



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

**Joint Liquidators' Final Report to
Members and Creditors.**

Issued on: 31 August 2021

Table of contents

Abbreviations and definitions	3
Key messages	4
Liquidators' actions since appointment	6
Liabilities and dividends	6
Liquidation Committee	7
Liquidators' remuneration, disbursements and outlays	8
Appendix I: Receipts and payments	9
Appendix II: Outlays	10
Appendix III: Other information	16
Appendix IV: Notice of final meetings	17

Abbreviations and definitions

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

Abbreviation or definition	Meaning
the LLP	The Haycock Hotel LLP
the Liquidators, we, us, our	Graham Douglas Frost and David Robert Baxendale
First Accounting Period	7 February 2020 to 6 August 2020
Second Accounting Period	7 August 2020 to 6 February 2021
Third Accounting Period	7 February 2021 to 6 August 2021
ISR86	Insolvency (Scotland) Rules 1986
IA86	Insolvency Act 1986
Firm, PwC	PricewaterhouseCoopers LLP
Liquidation Committee	Macdonald Hotels (Management) Limited, Macdonald Ansty Hall Limited and Macdonald Hotels Limited
CVL	Creditors' voluntary liquidation
HMRC	HM Revenue and Customs
the Bank	Barclays Bank Plc
Secured creditors	Creditors with security in respect of their debt, in accordance with Section 248 IA86
Preferential creditors	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
Prescribed Part	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
Purchaser	Asprey Facilities Limited
Unsecured creditors	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. 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, 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 determined at a general meeting on 7 February 2020, 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 following meetings of creditors and members held on that date.

Why we have sent you this report

We're writing to tell you that the Company's affairs are now fully wound up and we are required to provide you with our final report on the liquidation, including an update since our last report.

You can still obtain copies of earlier reports by emailing George Edmond at george.edmond@pwc.com or on our website at www.pwc.co.uk/haycock.

Notice of final meetings

The work we need to do has now finished and we're required to hold final meetings of members and creditors in accordance with section 106 IA86. Attached to this report is a notice of these meetings and a proxy form. We are also required to advertise this meeting in the Edinburgh Gazette.

The purpose of the meetings is to present this report and for the creditors to consider our release. No formal resolutions will be considered but creditors may propose a resolution against our release. If there is no such resolution, we'll automatically be released from liability in respect of our actions undertaken as liquidators.

If you require further explanation of any aspects of this report, but don't wish to attend the meeting, please write to George Edmond, PricewaterhouseCoopers LLP Floor 8, Central Square, 29 Wellington Street, Leeds, LS1 4DL or alternatively please email george.edmond@pwc.com.

We must have regard to the convenience of creditors when convening any general meeting. From experience, creditors don't often attend such meetings and so this meeting is being convened at our offices at Floor 8, Central Square, 29 Wellington Street, Leeds, LS1 4DL in order to reduce costs. In light of the current pandemic restrictions however, we do not expect that any creditors or members will attend the meeting in person. If you do want to attend the meeting in person, please contact George Edmond at george.edmond@pwc.com, so that we can make suitable arrangements. We will need to know if you wish to attend at least 24 hours prior to the meeting in order that we can provide your details to our office staff to enable you to access our offices.

If you wish, you will be able to participate in the meeting by proxy. Please complete the proxy form enclosed.

If you wish to attend the meeting but think the venue is inconvenient, it can be reconvened at an agreed venue if you contact us within the next 7 days. This is to ensure all other creditors can be told about the revised arrangements.

If you want to vote at the meeting or propose a resolution, the following paragraphs will apply:

Individual creditors (not limited companies):

You can vote by simply attending the meeting, provided a proof of debt has been lodged at the address stated in the notice of the meeting before or at the meeting in accordance with the requirements set out under the ISR86. If you don't attend the meeting you may complete a proxy form to nominate:

- someone else to attend and vote for you; or
- the chair to vote on your behalf.

The proxy form needs to be signed by you.

Limited companies:

A company is not physically able to attend meetings, so it must appoint someone to attend on its behalf by:

- completing and returning a proxy form (even if you're a director); or
- producing at the meeting a sealed or certified copy of a board resolution authorising you to represent that company at the meeting.

A company can also complete and return a proxy form to nominate:

- someone else to attend and vote as its representative; or
- the chair to vote as its representative.

The proxy form needs to be signed by someone authorised to sign on behalf of that company and the nature of that person's authority should be stated.

