

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1	Company details	
Company number	0 6 8 4 6 1 2 8	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	DWS Realisations Limited (formerly Dave Whelan Sports Limited)	
2	Liquidator's name	
Full forename(s)	Francis Graham	
Surname	Newton	
3	Liquidator's address	
Building name/number	Central Square	
Street	29 Wellington Street	
Post town	Leeds	
County/Region		
Postcode	L S 1 4 D L	
Country		
4	Liquidator's name ①	
Full forename(s)	Mark	① Other liquidator Use this section to tell us about another liquidator.
Surname	Thornton	
5	Liquidator's address ②	
Building name/number	Central Square	② Other liquidator Use this section to tell us about another liquidator.
Street	29 Wellington Street	
Post town	Leeds	
County/Region		
Postcode	L S 1 4 D L	
Country		

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

From date	^d 0	^d 6	^m 0	^m 4	^y 2	^y 0	^y 2	^y 1
To date	^d 0	^d 5	^m 0	^m 4	^y 2	^y 0	^y 2	^y 2

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X

P. G. White

X

Signature date

^d 2	^d 6	^m 0	^m 5	^y 2	^y 0	^y 2	^y 2
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Francis Graham Newton**

Company name **BDO LLP**

Address
5 Temple Square
Temple Street

Post town
Liverpool

County/Region

Postcode **L 2 5 R H**

Country

DX

Telephone
+44 (0) 1512 374 500

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

DWS Realisations Limited (formerly Dave Whelan Sports Limited)
(In Liquidation)
Joint Liquidators' Trading Account

Statement of Affairs £	From 06/04/2021 To 05/04/2022 £	From 06/04/2021 To 05/04/2022 £
POST APPOINTMENT SALES		
Trading Surplus from Administration	4,014,944.32	4,014,944.32
Employee Cost Adjustment	26,403.29	26,403.29
Amex and Adyen sales due to FFCL	(54,202.36)	(54,202.36)
Nayax sales due to SDI	(4,417.90)	(4,417.90)
	<u>3,982,727.35</u>	<u>3,982,727.35</u>
COST OF SALES		
Merchant Services Fees	1,668.00	1,668.00
	<u>(1,668.00)</u>	<u>(1,668.00)</u>
TRADING EXPENSES		
PPE	132.18	132.18
Payroll Costs - Tax / NI	479.63	479.63
Rent	204,957.12	204,957.12
BID Levy	261.06	261.06
	<u>(205,829.99)</u>	<u>(205,829.99)</u>
TRADING SURPLUS/(DEFICIT)	<u>3,775,229.36</u>	<u>3,775,229.36</u>

DWS Realisations Limited (formerly Dave Whelan Sports Limited)
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 06/04/2021 To 05/04/2022 £	From 06/04/2021 To 05/04/2022 £
ASSET REALISATIONS		
Adyen Deposit	100,000.00	100,000.00
Amex Deposit	88,016.03	88,016.03
Bank Interest Gross	4,979.15	4,979.15
Book Debts	51,180.85	51,180.85
Contribution to Costs - SDI	8,681.40	8,681.40
Interco Debt - Maddox Holdings Ltd	2,150,000.00	2,150,000.00
Rates Refunds	91,226.30	91,226.30
Sundry Refunds	16,179.05	16,179.05
Surplus from Administration	12,936,708.12	12,936,708.12
Trading Surplus/(Deficit)	3,775,229.36	3,775,229.36
	<u>19,222,200.26</u>	<u>19,222,200.26</u>
COST OF REALISATIONS		
Administrators' Fees	947,593.67	947,593.67
Agents/Valuers Disbursements	2,718.29	2,718.29
Agents/Valuers Fees	23,535.00	23,535.00
Bank Charges (Company Accounts)	124.95	124.95
Employee Consultants' Fees	350.00	350.00
ERA Fees	1,865.00	1,865.00
Insurance of Assets	(2,084.14)	(2,084.14)
Legal Fees & Disbursements	163,741.31	163,741.31
Legal Fees recharged to SDI Fitness (D	2,248.50	2,248.50
Liquidators Disbursements	24,559.72	24,559.72
Liquidator's Fees	610,000.00	610,000.00
Post-sale Rent & Service Charges	(1,277,466.52)	(1,277,466.52)
Rating Consultants' Fees	13,820.09	13,820.09
Rent and Service Charge Management	4,575.00	4,575.00
Stationery & Postage	2,929.30	2,929.30
Statutory Advertising	184.00	184.00
Storage Costs	7,345.75	7,345.75
Sundry Costs	2,335.00	2,335.00
	<u>(528,374.92)</u>	<u>(528,374.92)</u>
PREFERENTIAL CREDITORS		
Preferential Employees	112,521.71	112,521.71
Preferential RPS	455,148.72	455,148.72
	<u>(567,670.43)</u>	<u>(567,670.43)</u>
	<u>18,126,154.91</u>	<u>18,126,154.91</u>
REPRESENTED BY		
B'Card S75 Claim Contingency A/c		90,577.66
Floating Current Account		11,024,464.10
LTO Control Account		3,226,055.50
Retail Sales Debtor ADM Surplus		53,354.29
SDI Control Account		16,503.47
Trade Creditors		(72,945.62)
Trading Account		3,641,706.77
Vat Control Account		96,868.64
Vat Input		51,306.38
Vat Output		(1,736.28)
		<u>18,126,154.91</u>

Note:

The Statement of Affairs values are not included as the Liquidation followed Administration.

