

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

29 November 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 the Joint Administrators' 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

I'm writing to update you on the progress of the administration of the Company in the six months from 30 April 2021 to 29 October 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	Current estimate (p in £)	Previous 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 £11.04m which represents 39% of their total indebtedness. To date, we have made distributions of £10.67m to these lenders and therefore further distributions are estimated at £0.37m.

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

As previously reported, 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 the adjudication of 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 were paid by cheque. We have now taken steps to pay uncashed cheques to the Insolvency Service so 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;
- 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

Class action claims

As advised in our previous report, at the time of our appointment the Company was party to two class action claims in respect of inflated credit card interchange fees and alleged price fixing by truck manufacturers.

Interchange fees claim

In the period of this report and following lengthy negotiations, we are pleased to report that a settlement has been reached with Mastercard and Visa and accordingly, the Company's involvement in this class action has come to an end. The company received damages of £261k after costs, which can be seen on the receipts and payments account at Appendix A. Our solicitors advised that this was the most timely and economical outcome and if the settlement offer was rejected, the next step would be proceeding with litigation which could take a number of years to conclude. Based on this advice, we accepted the settlement offer (together with in excess of 75% of all other creditors party to the class action) and no further realisations will be made from this source.

Truck cartel claim

The claim surrounding the alleged price fixing by truck manufacturers is being handled by the Road Haulage Association. Due to uncertainty surrounding the length of time this matter could take to settle, we are considering our options in relation to this claim and expediting its resolution and are exploring the possibility of selling our claim to a third party.

We will update creditors on the outcome of these considerations in our next report .

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 £9.6k in respect of sundry debts and refunds, which consist mainly of monthly instalments relating to a Court compensation order, along with rates refunds from the Councils of Crawley and Edinburgh.

Third Party Funds - debtor overpayments

As previously advised, 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 now intend to treat the remaining funds as an asset of the Company, distributable to the Secured Creditors in advance of the closure of the administration.

VAT

As stated in our previous report, our VAT team has been assisting with managing the VAT affairs of the Company. Due to the delay HMRC is experiencing in processing VAT returns, we are still waiting to receive the VAT refunds due to the estate.

Following discussions with HMRC, it recently came to light that a post-appointment Real Time Information (RTI) return had been submitted under the Company's PAYE scheme in December 2018 which resulted in a liability showing on the Company's account. As the liability was never paid, the liability is still showing as outstanding under the company's reference.

We have had numerous conversations with HMRC to ascertain a resolution to this issue, with various HMRC agents advising different methods. We've now escalated the matter within HMRC and the escalation team have suggested a solution which is being actioned. We will update creditors on the progress of this matter in our next report.

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.

We have since contacted all creditors with large outstanding dividend amounts to ascertain whether we could pay their outstanding dividend via BACS. None of these creditors responded so we made arrangements to pay the cheques to the Insolvency Service Unclaimed Dividends Unit and close the bank account.

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 April 2021 to 29 October 2021.

Extension to the administration

Since we last reported, we have prepared an application to the Court and a witness statement to support our view that the administration should be extended to allow us to recover the outstanding VAT refunds.

To support our application to Court, we obtained approval of the extension from all of the Secured Creditors.

We can confirm that on 8 October 2021, we received the Court order confirming that an extension of a further 12 months had been granted, bringing the current administration period to an end on 29 October 2022 (unless further extended).

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/2021/administration-creditor-fee-guide-1-april-2021.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;
- Continue to pursue the VAT refund from HMRC;
- Upon receipt of the VAT refund, pay future and final distributions to HSBC and AIB; 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 30/04/2021 To 29/10/2021 £	From 30/10/2018 To 29/10/2021 £
PROPERTY INCOME		
Licence Fees - Rent	NIL	2,914,834.51
Licence Fees - Service Charges	NIL	302,610.16
Licence Fees - Insurance	NIL	58,354.87
Contributions to Legal Costs	NIL	77,921.00
Funding for LTO extension costs	NIL	126,000.00
	NIL	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	NIL	126,000.00
	NIL	(3,479,720.54)
TRADING SURPLUS/(DEFICIT)	NIL	(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 outstanding 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.
- With regard to the interchange claim - due to confidentiality clauses agreed as part of settlement, we are not permitted to disclose the quantum of the Company's share of professional costs associated with the action. However we can confirm that the Company's contribution was proportionate to its share of the class action claim.
- 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 amounts properly payable by us as administrators from the estate, but excludes our fees and distributions to creditors.