A proof of debt also needs to be lodged at the address stated in the notice of the meeting either before or at the meeting of creditors.

Important information if you are submitting a proxy:

A proxy holder can vote either on your instruction or at their discretion as indicated on the completed proxy form. The proxy form must be lodged at the address stated in the notice of the meeting, this may be lodged before or at the meeting of creditors.

If you wish, you will be able to participate in the meeting by proxy. Please complete the proxy form enclosed.

Receipts and payments to date

The Liquidators' draft Receipts & Payments Account for the period 7 February 2021 to 30 September 2021 is attached at Appendix 1, together with the brought forward balance from the previous periods. This is provided purely for your information and you are not required to take any action.

We have also provided an estimate of our remaining payments up to the closure of the liquidation. We will confirm to creditors at the final meeting that all fees and outlays have been paid and the liquidation account stands at nil as indicated.

Liquidators' actions since appointment

Third party funds

We refer to the content of our previous report in which we indicated that we were holding third party funds totalling £39,878, which were subsequently paid to the Purchaser. Since then, we were made aware of a further tranche of third party funds. We have investigated further and determined we have no interest in these funds and requested that they be paid direct to the Purchaser.

Following a resolution of these matters, we consider all third party funds issues now to be concluded.

Tax and VAT

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

Since our last report to creditors, we have requested tax clearance from HMRC, advising that we would assume clearance within eight weeks of our request. No formal response was received and given the passage of time we have now assumed tax clearance has been given.

Investigations

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 Statement of Insolvency Practice No.2.

Liabilities and dividends

Secured creditors

There are no secured creditors in this case.

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.

Preferential creditors

We have been notified of a potential preferential creditor during the Third Accounting Period however given costs incurred exceed asset realisations, a distribution has not been made to preferential creditors. Employees were transferred to the Purchaser.

Ordinary creditors

We have received claims of £508,718. Costs incurred exceed assets realised and thus there will not be a distribution to unsecured creditors.

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 have reported to them accordingly. The Liquidation Committee has approved written resolutions to determine our remuneration, receipts and payments accounts, disbursements, and outlays.

We will obtain final approval from the Liquidation Committee in respect of our final receipts and payments account and outlays for the Third Accounting Period in due course and prior to the final meeting of creditors and members.

Liquidators' remuneration, disbursements and outlays

Basis of remuneration and outlays

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.

As there are insufficient funds realised to draw these fees in full, we have not sought from the liquidation committee, a determination of fees for the period 7 February 2021 to 6 August 2021 or to the date of our release. We can confirm however that time costs were incurred in the sum of £55,020.50 during the Third Accounting Period.

Total time costs for the period 07 February 2020 to 6 August 2021 were £123,850. Costs incurred have been significantly higher than anticipated, mainly because of our investigations into who should benefit from the third party funds. Further details of time costs incurred, and other outlays can be found at Appendix II.

We will provide an update of our final costs to creditors at the meeting to be held on 30 September 2021.

Explanatory notes regarding the way our remuneration and outlays 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

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 or alternatively by contacting george.edmond@pwc.com.

What we still need to do

The winding up of the LLP is now complete. As previously stated, we have convened meetings of members and creditors to lay before members and creditors our final account as approved by the Liquidation Committee and to seek our release as Liquidators.

Following the final meetings, we will send a copy of this final account to the Registrar of Companies with a statement confirming the outcome of the creditors and members meetings and will seek release in accordance with the ISR86.

If you've got any questions, please contact George Edmond on 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 Liquidators' draft receipts and payments account for the period 7 February 2020 to 30 September 2021

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

Statement of Affairs (£)	Floating Charge Assets	7 February 2020 to 6 February 2021 (£)	7 February 2021 to 30 September 2021 (£)	Cumulative (£)
Receipts				
55,264.92	Cash in hand on appointment	55,294.92	-	55,294.92
	Third Party Funds	39,887.65	-	39,887.65
	Total receipts	95,172.57	-	95,172.57
Payments				
	Statutory advertising	(788.56)	(87.00)	(875.56)
	Liquidators' fees	-	(53,972.52)	(53,972.52)
	Liquidators' outlays	-	(436.84)	(436.84)
	Third party funds	(39,877.65)	-	(39,877.65)
	Bank charge	-	(10.00)	(10.00)
	Total payments	(40,666.21)	(54,506.36)	(95,172.57)
	VAT control account	-	-	-
	Cash at bank	54,506.36	0.00	0.00

Note 1: Bank interest was incorrectly applied despite the account being a non-interest-bearing account and has since been repaid.