On 17 November 2021, a first and final dividend of 100.00 pence in the pound was declared to the preferential creditors, with the total amount distributed to preferential creditors being £567,670.43.



DWS Realisations Limited (formerly Dave Whelan Sports Limited) In Creditors' Voluntary Liquidation

Joint Liquidators' progress report from
6 April 2021 to 5 April 2022

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GLOSSARY OF TERMS

Abbreviation or term	Meaning
'Barclays'	Barclays Bank Plc
'HMRC'	HM Revenue & Customs
'HSBC'	HSBC Bank plc
'Joint Liquidators'	Francis Graham Newton and Mark Thornton
'Liberalis'	Liberalis Sports Limited
'Maddox'	Maddox Holdings Limited
'LTO'	Licence to Occupy
'net property'	Floating charge realisations after costs and payment of preferential and secondary preferential creditors in full
'Period'	6 April 2021 to 5 April 2022
'preferential creditors'	Claims for unpaid wages earned in the four months prior to Liquidation up to £800, holiday pay and unpaid pension contributions in certain circumstances
'Prescribed Part'	Where a company has granted a floating charge after 15 September 2003, under Section 176A of the Act a proportion of the net property available to a QFCH is set aside for the unsecured creditors of that company
'QFCH'	Qualifying Floating Charge Holder
'SDI'	SDI Fitness (DW) Limited
'secured creditors'	Creditors whose debt is secured, in accordance with Section 248 of the Act
'SPA'	Sale and Purchase Agreement between, inter alia, DWS and SDI
'the Act'	Insolvency Act 1986
'the Company' or 'DWS'	DWS Realisations Limited (formerly Dave Whelan Sports Limited)
'the Report'	Prepared in accordance with Rules 18.3 and 18.7 of the Rules
'the Rules'	Insolvency (England and Wales) Rules 2016
'unsecured creditors'	Creditors who are neither secured nor preferential

KEY INFORMATION

Background

The Company went into Liquidation on 6 April 2021 and was previously in Administration. The current Joint Liquidators are Francis Graham Newton and Mark Thornton. Former Joint Liquidator Ryan Kevin Grant stepped down on 29 November 2021 and Mark Thornton was appointed in his place by order of the court.

Purpose of the Report

This is the annual Report for the period from 6 April 2021 to 5 April 2022.

The main purpose of the Report is to provide you with an update on the progress of the Liquidation during the Period.

The Report can be reviewed in conjunction with all other reports regarding this Liquidation and the preceding Administration, on the brportal.bdo.co.uk portal.

Return to creditors

The table below summarises the anticipated outcome for creditors, based on our current understanding of the case. Please note these figures may be subject to change.

Class of creditor	Current estimate	Previous estimate
Secured creditors - Barclays and HSBC	Paid in full	Paid in full
Preferential creditors	Paid in full	Paid in full
Unsecured creditors	Dividend expected but timing and quantum presently uncertain	Dividend expected but timing and quantum presently uncertain

1. The Prescribed Part does not apply in the Liquidation as although the Company did grant floating charges to the secured creditors after 15 September 2003, the secured claims have been fully discharged and there is a resulting floating charge surplus available to unsecured creditors.

What you need to do

If you have not already provided the Joint Liquidators with details of your claim, please do so at your earliest possible convenience using the proof of debt form at Appendix F.

If you have any queries regarding your claim or require any assistance completing the form, please contact David Forster on +44 (0)151 237 4530.

Creditors' rights

An overview of the rights of creditors is detailed in Appendix B.

Contact details

Contact: David Forster
Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH
Tel: +44 (0)151 237 4530
Email: BRCMTLondonandSouthEast@bdo.co.uk
Reference: 00342841

PROGRESS IN THE PERIOD

Asset realisations

The trading account and the receipts and payments account attached at Appendix C detail the asset realisations during the Period.

Trading Account

Trading Surplus from Administration

The gross trading surplus of £4,014,944 has been transferred into the Liquidation estate from the Administration estate.

Employee Cost Adjustment

This relates to a refund due from SDI in respect of PAYE/NIC paid on behalf of the purchaser following the transfer of the business and assets. The refund of this sum will form part of a wider reconciliation of the sums due to and from SDI and we are presently progressing this aspect with the purchaser.