These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

Expenses fall into two categories:

Category:	Definition:
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 don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors who approve our fees (in this case the Secured Creditors) also have the responsibility for agreeing the policies for payment of Category 2 expenses. We did not incur any disbursements during the period.

The table below provides details of the expenses incurred in the administration. It 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.

The table 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.

Our expenses have exceeded the estimate provided to all creditors before the basis of our fees was fixed. This is because the debt collection costs were not anticipated at first, however, due to the unique nature of the debts it was necessary to incur the costs, and the additional expenses related to the extensions to the period 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	11,638	-	11,638	-	11,638	8,000	(3,638)
Bank charges	93	25	118	32	150	150	-
Legal fees & disbursements	45,340	5,025	50,365	-	50,365	50,000	(365)
Statutory advertising	958	-	958	-	958	1,750	792
Insurance	8,674	336	9,010	-	9,010	8,964	(46)
Total	76,794	5,3866	82,180	32	82,212	74,447	(7,765)

Notes to the expenses account

- 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. A further £10k was contributed by the Purchaser and, in the prior period, we drew 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 £142k. 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.

We will be reporting to creditors in due course to consider an increase in the basis of our remuneration following further successful realisations and a required extension of the period of administration in order to allow time to recover the outstanding VAT.

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	5.7	0.5	4.0	6.0	30.8	19.3	66.3	29,337	442
Asset realisation									
Sale of business	-	-	-	-	1.2	-	1.2	489	425
ROT	-	-	-	-	-	-	-	-	-
Book debts and cash-in-transit	-	-	2.0	4.4	20.9	6.8	34.1	14,064	412
Property	-	-	-	-	0.7	0.3	1.0	371	371
Costs of the insolvency process									
Initial letters & notices	-	-	-	-	-	-	-	-	-
Reporting to creditors	-	-	2.0	8.6	12.3	22.0	44.8	16,485	368
Other statutory & compliance	-	0.2	1.5	2.1	9.7	2.4	15.9	6,973	439
Statement of affairs	-	-	-	-	-	-	-	-	-
Managing the Company's affairs									
Accounting & treasury	-	-	-	3.9	15.7	8.6	28.2	10,507	372
Pensions	-	-	-	-	-	-	-	-	-
Tax	-	-	9.1	0.8	17.8	14.9	42.6	21,907	514
VAT	-	-	0.4	4.4	14.9	7.7	27.4	11,685	427
Other stakeholders	-	-	-	-	-	-	-	-	-
Group matters	-	-	-	-	-	-	-	-	-
Dealing with creditors									
Secured creditors	-	-	2.3	-	17.4	10.4	30.1	11,197	373
Unsecured creditors (claims agreement)	-	-	0.2	-	0.9	0.6	1.7	485	285
Creditor enquiries	-	-	-	0.2	2.7	0.5	3.4	1,150	338
Press, PR & websites	-	-	-	-	0.8	-	0.8	330	412
Grand Total	5.7	0.7	21.6	30.4	145.6	93.4	297.4	124,977	420

