-	-	-	-	-	-	-
ROT	-	-	-	-	-	-	-	-	-
Book debts and cash-in-transit	-	-	4.8	0.2	0.7	9.1	14.7	5,364	365
Property	-	-	-	-	-	-	-	-	-
Costs of the insolvency process									
Initial letters & notices	-	-	-	-	-	-	-	-	-
Reporting to creditors	-	-	3.5	1.1	0.3	7.8	12.6	4,566	362
Other statutory & compliance	-	0.3	2.0	1.1	7.0	4.5	14.9	5,689	383
Statement of affairs	-	-	-	-	-	-	-	-	-
Managing the Company's affairs									
Accounting & treasury	-	-	4.8	1.3	9.3	9.8	25.2	9,354	371
Pensions	-	-	-	-	-	-	-	-	-
Tax	0.3	-	0.7	0.4	0.6	6.7	8.7	3,538	409
VAT	-	-	7.8	-	10.6	27.5	45.8	17,744	387
Other stakeholders	-	-	-	-	-	-	-	-	-
Group matters	-	-	-	-	-	-	-	-	-
Dealing with creditors									
Secured creditors	-	-	2.3	-	2.0	11.1	15.4	4,839	315
Unsecured creditors (claims agreement)	-	-	0.7	1.2	8.5	2.6	12.9	4,504	349
Creditor enquiries	-	-	-	-	4.2	1.0	5.2	1,262	245
Press, PR & websites	-	-	-	-	0.5	-	0.5	195	390
Grand Total	2.6	0.8	32.5	5.3	47.1	92.7	180.8	67,602	374

Total time costs for the administration

Work category	Total hours (to date)	Total cost (to date)	Estimated future hours	Estimated future cost	Estimated total hours	Estimated total cost	Fees estimate	Variance
Strategy and planning								
Project management	118	54,562	13	4,000	130	58,562	60,802	2,240
Asset realisation								
Sale of business	82	39,197	-	-	82	39,197	31,354	(7,843)
ROT	47	14,570	-	-	47	14,570	18,212	3,642
Book debts and cash-in-transit	292	113,506	24	7,500	315	121,006	96,240	(24,766)
Property	588	139,955	-	-	588	139,955	159,723	19,768
Costs of the insolvency process								
Initial letters & notices	70	19,830	-	-	70	19,830	19,821	(9)
Reporting to creditors	113	42,136	63	20,000	176	62,136	33,859	(28,277)
Other statutory & compliance	272	82,244	24	7,500	296	89,744	37,620	(52,124)
Statement of affairs	8	2,462	-	-	8	2,462	2,462	-
Managing the Company's affairs								
Accounting & treasury	301	86,050	19	6,000	320	92,050	68,349	(23,701)
Pensions	16	7,598	2	500	18	8,098	6,487	(1,611)
Tax	96	42,262	16	5,000	112	47,262	19,296	(27,966)
VAT	372	129,038	28	9,000	401	138,038	54,633	(83,405)
Other stakeholders	1	138	-	-	1	138	138	1
Group matters	0	70	-	-	0	70	70	0
Dealing with creditors								
Secured creditors	155	71,411	16	5,000	171	76,411	56,415	(19,996)
Unsecured creditors (claims agreement)	475	128,915	8	2,500	483	131,415	80,088	(51,327)
Creditor enquiries	158	34,503	2	750	160	35,253	32,458	(2,795)
Press, PR & websites	11	2,641	-	-	11	2,641	2,001	(640)
Grand Total	3,174	1,011,086	213	67,750	3,386	1,078,836	780,028	(298,808)

Further approval

As we have sought and obtained a further extension of the administration to 29 October 2021 to allow for further progress of the class actions claims, we will be liaising with the Secured Creditors at the appropriate time with regards to potentially seeking a further increase in our fees as a result of the additional costs arising. We are likely to do this once we have more clarity on the outcome of the claims.

Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the administration. 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 administration (including our cashiers, support and secretarial staff) charge time directly to the case 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. Work carried out by our cashiers, support and secretarial staff is charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time is charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 hours). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the administration

Grade	Up to 30 June 2020 £/hour	From 1 July 2020 £/hour
Partner	690 (910)	850 (955)
Director	595 (800)	720 (840)
Senior Manager	515 (605)	585 (665)
Manager	405 (525)	475 (575)
Senior Associate	310 (435)	390 (465)
Associate	210 (270)	245 (297)
Support Staff	120 (140)	125 (155)

The charge-out rates in brackets represent rates applicable to staff based in London (or central functions) who charge a relatively small number of hours.

We call on colleagues in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

Grade	Up to 30 June 2020 £	From 1 July 2020 £
Partner	1,520	1,600
Director	1,465	1,465
Senior Manager	1,290	1,355
Manager	775	815
Senior Associate/Consultant	575	605
Associate/Assistant Consultant	305	325
Support Staff	250	230

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the period of this report.

Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work.

Category of work	General description	Work included	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Assets	Debtors	<ul style="list-style-type: none"> Finalising debtor collections; Chasing former customers for the refund of overpayments; Concluding assessment into whether it's beneficial to submit a bad debt relief claim to HMRC; and Posting receipts on our accounting system. 	To ensure returns to the creditors are maximised.	Realises funds for the benefit of Secured Creditors.
	Class action claims	<ul style="list-style-type: none"> Liaising with manager of claims regarding the progress being made and assess any potential recoveries for the Company. 	Our work in respect of the assets have resulted in significant recoveries for the benefit of Secured Creditors.	
Creditors	Creditor enquiries	<ul style="list-style-type: none"> Maintaining and updating the content of our dedicated website for the delivery of initial and ongoing communications and reports; Maintaining a mailbox for creditor enquiries; and Receiving and following up creditor enquiries via telephone, email mailbox and post; . 	To keep creditors informed on the progress of the case.	Work is required by statute and for the proper administration of the case.
	Secured creditors	<ul style="list-style-type: none"> Preparing updates to secured creditors; and Maintaining communications and responding to secured creditors' queries. 		
	Unsecured creditors	<ul style="list-style-type: none"> Dealing with queries from creditors specifically relating to the dividend and reissues of cheques; and Preparing insolvency software to reissue cheques. 		

Dealing with the insolvency process	Books and records	<ul style="list-style-type: none"> Dealing with the records in storage and arranging for invoices to be paid following the extension of the administration. 	To comply with our statutory obligations.	Required by statute/regulations.
	Reporting to creditors	<ul style="list-style-type: none"> Drafting and issuing the fourth progress report, for the period ending 29 October 2020, to the creditors. 		
	Case reviews	<ul style="list-style-type: none"> Conducting six monthly case reviews; and Dealing with statutory and case management prompts on internal systems and keeping these up-to-date. 		
Strategy and planning	Project management and administrator oversight	<ul style="list-style-type: none"> Monitoring costs against fee budget; Ensuring that all matters in the initial strategy are followed; and Holding team meetings and discussions regarding status and progress of administration. 	To ensure case progression and monitoring costs.	Controls efficiencies, time costs and ensures continued case progression towards closure.
Managing the Company's affairs	Tax	<ul style="list-style-type: none"> Preparation for the submission of the October 2019 tax return in the administration; and Ad hoc tax queries. 	To comply with our statutory obligations.	Required by statute/regulations.
	VAT	<ul style="list-style-type: none"> Preparing and submitting the final VAT returns and deregistering for the purpose of VAT Review and maintenance of internal systems; and Liaising with HMRC. 		
	Accounting and treasury	<ul style="list-style-type: none"> Dealing with receipts, payments and journals; and Conducting periodic bank reconciliations. 		

Our future work

We still need to do the following work to achieve the purpose of administration.