Receipts and Payments

Surplus from Administration

During the Period, a sum of £12,936,708 was transferred from the Administration bank account to the Liquidation account.

Book Debts

During the Period, first and final dividends totalling £51,181 have been received from insolvent debtors Wigan Football Company Limited and Powerleague Fives Limited on account of the sums owed to the Company.

Adyen & Amex Deposits

During the Period, payments of £100,000 and £88,016 were received from Adyen and Amex respectively, representing the return of deposits paid by the Company in respect of merchant services facilities provided.

Rates Refunds

Prior to our appointment as Joint Administrators, DWS had engaged Gerald Eve and Rogerson Hilton as agents to pursue reductions in rateable values and associated refunds across various leasehold properties in Scotland/Northern Ireland and England/Wales respectively.

We retained both Gerald Eve and Rogerson Hilton to continue with this work on the basis that the agents' fees would be entirely contingent on the level of any refunds recovered, with a commission of 15% applying in both instances.

All of the Scottish rating appeals were concluded, in the Administration, and rating refunds totalling £632,960 were received in respect of these sites. Gerald Eve undertook a review of the Northern Irish sites and determined that there were no further refunds available from this source.

Rogerson Hilton had originally estimated potential rating refund realisations from the properties in England and Wales in the range £360,000 - £613,000. During the preceding Administration, a total of £476,942 in rating refunds was realised from ten properties, with additional potential recoveries forecast to be achievable in the Liquidation in the range £114,000 - £390,000.

Rate refunds totalling £91,226 were received, during the Period, in respect of two sites. Our latest estimate is that there are potential further recoveries of £21,000 from one further site, which would bring total expected recoveries to some £589,000, towards the higher end of the original estimate.

In addition, in conjunction with Rogerson Hilton, solicitors and legal counsel, we are exploring the possibility of additional business rates refunds which may be available, at select sites, in relation to the prior rating list period. Further details in this regard will be included in future reports.

Bank Interest Gross

Bank interest totalling £4,979 was received during the Period.

Intercompany Debts

As detailed in previous reports, a review into the inter-company loan accounts concluded that the remaining debt due to the Company from Maddox, the parent of Fitness First Clubs Limited, was £2,978,690. A settlement agreement was concluded with Maddox whereby this inter-company balance would be paid to DWS in instalments over the 16-month period from March 2021 to June 2022. The agreed payments due from Maddox have been received on schedule and £2,150,000 has been received during the Period, bringing total realisations from this source to £2,250,000 including receipts in the Administration.

The inter-company debt due to DWS from Liberalis was reconciled at £1,903,765. Liberalis ceased to trade at the point that DWS entered Administration, as its directors no longer believed that the online retailing business was viable.

The directors of Liberalis placed this company into Creditors' Voluntary Liquidation on 24 March 2021. A first and final dividend was received from the liquidators of Liberalis of £63,160 during the Period, although this receipt is not reflected in the receipts and payments account as the funds cleared the Joint Liquidators' account after the Period. This realisation will be reflected in the next progress report.

Sundry Refunds

A total of £16,179 was received during the Period.

Trading Surplus

There have been several self-explanatory adjustments to the trading surplus during the Period as detailed in the trading account and this currently stands at £3,775,229.

Contribution to Costs

A sum of £8,681 is due from SDI representing a contribution towards the Joint Liquidators' costs in dealing with the assignment of the Company's lease to its former Bristol Filton premises. This sum will be refunded as part of the wider reconciliation exercise mentioned above.

Post-sale Rent and Service Charges

There is a credit balance on this expense account of £1,277,467 representing overpayments in respect of LTO fees by SDI following the sale of the business. We are in the process of finalising a reconciliation of the funds due from and to SDI, following which, a significant refund will be returned to the purchaser.

Additional Assets to Realise

Inter-Company Debts

Previous commentary refers and Maddox has continued to make repayments of its debt due to the Company in accordance with the terms of the settlement agreement negotiated. We therefore expect that the three remaining payments, totalling £728,690, will be received in the three months ending 30 June 2022.

Interchange Card Claim

As reported in the preceding Administration, DWS is a member of the AIS card claim group in a claim to recover interchange fee overcharges made by MasterCard and Visa during the period from December 2010 to the present day.

The original DWS filed claim value was £1.437m representing the period from December 2010 to November 2016. This claim was subsequently increased to £3.445m to account for turnover data for the period between December 2016 and August 2020, together with accrued interest.

The court case is continuing, and we are advised that it could take a further 24 - 30 months for it to be concluded, unless a settlement materialises in the intervening period. Accordingly, it is not possible for us to opine on the likely recovery from this source at present.

The case itself is subject to legal privilege and is therefore confidential, but subject to these constraints, we will provide details of any material developments that impact upon the dividend prospects for creditors within future Liquidation progress reports.

