



***The Haycock Hotel LLP  
- in liquidation (“the LLP”)***

**Joint Liquidators' Report to Member  
and Creditors for the period from 7  
February 2020 to 6 February 2021**

**Issued on: 16 March 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   |
|--|---|
| <b>LLP</b>   | The Haycock Hotel LLP   |
| <b>the Liquidators, Joint Liquidators, we, us, our</b> | Graham Douglas Frost and David Robert Baxendale   |
| <b>Period</b>  | 7 February 2020 to 6 February 2021  |
| <b>First Accounting Period</b>                         | 7 February 2020 to 6 August 2020  |
| <b>Second Accounting Period</b>                        | 7 August 2020 to 6 February 2021  |
| <b>ISR86</b>   | Insolvency (Scotland) Rules 1986  |
| <b>IA86</b>  | Insolvency Act 1986   |
| <b>Firm, PwC</b>                                       | PricewaterhouseCoopers LLP  |
| <b>Liquidation Committee/ Committee</b>                | Macdonald Hotels (Management) Limited, Macdonald Ansty Hall Limited and Macdonald Hotels Limited  |
| <b>MHM</b>   | Macdonald Hotels (Management) Limited   |
| <b>CVL</b>   | Creditors' voluntary liquidation  |
| <b>HMRC</b>  | HM Revenue and Customs  |
| <b>Barclays, the bank</b>                              | Barclays Bank Plc   |
| <b>Secured creditors</b>                               | Creditors with security in respect of their debt, in accordance with Section 248 IA86   |
| <b>Preferential creditors</b>                          | Generally, claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances  |
| <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>Purchaser</b>                                       | Asprey Facilities Limited   |
| <b>Radioflight</b>                                     | Radioflight Limited, Joint member of the LLP  |
| <b>Unsecured creditors</b>                             | Creditors who are neither secured nor preferential  |

# Key messages

## Introduction

As you will recall the LLP operated a hotel in Wansford, near Peterborough which had been trading since 2012. The LLP did not own the property it operated from but had an interest in some of the fixtures and fittings.

In May 2019, trading reached unsustainable levels and the LLP faced cash flow difficulties, being financially supported by its members. Accordingly, the members of the LLP made the decision to sell the hotel.

Following a full open market sales process, the hotel was sold to the Purchaser on 14 January 2020 for £1.7m, of which £43k was allocated to the LLP for fixtures and fittings and working capital balances. The LLP's employees were transferred to the purchaser, preserving 25 jobs.

As consideration received from the sale was insufficient to settle the LLP's debts, the members called a general meeting on 7 February 2020 whereby it was determined that the LLP could not, by reason of its liabilities, continue its business and should therefore be wound up voluntarily. Graham Frost and David Baxendale were subsequently appointed as joint liquidators.

This is our report to creditors on our progress in the period 7 February 2020 to 6 February 2021. It also provides notice of the annual meetings for members and creditors of the LLP, required by statute.

## Notice of annual meetings

Notice is hereby given pursuant to Section 105 of the Insolvency Act 1986, that general meetings of members and creditors of The Haycock Hotel LLP will be held at the offices of PricewaterhouseCoopers LLP, Central Square, 29 Wellington Street, Leeds, LS1 4DL on 29 April 2021 at 10:00am and 10:30 am respectively. The meetings are convened for the purpose of receiving the contents of this report, that is, an account of the liquidators' acts and dealings and of the conduct of the CVL in the Period.

No resolutions will be considered at the meetings.

In light of the current pandemic and restrictions imposed by the Governments of England and Scotland, we do not expect that any members or creditors will attend the meetings in person. Assuming that the Governments will continue to keep some COVID-19 restrictions in place and in line with our current office policies, if you do want to attend the meetings in person, please contact George Edmond at [george.edmond@pwc.com](mailto:george.edmond@pwc.com), so that we can make suitable arrangements. We will need to know if you wish to attend at least 72 hours prior to the meetings and will require your email address to which details may be provided as to our internal COVID procedures.

If you wish, you will be able to participate in the meetings by proxy. Please complete the proxy form enclosed. As stated above however, we do not expect to propose or consider any resolutions at the meetings.

## Receipts and Payments to date

The Liquidators' Receipts & Payments Account for the period 7 February 2020 to 6 February 2021 is attached at Appendix 1.

## Liquidators' Actions since Appointment

### Proceeds of sale

Following our appointment, we realised the net proceeds of the sale of the hotel in the sum of £43,793, held by solicitors, as well as cash at bank of £11,502.

We have been liaising with the purchaser of the hotel to establish ownership of funds paid into the LLP's bank account after the sale. This issue has taken longer than we expected, in part due to the Government restrictions as a result of Covid 19, but we have now established that the funds of £39,877.65 shown in our receipts and payments account as third party funds are not an asset of the LLP and will be repaid to the Purchaser.