Category of work	General description	Work we need to do	Estimated cost £	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Assets	Other assets	<ul style="list-style-type: none"> Monitoring progress of the class action claims and any potential settlement; and Liaising with the managers of the claims providing information where required. 	5,000*	Realises funds for the benefit of creditors.
Creditors	Creditor enquiries	<ul style="list-style-type: none"> Maintaining and updating the content of our dedicated website for delivery of ongoing communications and reports; Maintaining the mailbox for creditor enquiries; Receiving and following up creditor enquiries via telephone, email mailbox and post; and Reviewing and preparing correspondence to creditors and their representatives. 	6,000	Work is required by statute and for the proper administration of the case.
	Secured creditors	<ul style="list-style-type: none"> Preparing final updates to secured creditors; and Making final distributions in accordance with security entitlements. 		
	Unsecured creditors	<ul style="list-style-type: none"> Dealing with any unbanked cheques and reissuing as appropriate; and Sending any unbanked cheques to the Insolvency Services Account. 		

Dealing with the insolvency process	Books and records	<ul style="list-style-type: none"> Dealing with the records in storage and arranging for final invoices to be paid. 	7,500	Required by statute/regulations.
	Case reviews	<ul style="list-style-type: none"> Conducting six monthly case reviews; and Dealing with statutory and case management prompts on internal systems and keeping these up-to-date. 		
Strategy and planning	Project management and administrator oversight	<ul style="list-style-type: none"> Monitoring costs against fee budget; Setting goals and deadlines in order to conclude outstanding matters in the administration in preparation to close the case when appropriate; Ensuring that all matters in the initial strategy are followed; and Holding team meetings and discussions regarding status and progress of administration. 	2,500	Controls efficiencies, time costs and ensures continued case progression towards closure.
Managing the Company's affairs	Tax	<ul style="list-style-type: none"> Submission of final tax return and obtaining tax clearance from HMRC. 	15,000	Required by statute/regulations.
	VAT	<ul style="list-style-type: none"> Preparing and submitting final quarterly VAT return; Review and maintenance of internal systems; and Deregistering the Company for VAT purposes and submitting a final return. 		
	Accounting and treasury	<ul style="list-style-type: none"> Dealing with receipts, payments and journals; Carrying out bank reconciliations; and Corresponding with the bank regarding specific transfers. 		
	Closure	<ul style="list-style-type: none"> Conducting closure review of case; Closing bank accounts; and Closing down internal systems. 		

*the time spent in respect of 'Assets' will be dependent on the time spent in dealing with the class action claims.

Our relationships

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

Details of subcontracted work

We have not subcontracted any work that we would normally do during the period of this report.

Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm	Reason selected	Basis of fees
Legal advice, including: <ul style="list-style-type: none">• General advice following the appointment of the administrators• Assistance with legal matters in relation to the leasehold properties	Addleshaw Goddard LLP	Insolvency expertise	Time costs and disbursements
Legal services in connection to class action claims	Dentons UK and Middle East LLP	Existing advisor to the Company on this matter	Costs funded by a third party. Administration only paying recoverable VAT on invoices.
Collection of rates refunds on properties	CAPA	Insolvency and industry expertise	15% of realisations

We require all third party professionals to submit time costs analyses and narrative or a schedule of realisations achieved (if appropriate) in support of any invoices rendered. We are satisfied with the amounts paid to date, in the circumstances of the case.

Appendix D: Other information

Court details for the administration:	Business and Property Courts in Leeds, Insolvency & Companies List (ChD), Case 1106 of 2018
Company's registered name:	F.W.E. Realisations Limited formerly F.W. Evans Cycles (UK) Limited
Trading name:	Evans Cycles
Registered number:	02784079
Former registered address:	Camino Park James Watt Way Crawley West Sussex RH10 9TZ
Current registered address:	Level 8 Central Square 29 Wellington Street Leeds LS1 4DL
Date of the joint administrators' appointment:	30 October 2018
Joint administrators' names, addresses and contact details:	David Robert Baxendale and Mark Tobias Banfield, of PricewaterhouseCoopers LLP, 7 More London, Riverside, London, SE1 2RT Contact my colleague, Charlotte Smith, at: uk_evanscycles@pwc.com or on 0113 289 4000
Appointer's name:	The directors of the Company, Stephen Trowbridge and Alan Fort
Extension to the initial period of appointment:	Extension of 12 months to 29 October 2020, granted by the Secured Creditors . Extension of 12 months to 29 October 2021, granted by the Court.