Insurance Claim

We have identified a potential business interruption claim of up to £50,000 which may be available to the Company as a result of the COVID-19 pandemic. We have instructed our insurance brokers, Marsh, to pursue this claim with the Company's former insurers on the basis of a contingency fee of 7.5% of the claim proceeds.

Rates Refunds

Previous commentary refers and we continue to liaise with Rogerson Hilton in order to secure further rates refunds which are estimated at £21,000.

Investigations

The Joint Liquidators have a duty to investigate the affairs of the Company and conduct of its directors.

A report was submitted by the Joint Administrators in the preceding Administration to the disqualification unit of the Department for Business, Energy & Industrial Strategy. No further matters were identified by the Joint Liquidators which required a further submission.

As reported previously, in September 2019, the group to which the Company belonged implemented a change to its corporate structure. We have commenced a review into this reorganisation of the group, which includes seeking a legal opinion from Walker Morris.

The transactions that took place, because of the group reorganisation, occurred within 12 months of the Company's insolvency. Those transactions involved both the transfer of assets and liabilities between group entities and the creation of inter-company loan accounts, some of which remained outstanding at the date of Administration. The steps that we have taken to realise those inter-company debts due to DWS have been described in this and previous reports.

We have obtained copies of the relevant documents, relating to the reorganisation, including financial statements and these are presently being reviewed and considered in conjunction with our advisors. We are not yet in a position to provide an opinion as to whether any antecedent transactions are capable of being challenged and, if so, the likely recovery prospects for the Liquidation.

Distributions to creditors

Secured creditors

Barclays acted as security trustee for the Company's lenders, Barclays and HSBC. As at the date of the Joint Administrators' appointment, the debt due to the secured creditors totalled £25,392,031 under the fixed and floating charge security and this debt was fully repaid shortly after the completion of the SDI transaction.

In addition to the discharge of the secured debt, the secured creditors held £550,000 as a contingency against any future potential chargeback and S75 claims pursued by gym members who had paid annual membership fees by debit or credit card respectively. S75 claims are claims pursuant to Section 75 of the Consumer Credit Act 1974, which enables consumers to pursue a refund through their credit card provider in respect of services which are not delivered as promised, whilst chargeback is the equivalent claims process for debit cards.

A total of £459,422 has been refunded by Barclaycard in the Period and of the remaining £90,578 held by Barclaycard, we expect to recover £14,328 in respect of merchant services terminal fees wrongly applied

to the account subsequent to the sale of the business. The resulting balance of £76,250 relates to genuine S75 claims and chargebacks which have been refunded to former gym members.

Since SDI is obliged to honour all prepaid gym membership fees as a condition of the SPA, the total of these S75 and chargeback claims will be recovered in full as part of the wider reconciliation exercise with the purchaser.

Preferential creditors

On 17 November 2021 a first and final dividend of 100p in the £ was paid to preferential creditors with claims totalling £567,670.

Prescribed Part

As the secured claims have been fully discharged, and there is a resulting floating charge surplus available to unsecured creditors, the Prescribed Part will not apply in this Liquidation.

Unsecured creditors

As detailed in the return to creditors section of the Report, it is anticipated that there will be a return to unsecured creditors, however, the timing and quantum of any dividend is currently uncertain and we would therefore hope to provide greater clarity in this regard in future reports.

It may be possible for the Joint Liquidators to make an interim distribution to unsecured creditors during the course of the second year of the Liquidation, but our ability to do so will be dependent upon adjudicating and admitting the claims of landlords, many of which include either contingent or unliquidated components. We are actively engaging with landlord creditors in order to admit their respective claims and will seek to make an interim distribution to unsecured creditors within the course of the next 12 months if possible.

Other matters

In addition to the above matters, we have dealt with all statutory matters required by legislation and administrative work incidental to our duties as Joint Liquidators in this Liquidation.

Joint Administrators' remuneration

The Joint Administrators' remuneration was approved on a time costs basis in accordance with a revised fees estimate totalling £2,567,522.

Remuneration of £901,481 was drawn in the preceding Administration. During the Period, a further £947,594 has been drawn as shown on the enclosed receipts and payments account at Appendix C.

Joint Liquidators' remuneration

The Joint Liquidators' remuneration was approved on a time costs basis in accordance with the fees estimate circulated to creditors on 7 July 2021, which was approved by creditors on 23 July 2021.

During the Period, time costs of £789,345 were incurred over 2,242 hours at an average rate of £352 per hour. The Joint Liquidators have drawn remuneration of £610,000 in line with the approval given, as shown on the enclosed receipts and payments account at Appendix C.

A detailed report of the time incurred by the Joint Liquidators and a narrative of the work done during the Period is attached at Appendix D.

Joint Liquidators' expenses

Expenses paid during the Period are detailed in the receipts and payments account at Appendix C.

A breakdown of expenses incurred is set out in Appendix E.