### **Tax and VAT**

We submitted VAT returns until we were able to deregister the LLP for VAT purposes. We have liaised with our tax colleagues to ensure we comply with our obligations to submit tax returns and to seek tax clearance.

We have received confirmation from HMRC that the LLP has been deregistered for VAT. We are currently taking steps to obtain final tax clearances to enable the liquidation to be concluded.

### **Investigations**

The Joint Liquidators have a duty to submit confidential reports to the Government's Disqualification Unit on the conduct of those persons who were members of the LLP in the three year period before the liquidation. I can confirm that we have complied with our duties in this regard.

## **Future activities of the Joint Liquidators**

We are now looking to bring the liquidation to a conclusion and as stated above, once we have relevant tax clearance, we will submit our final report to the Committee and to the general body of creditors and close the liquidation.

## **Liabilities and Dividends**

### **Secured creditors**

There are no secured creditors in this case.

### **Preferential creditors**

There are no known preferential creditors in this case. Employees were transferred to the purchaser of the hotel.

### **Floating charge creditors**

There is no qualifying floating charge and therefore, the Prescribed Part provisions do not apply. As such, we have not provided an estimate of the value of the LLP's net property or the prescribed part and we do not anticipate an application to Court under Section 176A(5) of the Insolvency Act 1986.

### **Ordinary creditors**

We have received claims of £508,717.95. Unfortunately, there will not be a distribution to unsecured creditors in this case. Costs incurred exceed assets realised and as a consequence there will not be a distribution.

## **Liquidation Committee**

A Liquidation Committee has been formed with the following members:

- Macdonald Hotels (Management) Limited
- Macdonald Hotels Limited; and
- Macdonald Ansty Hall Limited.

The Liquidation Committee is responsible for agreeing our fees and we report to them accordingly. There have been two meetings of the Committee, held in September 2020 and February 2021, to consider the Joint Liquidators' Remuneration, the Receipts and Payments account, disbursements and expenses.

# Joint Liquidators' Remuneration, Disbursements and Expenses

## Basis of remuneration and disbursements

The Liquidation Committee has approved our fees, on a time cost basis as follows:

- Time for the period 7 February 2020 to 6 August 2020 at £27,469.50;
- Time for the period 7 August 2020 to 6 February 2021 at £30,667.45.

Further details of time costs incurred, and other expenses can be found at Appendix II. Our remuneration will be restricted to the funds available in the liquidation..

Explanatory notes regarding the manner in which the Joint Liquidators' remuneration and disbursements are fixed can be found in the document "Creditor's Guide to a Liquidator's Remuneration" which you can access and download from:

[https://www.icas.com/\\_data/assets/pdf\\_file/0016/2266/Creditors-Guide-to-Liquidators-remuneration-Scotland-updated-April-2016.pdf](https://www.icas.com/_data/assets/pdf_file/0016/2266/Creditors-Guide-to-Liquidators-remuneration-Scotland-updated-April-2016.pdf)

Alternatively, a copy is available free of charge upon request from the George Edmond at PwC LLP, Central Square, 29 Wellington Street, Leeds, LS1 4DL.

The Liquidation Committee has approved our receipts and payments account, fees, expenses and disbursements for the First and Second Accounting Periods. You have 14 days from the date of the last approval given by the Committee, which was on 8 March 2021, to object. Please seek legal advice if you wish to exercise your rights under the insolvency legislation and notify us by email to [george.edmond@pwc.com](mailto:george.edmond@pwc.com) if you intend to do so.

## Next Steps

We will be holding the annual meetings of members and creditors as detailed in this report and starting our closure processes.

## Next Report

We expect to send our next report to creditors at the end of the liquidation or in about 12 months, whichever is the sooner.

If you've got any questions, please contact George Edmond on [george.edmond@pwc.com](mailto:george.edmond@pwc.com).

Yours Faithfully,



Graham Frost  
Joint Liquidator

*Graham Frost and David Baxendale have been appointed as joint liquidators of The Haycock Hotel LLP. Graham Frost is licensed in the United Kingdom to act as an Insolvency Practitioner by the Institute of Chartered Accountants of Scotland, David Baxendale is licensed in the United Kingdom to act as an Insolvency Practitioner 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 Data 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 website or by contacting the Joint Liquidators.