Note 2: We confirm there were insufficient funds for a prescribed part distribution as stated above therefore the amount paid was £0.00.

Note 3: Amounts shown above exclude VAT.

The Haycock Hotel LLP – in liquidation

Appendix II

Information relating to the Liquidators' fees and outlays

Outlays

The following table provides details of our outlays. Outlays are amounts properly payable by us as liquidators from the estate.

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

	Brought forward from preceding period	Incurred in the period under review	Cumulative	Paid
	£	£	£	£
Statutory Advertising	788.56	87.00	875.56	875.56
Postage	65.00	118.00	183.00	72.00
Printing	140.00	281.00	421.00	139.84
Liquidators' fees	64,550.50	55,020.50	119,571	53,972.52
Total	993.56	477.00	1,470.56	55,452.08

Disbursements recovery

Disbursements are categorised as either Category 1 or Category 2.

Category 1 disbursements will generally comprise of 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 is not required. The amount recharged is the exact amount incurred.

Examples of Category 1 outlays are postage, case advertising, specific bond insurance, company search fees, invoiced travel and properly reimbursed outlays 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 the Liquidators 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. Where these have initially been paid by our firm and then recharged to the case, approval, in this case, from the Liquidation Committee is required before they can be paid.

The current levels of Category 2 disbursements, likely to be charged to this case and recovered by the Liquidators 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).

Statement of outlays and disbursements

The table below shows all outlays and disbursements incurred during the course of the liquidation to 30 September 2021:

Category 1	Costs incurred (£)
Statutory advertising	788.56
Bonding	225.00
Postage	183.00
<hr/>	
Category 2	Costs incurred (£)
Printing	421.00
Total Incurred	1,617.56

During the duration of the liquidation, disbursements have been paid in the sum of £436.84 which were approved by the Committee following the first accounting period. All remaining disbursements incurred will not be drawn due to insufficient funds available in the liquidation.

Professional advisors and outlays

We have not instructed professional advisors and have therefore not incurred any associated outlays.

Payments to associates

There have been no payments made to associates during the course of the liquidation.

Details of subcontracted work

We have not subcontracted any work during the liquidation which could be completed by our staff.

Explanation of 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.

We may also call on colleagues in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. Their specialist charge-out rates may vary.

The maximum charge out rates are set out below.

Rate Cards

Specialist maximum charge out rates:

Grade	From 1 July 2019 (£)	From 1 July 2020 (£)	From 1 July 2021 (£)
Partner	1,520	1,600	1,230
Director	1,465	1,465	1,000
Senior Manager	1,290	1,360	930
Manager	775	815	675
Senior Associate	575	605	530
Associate	305	325	320
Support staff	250	230	145

Business Recovery Services maximum charge out rates:

Grade	From 1 July 2019 (£)	From 1 July 2020 (£)	From 1 July 2021 (£)
Partner	910	955	980
Director	800	840	865
Senior Manager	605	665	685
Manager	525	575	595
Senior Associate	435	465	480
Associate	325	297	350
Support staff	140	155	160

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

Time and charge out summary

The time costs for the period for the current accounting period from 7 February 2021 to 6 August 2021 are set out below. A total of 121.20 hours were incurred in the third accounting period at a cost of £55,020.50 with an average hourly rate of £453.96. As there are insufficient funds available to draw the fees already approved in full, we will not be seeking Committee approval of our fees for this period and therefore this is for information purposes only:

	Partner	Director	Senior Manager	Manager	Senior Associate	Associate/ Other	Hours	Total Cost (£)	Average Hourly Cost (£)
Accounting and Treasury				0.80	5.95	3.50	10.25	3,575.50	348.83
Assets				2.00	5.25		7.25	3,034.25	418.52
Closure Procedures			0.70	8.60	3.40		12.70	5,985.50	471.30
Creditors				0.70	1.55	1.70	3.95	1,397.25	353.73
Employees and Pensions			2.15	0.70	2.05	3.50	8.40	4,102.75	488.42
Reporting to Appointor/Committee		4.40	0.30	7.00	14.40		26.10	12,855.25	492.54
Statutory and Compliance	0.50	1.50	0.40	8.60	24.85	0.65	36.50	16,078.00	440.49
Strategy and Planning			0.40	1.60	4.10		6.10	2,643.50	433.36
Tax and VAT			1.10	3.90	4.95		9.95	5,348.50	537.54
Grand Total	0.50	5.90	5.05	33.90	66.50	9.35	121.20	55,020.50	453.96

Total time costs for the period 7 February 2020 to 6 August 2021 are 283.50 hours at a total cost of £123,850, with an average hourly rate of £436.86. We'll provide details of our final costs at the final meeting of creditors.