FUTURE ACTIONS

The following matters will be undertaken before the Joint Liquidators can conclude the Liquidation.

Effecting Further Asset Realisations

As described in greater detail above, we will continue to pursue further potential asset realisations in respect of:

- Inter-company debts;
- Rates refunds;
- The Interchange card claim;
- The business interruption insurance claim;
- The refund of the remaining Barclaycard retention; and
- Any antecedent transactions that are deemed capable of challenge.

Finalisation of Issues Relating to Administration Trading and the Sale of the Business

As described in detail in previous reports, it was necessary to provide SDI with LTOs in respect of those sites where the purchaser was interested in negotiating long-term occupational arrangements with the landlords concerned.

As a result, we are presently holding licence fees that are due to be returned to SDI, net of funds that are due from SDI in respect of a variety of trading and property matters. This is a complex reconciliation process which is ongoing but should be concluded in the next few months.

In addition, we are still liaising with the landlords of four former DWS sites in Scotland in order to renounce the Company's leases, as the ability of a Liquidator to disclaim leases is not available in this jurisdiction. We are also still awaiting invoices from certain landlords regarding the Company's liability for rent during the period in which it traded in Administration.

Adjudicating the Claims of Unsecured Creditors

Reviewing and agreeing the claims of unsecured creditors of the Company will be necessary given that it is anticipated that a dividend will be paid to unsecured creditors in due course. Categories of unsecured creditors whose claims will require formal adjudication include:

- Trade and expense creditors;
 - Landlord creditors - both ascertained and unliquidated;
 - Former employee claims in respect of unpaid wages, pay in lieu of notice and redundancy pay;
 - Employment Tribunal claims from former employees;
 - The Redundancy Payments Service in respect of unpaid wages, pay in lieu of notice, redundancy pay and pension payments;
 - HMRC for claims in respect of unpaid PAYE/NIC, VAT and Corporation Tax; and
 - Former gym members in respect of personal injury claims.
-

APPENDIX A

STATUTORY INFORMATION

Information

Company name	DWS Realisations Limited (formerly Dave Whelan Sports Limited)
Company registration number	06846128
Registered office	C/o BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH
Date of appointment	6 April 2021
Joint Liquidators	Francis Graham Newton - appointed 6 April 2021 Mark Thornton - appointed on 29 November 2021 Ryan Kevin Grant - stepped down on 29 November 2021
	Under the provisions of section 231 of the Act the Joint Liquidators carry out their functions jointly and severally meaning any action can be done by one Liquidator or by both of them.
Joint Liquidators' address	BDO LLP, Central Square, 29 Wellington Street, Leeds, LS1 4DL
Data Control and GDPR	Francis Graham Newton is authorised to act as an Insolvency Practitioner by the Insolvency Practitioners Association in the UK. Mark Thornton is authorised to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales in the UK. The Joint Liquidators are Data Controllers as defined by the General Data Protection Regulations. BDO LLP will act as Data Processor on the instruction of the Data Controllers. Personal data will be kept secure and processed only for matters relating to the Liquidation of DWS Realisations Limited (formerly Dave Whelan Sports Limited). Please see the privacy statement at https://www.bdo.co.uk/en-gb/privacy-notices/insolvencies

APPENDIX B

CREDITORS' RIGHTS

Within 21 days of receipt of the Report (1) a secured creditor, (2) an unsecured creditor with the concurrence of at least 5% in value (including the creditor in question) of the unsecured creditors; or (3) any unsecured creditor with the permission of court, may request in writing that the Joint Liquidators provide further information about their remuneration or expenses which are itemised in the Report.

Within 14 days of receipt of the request, the Joint Liquidators must provide all of the information asked for, unless they think that:

- the time or cost in preparing the information would be excessive, or
- disclosure of the information would be prejudicial to the conduct of the Liquidation or might reasonably be expected to lead to violence against any person, or
- the Joint Liquidators are subject to confidentiality obligations in respect of the information.

The Joint Liquidators must give reasons for not providing all of the requested information.

Any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors may, within eight weeks of receipt of the Report, make an application to court that the basis fixed for the Joint Liquidators' remuneration, the remuneration charged, or the expenses incurred by the Joint Liquidators, as set out in the Report, are excessive.

Copies of BDO LLP's charging and expenses policy, 'A Creditors' Guide to Liquidators' Fees' and information on the rights, duties and functions of a liquidation committee are available at <https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides>.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency Practitioners. In the event that you make a complaint to us but are not satisfied with the response, then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

The Joint Liquidators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this Liquidation. A copy of the code can be found at <https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>.