## **The Haycock Hotel LLP – in liquidation**

### **Appendix I**

### **The Joint Liquidators' Receipts and Payments Account for the period 7 February 2020 to 6 February 2021**

The following receipts and payments have been approved by the Committee:

| <b>Statement of Affairs (£)</b> |   | <b>7 February 2020 to 6 February 2021 (£)</b> |
|---------------------------------|---|---|
|                                 | <b>Receipts</b>                         |   |
| 55,264.92                       | Cash in hand on appointment             | 55,294.92                                     |
|                                 | Third party funds                       | 39,877.65                                     |
|                                 | Bank Interest Gross (note 1)            | 6.31  |
|                                 | <b>Total receipts</b>                   | <b>95,178.88</b>                              |
|                                 | <b>Payments</b>                         |   |
|                                 | Statutory advertising                   | (788.56)                                      |
|                                 | <b>Total Payments</b>                   | <b>(788.56)</b>                               |
|                                 | <b>Funds held as at 6 February 2021</b> | <b>94,390.32</b>                              |

Note 1: Bank interest was incorrectly applied despite the account being a non interest bearing account. This position has now been rectified and the interest has been removed after the date of this account.

# The Haycock Hotel LLP in liquidation

## Appendix II

### Information relating to the Joint Liquidators' Fees and Expenses

#### 1. Explanation of Joint Liquidators' charging and disbursement recovery policies

##### Time recording

We and our team charge our time for the work we need to do in the liquidation. 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 liquidation (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. For the avoidance of doubt, work carried out by our cashiers, support and secretarial staff is charged on a time costs basis and is included in the analysis of hourly rates charged by partners or other staff members. Work undertaken on cases is recorded in six-minute units in an electronic time recording system. We don't charge general or overhead costs.

Hourly charge out rates have been applied on the basis of whether the PwC resource is undertaking a general insolvency role or whether it is a specialist skill being deployed. The current hourly charge-out rates are set out below.

##### Rate Card

Maximum charge out rates – Business Restructuring Services:

| Grade               | Up to 30 June 2020<br>(£) | From 1 July 2020<br>(£) |
|---------------------|---------------------------|-------------------------|
| Partner             | 910                       | 955                     |
| Director            | 800                       | 840                     |
| Senior<br>Manager   | 605                       | 665                     |
| Manager             | 525                       | 575                     |
| Senior<br>Associate | 435                       | 465                     |
| Associate           | 270                       | 297                     |
| Support staff       | 140                       | 155                     |



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 which include an increase from 1 September 2020.

| Grade            | Up to 30 June 2020<br>(£) | From 1 July 2020<br>(£) |
|------------------|---------------------------|-------------------------|
| Partner          | 1,520                     | 1,600                   |
| Director         | 1,465                     | 1,465                   |
| Senior Manager   | 1,290                     | 1,355                   |
| Manager          | 775                       | 815                     |
| Senior Associate | 575                       | 605                     |
| Associate        | 305                       | 325                     |
| Support staff    | 250                       | 230                     |

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

### Disbursement recovery

Disbursements are categorised as either Category 1 or Category 2.

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Where these have initially been paid by our firm and then recharged to the case, approval from the Court Reporter is not required. The amount recharged is the exact amount incurred.

Examples of Category 1 expenses are postage, case advertising, specific bond insurance, company search fees, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 disbursements include elements of shared or allocated costs incurred by this firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. Examples of Category 2 disbursements are photocopying, all business mileage, internal room hire, and internal storage.

The current levels of Category 2 disbursements, likely to be charged to this case and recovered by the firm are as follows:

- Photocopying            At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying.
- Mileage                    At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc).

## **2. Description of work carried out in the current period**

Section 3 of this appendix outlines the time costs to date in relation to activities undertaken during this period. These can be summarised as follows and in each case staff of different levels were involved in the activities depending upon the experience required.

In addition to the details provided earlier in this report, the following activities have been undertaken:

### **Administration and planning**

- Statutory duties associated with the appointment including the filing of relevant notices;
- Notification of the appointment to members and creditors
- Setting up case files;
- Maintaining records, filing
- Reviewing available information to determine appropriate strategy;
- 6 monthly progress reviews of the case,
- Meeting other statutory, regulatory, and reporting obligations as required.

### **Investigations**

- Corresponding with the members and management;
- Review of questionnaires and comments provided by interested parties;
- Review of LLP's records;
- Completion of statutory returns to the Department of Business, Energy and Industrial Strategy

### **Creditors**

- Recording and maintaining the list of creditors;
- Dealing with reservation of title claims;
- Recording creditor claims;
- Reporting to creditors;
- Dealing with creditor queries;

### **Assets**

- Liaising with the Bank to recover funds and close the LLP's bank account;
- Deal with claims of third parties to funds received post sale into the LLP's bank account;
- Requesting and receive funds held by solicitors.

### **Liquidation Committee**

- Obtaining relevant consents to act;
- Submitting statutory forms to the Registrar of Companies;
- Preparation of our reports to the Committee;
- Ad hoc correspondence with the Committee members' representatives;
- Dealing with changes in members' representatives.