Description of work carried out from 7 February 2020 to 30 September 2021

Time costs to date in relation to activities undertaken during the liquidation can be summarised below. In each case staff of different levels were involved in the activities depending upon the experience required. Tasks marked with an * are still to be done as at the date of this report.

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.

Whilst not having a direct benefit to creditors, this work ensures that funds are properly accounted for.

Assets

- Liaising with the Bank to recover funds and close the LLP's bank account;
- Liaising with the LLP's solicitors to realise funds held by them, following the sale of the hotel;
- Dealing with claims of third parties to funds received post sale into the LLP's bank account and held by the merchant provider.

This work ensured that assets of the LLP were realised.

Closure procedures

- Drawing the Liquidators' final remuneration;
- Payment of any outstanding outlays and disbursements*;
- Completion of final statutory advertising*;
- Closure of the bank account*;
- Convening and holding the final meetings*;
- Closing formalities*.

This work is required by statute.

Creditors

- Recording and maintaining the list of creditors;
- Dealing with reservation of title claims;
- Recording creditor claims;
- Reporting to creditors;
- Convening and holding annual meetings;
- Dealing with creditor queries.

Our work in this area ensured that creditors' claims were properly dealt with and that we have adhered to statutory requirements in respect of reporting to creditors.

Employees and pensions

- Dealing with statutory notices to pension scheme;
- Liaising with pension schemes to agree claim;
- Notifying the Redundancy Payments Service so that they can process claim;
- Submitting relevant RP1 and RP 14 forms;
- Replying to ad hoc queries;
- Issuing final notices*.

This work has ensured that our statutory obligations have been met and the pension scheme can make a claim from the Redundancy Payments Service for outstanding contributions.

Reporting to the 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;
- Recording approval of resolutions;
- Dealing with changes in members' representatives.

We have reported to the Liquidation Committee in accordance with our statutory obligations.

Statutory and compliance

- 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, including sederunt book;
- Reviewing available information to determine appropriate strategy;
- 6 monthly progress reviews of the case;
- Commencement of closure of the liquidation including preparation of the final account;
- Meeting other statutory, regulatory, and reporting obligations as required;
- Corresponding with the members and management;
- Review of members' questionnaires and comments provided by interested parties;
- Completion of statutory returns to the Department of Business, Energy and Industrial Strategy.

The work described here is required by statute or our regulatory bodies.

Strategy and planning

- Reviewing available information to determine appropriate strategy;
- 6 monthly progress reviews of the case, as required by our regulatory body;
- Meetings and discussions within the case team to ensure case progression.

Our work here had no direct financial benefit to creditors but ensured that outstanding matters were identified and progressed.

Tax and VAT

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

This work was required by statute.

The Haycock Hotel LLP – in liquidation

Appendix III

Other information:

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

The Haycock Hotel LLP – in liquidation

Appendix IV

Notice of final meetings

NOTICE IS HEREBY GIVEN, pursuant to Section 106 of the Insolvency Act 1986, that final meetings of members and creditors of the above-named LLP will be held at the offices of PricewaterhouseCoopers LLP, Floor 8, Central Square, 29 Wellington Street, Leeds, LS1 4DL on 30 September 2021 at 11.00am and 11.15am respectively, for the purpose of receiving an account of the liquidators' acts and dealings and of the conduct of the winding up.

If you are not attending the meetings, in order to be entitled to vote, creditors must ensure that proxies are returned no later than the start of the meeting, to PricewaterhouseCoopers LLP, Central Square, 29 Wellington Street, Leeds, LS1 4DL.

If you have not already done so, creditors must submit a statement of claim either at or before the meeting.

No formal resolutions will be put to the meeting; however, creditors may resolve against the joint liquidators' release. In the absence of such a resolution, the joint liquidators will automatically be released from any liabilities they may have incurred.

Dated: 31 August 2021



Graham Frost
For Graham Frost and David Baxendale
Joint Liquidators