APPENDIX C

RECEIPTS AND PAYMENTS ACCOUNT

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(In Liquidation)
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Contribution to Costs - SDI	8,681.40	8,681.40
Interco Debt - Maddox Holdings Ltd	2,150,000.00	2,150,000.00
Rates Refunds	91,226.30	91,226.30
Sundry Refunds	16,179.05	16,179.05
Surplus from Administration	12,936,708.12	12,936,708.12
Trading Surplus/(Deficit)	3,775,229.36	3,775,229.36
	<u>19,222,200.26</u>	<u>19,222,200.26</u>
COST OF REALISATIONS		
Administrators' Fees	947,593.67	947,593.67
Agents/Valuers Disbursements	2,718.29	2,718.29
Agents/Valuers Fees	23,535.00	23,535.00
Bank Charges (Company Accounts)	124.95	124.95
Employee Consultants' Fees	350.00	350.00
ERA Fees	1,865.00	1,865.00
Insurance of Assets	(2,084.14)	(2,084.14)
Legal Fees & Disbursements	163,741.31	163,741.31
Legal Fees recharged to SDI Fitness (D	2,248.50	2,248.50
Liquidators Disbursements	24,559.72	24,559.72
Liquidator's Fees	610,000.00	610,000.00
Post-sale Rent & Service Charges	(1,277,466.52)	(1,277,466.52)
Rating Consultants' Fees	13,820.09	13,820.09
Rent and Service Charge Management	4,575.00	4,575.00
Stationery & Postage	2,929.30	2,929.30
Statutory Advertising	184.00	184.00
Storage Costs	7,345.75	7,345.75
Sundry Costs	2,335.00	2,335.00
	<u>(528,374.92)</u>	<u>(528,374.92)</u>
PREFERENTIAL CREDITORS		
Preferential Employees	112,521.71	112,521.71
Preferential RPS	455,148.72	455,148.72
	<u>(567,670.43)</u>	<u>(567,670.43)</u>
	<u>18,126,154.91</u>	<u>18,126,154.91</u>
REPRESENTED BY		
B'Card S75 Claim Contingency A/c		90,577.66
Floating Current Account		11,024,464.10
LTO Control Account		3,226,055.50
Retail Sales Debtor ADM Surplus		53,354.29
SDI Control Account		16,503.47
Trade Creditors		(72,945.62)
Trading Account		3,641,706.77
Vat Control Account		96,868.64
Vat Input		51,306.38
Vat Output		(1,736.28)
		<u>18,126,154.91</u>

Note:

The Statement of Affairs values are not included as the Liquidation followed Administration.

On 17 November 2021, a first and final dividend of 100.00 pence in the pound was declared to the preferential creditors, with the total amount distributed to preferential creditors being £567,670.43.

APPENDIX D

JOINT LIQUIDATORS' REMUNERATION

The Joint Liquidators' remuneration has been approved on a time costs basis.

Time costs of £789,345 have been incurred during the Period.

As BDO LLP changed its time recording system with effect from 17 April 2021, a breakdown of the time costs incurred in the Period is provided in:

- Appendix D1 for the period 17 April 2021 to 5 April 2022
- Appendix D2 for the period 6 April 2021 to 16 April 2021

Details of the work undertaken in the Period is detailed below.

Steps on appointment

- Setting up of internal files and the Liquidation bank accounts
- Initial statutory notifications and advertisements

Planning and strategy

- Establishing an appropriate strategy to support the objectives of the Liquidation, which are primarily focussed on maximising realisations and minimising liabilities and the claims of creditors as far as possible
- Planning and formulating strategies in respect of various issues as the Liquidation continues
- Preparation of strategy documents
- Ongoing review of strategy

General administration

- Ongoing maintenance and reconciliation of the Liquidation bank account and other cashiering functions
- Preparation and completion of internal reviews
- Collection of the Company books and records and any storage arrangements
- Liaising with the Company's former professional advisors
- Obtaining approval for the basis of the Joint Liquidators' remuneration
- Dealing with queries from the press and the media
- Arranging insurance of the Company's assets and monitoring to ensure sufficient
- Preparing and submitting corporation tax returns
- Preparing and submitting VAT returns
- Calculating chargeable gains tax
- Investigation work including consideration of legislation relating to, but not limited to, wrongful trading, fraudulent trading, antecedent transactions, preferences, transactions at undervalue, instructing and liaising with solicitors and the in-depth review of Company's books and records

Asset realisation/dealing

- Evaluation and reconciliation of assets
-

- Instruction and liaising with agents
- Property related matters
- Debt collection
- Dealing with other assets
- Retention of Title matters

Trading related matters

- Finalising the trading accounts, including the reconciliation of the sums due to/from SDI following its acquisition of the business and assets

Employee matters

- Dealing with former employees, including Employment Tribunal claims
- Pension issues

Creditor claims

- Processing of creditors' claim forms and entering onto IPS
- Processing of preferential creditor claims
- Adjudication of different classes of creditor claims, both liquidated and unliquidated/contingent

Reporting

- Preparation and distribution of the Report to members and creditors

Distribution and closure

- Notification of the intention to declare a dividend
 - Agreement of preferential creditors' claims
 - Agreement of unsecured creditors' claims
 - Calculation and payment of the preferential and unsecured dividends
 - Closure planning
-

The current charge out rates per hour of staff within the firm who may be involved in working on the Liquidation are as follows:

Grade	£
Partner	627
Director	351-702
Senior Manager	292-585
Manager	160-427
Senior Executive	128-298
Executive	78-157
BDO LLP Tax department (max)	1097

Cumulative time incurred to fees estimate comparison

Total time costs £789,345 have been incurred over the course of the Liquidation to 5 April 2022 as detailed below.