### **Accounting and treasury**

- Setting up and maintaining bank accounts;
- Bank reconciliations;
- Correspondence with the bank;
- Maintaining receipts and payments accounts;
- Reviewing invoices and processing for payment.

## VAT

- Submission of the quarterly VAT return;
- Deregistering for VAT purposes;
- Liaising with HMRC;
- Submission of final VAT return.

### 3. Time and charge out summary

For the period of this report from 7 February 2020 to 6 February 2021, a total of 165.60 hours has been spent at an average charge out rate of £405.52 bringing the total cost to £67,153.95.

The table below shows details of the time costs charged (excluding VAT) in the current period as approved by the Liquidation Committee in September 2020 and February 2021.

|                                  | Partner     | Director    | Senior Manager | Manager      | Senior Associate | Associate/ Other | Hours         | Total Cost (£)   | Average Hourly Cost (£) |
|----------------------------------|-------------|-------------|----------------|--------------|------------------|------------------|---------------|------------------|-------------------------|
| Accounting and Treasury          |             |             | 0.10           | 3.00         | 13.15            | 1.75             | 18.00         | 6,384.00         | 354.67                  |
| Assets                           |             |             |                | 4.15         | 3.80             |                  | 7.95          | 3,446.25         | 433.49                  |
| Closure Procedures               |             |             |                | 0.20         |                  |                  | 0.20          | 95.00            | 475.00                  |
| Creditors                        |             |             |                | 2.20         | 2.05             | 1.90             | 6.15          | 1,702.50         | 276.83                  |
| Employees and Pensions           |             |             | 0.10           |              |                  |                  | 0.10          | 84.00            | 840.00                  |
| Investigations                   |             | 1.10        | 0.20           | 15.55        | 6.95             |                  | 23.80         | 8,879.25         | 373.08                  |
| Other                            |             |             |                | 2.50         |                  | 0.55             | 3.05          | 1,039.45         | 340.80                  |
| Reporting to Appointor/Committee |             | 2.40        |                | 1.85         | 12.75            |                  | 17.00         | 7,779.25         | 457.60                  |
| Statutory and Compliance         | 1.50        | 1.80        |                | 31.00        | 25.75            | 0.60             | 60.65         | 22,578.00        | 372.27                  |
| Strategy and Planning            |             |             | 1.40           | 1.55         | 9.05             |                  | 12.00         | 3,894.25         | 324.52                  |
| Tax and VAT                      |             |             | 1.40           | 6.10         | 9.20             |                  | 16.70         | 11,272.00        | 674.97                  |
| <b>Grand Total</b>               | <b>1.50</b> | <b>5.30</b> | <b>3.20</b>    | <b>68.10</b> | <b>82.70</b>     | <b>4.80</b>      | <b>165.60</b> | <b>67,153.95</b> | <b>405.52</b>           |

We reported total time costs for the period to the Committee as £58,136.95 with hours charged totalling 140.36 and they have approved our fees at this level. We will not be seeking approval to draw any further fees other than those already approved. These figures are for information purposes and do not affect the overall position for creditors.

### ***Statement of Outlays and Disbursements***

Disbursements incurred during the period of this report and those reimbursed in the period are detailed below:

| <b>Category 1</b>     | <b>Incurred<br/>Current Period (£)</b> | <b>Paid<br/>Current Period (£)</b> |
|-----------------------|--|------------------------------------|
| Statutory advertising | 788.56                                 | 788.56                             |
| Bonding               | 225.00                                 | 225.00                             |
| Postage               | 65.00                                  | 65.00                              |
| <b>Category 2</b>     |  |                                    |
| Printing              | 140.00                                 | 140.00                             |
| <b>Total</b>          | <b>1,218.56</b>                        | <b>1,218.56</b>                    |

The category 2 disbursements were approved by the Liquidation Committee in September 2020.

### ***Professional advisors and expenses***

The Joint Liquidators have not instructed professional advisors and have therefore not incurred any associated expenses.

# The Haycock Hotel LLP in liquidation

## Appendix III

### Other Information:

|  |  |
|--|--|
| <b>Company's registered name:</b>                              | The Haycock Hotel LLP  |
| <b>Registered number</b>                                       | SO303723   |
| <b>Registered address</b>                                      | Level 8, Central Square, 29 Wellington Street, Leeds, West Yorkshire, LS1 4DL  |
| <b>Date of the Joint Liquidator's appointment</b>              | 7 February 2020  |
| <b>Joint Liquidators' names, addresses and contact details</b> | Graham Douglas Frost: 114 Morrison Street, Edinburgh, EH3 8EB<br><br>David Robert Baxendale: 7 More London, Riverside, London, SE1 2RT |
| <b>Contact email</b>   | george.edmond@pwc.com  |
| <b>Contact number</b>  | 074839355755   |