Total time costs for the administration

Work category	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Total hours	Total cost
Strategy and planning								
Project management	17.5	11.7	29.8	30.5	36.8	50.1	176.4	81,030
Asset realisation								
Sale of business			41.0	32.2	6.4	3.9	83.4	39,686
ROT		2.5	13.0	1.0	16.5	13.6	46.6	14,570
Book debts and cash-in-transit	0.3	2.3	185.3	14.0	36.8	86.8	325.3	127,354
Property		1.9	36.0	105.3	4.9	442.3	590.4	141,211
Costs of the insolvency process								
Initial letters & notices			11.1	15.9	12.5	30.2	69.7	19,830
Reporting to creditors		2.8	51.5	27.9	14.2	61.4	157.8	58,621
Other statutory & compliance	5.9	1.5	34.2	71.7	37.0	136.2	286.3	88,470
Statement of affairs			0.3	3.3		4.6	8.2	2,462
Managing the Company's affairs								
Accounting & treasury	0.5		34.0	26.8	97.6	168.1	326.9	95,812
Pensions			5.7	2.7	1.4	6.3	16.0	7,598
Tax	1.7		13.7	31.3	29.4	59.8	135.8	63,460
VAT	0.6		50.7	24.3	99.4	223.9	398.8	140,513
Other stakeholders					0.5		0.5	138
Group matters			0.2				0.2	70
Dealing with creditors								
Secured creditors	2.0	5.4	115.7	7.7	18.1	22.1	170.9	77,966
Unsecured creditors (claims agreement)	0.5	1.0	50.8	25.1	223.3	175.1	475.6	129,098
Creditor enquiries			4.4	10.9	32.4	113.3	161.0	35,653
Press, PR & websites			1.1	1.0	2.2	7.4	11.7	2,970
Grand Total	28.9	29.0	678.1	431.4	669.0	1,604.8	3,441.0	1,126,509

Further approval

As we have sought and obtained a further extension of the administration to 29 October 2022 to allow for the recovery of the VAT refunds, 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.

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 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 2021 £/hour	From 1 July 2021 £/hour
Partner	850 (955)	875 (980)
Director	720 (840)	740 (865)
Senior Manager	585 (665)	625 (685)
Manager	475 (575)	525 (595)
Senior Associate	390 (465)	425 (480)
Associate	245 (297)	280 (350)
Support Staff	125 (155)	130 (160)

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 2021 £/hour	From 1 July 2021 £/hour
Partner	1,600	1,600
Director	1,465	1,465
Senior Manager	1,355	1,355
Manager	815	815
Senior Associate	605	605
Associate	325	325
Support Staff	180	180

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"> 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; Seeking solicitors advice on the level of offer made and whether it should be accepted or not; Reviewing claim manager's outcome statement, to consider whether the offer should be accepted and comparing it with the potential outcome through litigation; Seeking opinions on the level of the offer from the Secured Creditors, as the main beneficiary. Agreeing the settlement of interchange fees claim; Posting receipt on our account system, including denoting the VAT which is to be recovered on legal fees; Speaking with third parties regarding the sale of the truck cartel class claim. 	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; 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 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 fifth progress report, for the period ending 29 April 2021, 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	<ul style="list-style-type: none"> Monitoring costs against fee budget; Ensuring that all matters in the initial strategy are followed; and 	To ensure case progression and monitoring costs.	Controls efficiencies, time costs and ensures continued

	administrator oversight	<ul style="list-style-type: none"> • Holding team meetings and discussions regarding status and progress of administration. 		case progression towards closure.
Managing the Company's affairs	Tax	<ul style="list-style-type: none"> • Preparation for the submission of the final 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"> • Review and maintenance of internal systems; • Liaising with HMRC regarding issues surrounding VAT refunds, including numerous calls to various HMRC agents and calls with the Purchaser to see if they can correct the erroneous error; • Liaising with third parties for assistance on submitting RTI corrections; • Escalating the issue to HMRCs technical team in order to submit an RTI correction submission; and • Preparing VAT 426. 		
	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 sale; and • Liaising with the managers of the claims providing information where required. 	3,000*	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 on 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 		
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. • Dealing with receipts, payments and journals; • Carrying out bank reconciliations; and 		
	Accounting and treasury	<ul style="list-style-type: none"> • 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 upon the time spent in completing the sale of the truck cartel claim.

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.

*In the period, as part of the settlement reached with Mastercard and Visa, a contribution towards costs has been made from our (gross) settlement figure, in accordance with the terms of the class action claim (which was entered into by the Company prior to our appointment). Due to confidentiality terms within the settlement agreement, we are only permitted to disclose the net settlement amount received.

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 Charlotte Smith, at: uk_evanscycles@pwc.com or on 0113 289 4000
Extension(s) 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. Extension of 12 months to 29 October 2022, granted by the Court.