Activity	Estimated			Total Incurred		
	Hours	Average Rate £	Time costs £	Hours	Average Rate £	Time costs £
Steps on appointment	5.53	188.79	1,044.00	10.80	132.78	1,434.00
Planning and strategy	130.10	453.28	58,972.10	61.05	404.53	24,696.55
General administration	1,792.06	265.36	475,536.05	969.85	316.21	306,680.35
Asset realisation/dealing	613.50	434.48	266,555.55	685.55	416.47	285,508.20
Trading Related Matters	16.85	318.40	5,365.05	15.85	328.46	5,206.15
Employee matters	100.85	310.01	31,264.55	115.30	379.84	43,795.20
Creditors' claims	1,045.60	291.19	304,467.15	335.95	311.82	104,754.95
Reporting	70.20	408.07	28,646.40	31.55	410.33	12,945.80
Distribution and closure	210.20	292.89	61,565.70	16.25	266.07	4,323.65
TOTAL	3,984.89	309.52	1,233,416.55	2,242.15	352.05	789,344.85

The Joint Liquidators are not seeking approval to draw remuneration in excess of the fees estimate at this time and have drawn remuneration of £610,000 in line with the approval given.

APPENDIX D1

TIME COSTS INCURRED FOR THE PERIOD 17 APRIL 2021 TO 5 APRIL 2022

Activity	Partner	Director	Senior manager	Manager	Senior executive	Executive	Total hours	Time costs £	Av. Rate £
Steps on appointment			1.20	0.30		5.00	6.50	766.50	117.92
Planning and strategy	5.25	9.75	4.30	35.10			54.40	21,614.75	397.33
General administration	87.95	18.15	227.85	258.45	272.30	64.80	929.50	293,751.30	316.03
Asset realisation/dealing	37.50	76.00	423.30	117.45	3.45	1.25	658.95	273,574.10	415.17
Trading Related Matters	1.00		3.70	4.45			9.15	3,282.05	358.69
Employee matters	7.60		5.80	78.80	4.95		97.15	36,494.50	375.65
Creditors' claims	4.90	3.50	128.55	135.65	54.75	5.85	333.20	103,891.95	311.80
Reporting	3.75	12.00	7.55	3.65	4.60		31.55	12,945.80	410.33
Distribution and closure	1.35		6.40	8.30			16.05	4,241.05	264.24
TOTAL	149.30	119.40	808.65	642.15	340.05	76.90	2,136.45	750,562.00	351.31

APPENDIX D2

TIME COSTS INCURRED FOR THE PERIOD 6 APRIL 2021 TO 16 APRIL 2021

Name of Assignment - DWS Realisations Limited (formerly Dave Whelan Sports Limited) - 00342841

Summary of Time Charged and Rates Applicable for the Period From 06/04/2021 to 16/04/2021

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AV R1
	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	
B. Steps on Appointment		£	0.10	41.30	2.20	332.20		£	2.00	294.00		£	4.30	667.50	155.2
C. Planning and Strategy			6.65	3,081.80									6.65	3,081.80	463.4
D. General Administration	4.20	2,482.20	18.60	7,353.30	8.55	1,823.05			9.00	1,270.50			40.35	12,929.05	320.4
E. Assets Realisation/Dealing	2.50	1,477.50	24.10	10,456.60									26.60	11,934.10	448.6
F. Trading Related Matters	0.75	443.25	0.70	289.10	5.25	1,191.75							6.70	1,924.10	287.1
G. Employee Matters			18.15	7,300.70									18.15	7,300.70	402.2
H. Creditor Claims			1.20	487.90					1.55	375.10			2.75	863.00	313.8
J. Distribution and Closure			0.20	82.60									0.20	82.60	413.0
7.45		4,402.95	69.70	29,093.30	16.00	3,347.00	0.00	0.00	12.55	1,939.60	0.00	0.00			
Net Total														105.70	38,782.85
Secretarial Expense														0.00	
Other Disbursements														0.00	
Billed														0.00	
Grand Total														38,782.85	

APPENDIX E

JOINT LIQUIDATORS' EXPENSES

The Joint Liquidators' expenses incurred and paid are detailed below.

	Estimated £	Incurred in Period 06/04/2021 to 06/04/2022 £	Total Incurred 06/04/2021 to 06/04/2022 £	Total Paid 06/04/2021 to 06/04/2022 £
Category 1				
1. Agents/Valuers Disbursements	0	2,718.29	2,718.29	2,718.29
1. Agents/Valuers Fees	0	23,535.00	23,535.00	23,535.00
Bank Charges (Company Accounts)	250	124.95	124.95	124.95
2. Employee Consultants' Fees	0	350.00	350.00	350.00
3. ERA Fees	15,480	1,865.00	1,865.00	1,865.00
4. Legal Fees & Disbursements	100,000	163,741.31	163,741.31	163,741.31
4. Legal Fees recharged to SDI Fitness (DW)	0	2,248.50	2,248.50	2,248.50
*Relativity Software Costs	13,200	22,893.50	22,893.50	22,893.50
*Postage	0	1.07	1.07	1.07
*Bonding	0	100.00	100.00	100.00
*Hard Drives	0	1,472.20	1,472.20	1,472.20
Rating Consultants' Fees	3,150	4,142.07	4,142.07	4,142.07
Rent and Service Charge Management Costs	0	4,575.00	4,575.00	4,575.00
Stationery & Postage	9,000	2,929.30	2,929.30	2,929.30
Statutory Advertising	500	184.00	184.00	184.00
Storage Costs	7,500	7,345.75	7,345.75	7,345.75
Sundry Costs	5,000	2,335.00	2,335.00	2,335.00
Category 2				
*Mileage	0	92.95	92.95	92.95

*included within disbursements on the attached receipts and payments account.

1. Clumber Consultancy Ltd provided assistance with filing the relevant notices with the Pensions Regulator and the Pension Protection Fund as stakeholders in the Administration, to notify these bodies of the Company's move to Liquidation. A payment totalling £450 was made during the Period and is included in Agents'/Valuers' Fees above. No further payments in this regard are anticipated.

Sanderson Weatherall had been instructed to oversee the orderly handing back of sites where notice of termination of the LTO had been provided by SDI. Sanderson Weatherall were selected due to their prior knowledge of the sites in question and expertise. Sanderson Weatherall received payments totalling £25,803 during the Period in respect of both fees and disbursements. No further payments in this regard are anticipated.

2. BSN Associates Limited has been instructed to provide assistance with the preparation of form P11ds for certain employees in respect of the 2019/2020 tax year. No further payments in this regard are anticipated.
3. ERA Solutions Limited was instructed to provide assistance with reviewing and adjudicating preferential creditor claims. ERA Solutions Limited was selected as they are experienced specialists in this area.

4. We had engaged Addleshaw Goddard as our main legal advisors in respect of the Administration, a role that has carried over into the Liquidation. Remaining work in the Liquidation is expected to consist of advice in relation to landlord claims, any residual claims against SDI for damages occasioned to leasehold properties and the renunciation of the remaining Scottish properties. Addleshaw Goddard were selected due to their prior knowledge of the case and their expertise.

Walker Morris have been engaged to assist us with the investigation into the reorganisation of the Company's group that took place in September 2019. The above professional costs estimate does not include the costs of any proceedings that may be initiated in respect of any Company claims against third parties as the result of any matters identified during our investigations into the Company's affairs. In the event that any such claims are identified and considered worthy of progression, we will update the estimate of associated professional fees accordingly. Walker Morris were selected due to their knowledge and expertise.

Anderson Strathern has been instructed to assist us in dealing with those Scottish properties where Addleshaw Goddard had identified a conflict. Anderson Strathern were selected due to their knowledge and expertise.

The other expenses shown are largely self-explanatory.

APPENDIX F

PROOF OF DEBT FORM

PROOF OF DEBT FORM

DWS Realisations Limited (formerly Dave Whelan Sports Limited) - In Creditors' Voluntary Liquidation ('the Company')

Company registration number: 06846128

Relevant date: 3 August 2020

Name of Creditor

(If a company please also give company registration number and where registered)

Address of Creditor

including email address for correspondence

Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the relevant date. £

Note: Any trade or other discounts (except discount for immediate or early settlement) which would have been available to the Company but for the insolvency proceedings should be deducted from the above claim where relevant. Where any payment is made in relation to the claim or set-off applied after the relevant date, this should be deducted.

If amount in 3 above includes outstanding uncapitalised interest please state amount. £

Particulars of how and when debt incurred

(If you need more space append a continuation sheet to this form).

Particulars of any security held, the value of the security, and the date it was given.

Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.

Details of attached documents by reference to which the debt can be substantiated.

Signature of creditor

or person authorised to act on his behalf

Name (BLOCK CAPITALS)

Dated

Position with or in relation to creditor

Address of person signing

(if different from 2 above)

Please complete and return this form to David Forster, Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH or by email to BRCMTNorthandScotland@bdo.co.uk.
