

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 5 1 6 7 8 2 2

Company name in full Gainsborough Health And Fitness Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Christopher David

Surname Horner

3 Liquidator's address

Building name/number 47-49 Duke Street

Street Darlington

Post town County Durham

County/Region

Postcode D L 3 7 S D

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report											
From date	^d 0	^d 6	^m 0	^m 8	^y 2	^y 0	^y 2	^y 1				
To date	^d 0	^d 5	^m 0	^m 8	^y 2	^y 0	^y 2	^y 2				
7	Progress report											
<input checked="" type="checkbox"/> The progress report is attached												
8	Sign and date											
Liquidator's signature	<div>Signature</div> <div>X <i>C. D. Horner</i></div>								X			
Signature date	^d 0	^d 2	^m 0	^m 9	^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 **Christopher David Horner**

Company name **Robson Scott Associates Ltd**

Address **47-49 Duke Street**

Darlington

Post town **County Durham**

County/Region

Postcode **D L 3 7 S D**

Country

DX

Telephone **01325 365 950**

**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

Gainsborough Health And Fitness Limited
(In Liquidation)

Liquidator's Summary of Receipts & Payments

Statement of Affairs £	From 06/ 08/ 2021 To 05/ 08/ 2022 £	From 06/ 02/ 2019 To 05/ 08/ 2022 £
ASSET REALISATIONS		
25,296.00 Bank Interest Net of Tax	1.15	1.55
1,800.00 Cash at Bank	NIL	27,167.00
Fixtures and Fittings	NIL	338.40
	1.15	27,506.95
COST OF REALISATIONS		
Agents/ Valuers Fees (1)	NIL	1,086.66
Legal Fees (1)	NIL	4,958.31
Office Holders Fees	NIL	15,222.29
Specific Bond	NIL	98.00
Stationery & Postage	NIL	14.09
Statutory Advertising	NIL	175.00
Sundry Costs	NIL	4.00
	NIL	(21,558.35)
PREFERENTIAL CREDITORS		
(500.00) DE Arrears & Holiday Pay	NIL	1,836.95
Employee Arrears/ Hol Pay	NIL	NIL
	NIL	(1,836.95)
UNSECURED CREDITORS		
(75,000.00) Directors	NIL	3,461.26
(9,577.80) Employees	NIL	NIL
(1.00) HM RC	NIL	147.03
(1.00) NIF	NIL	783.83
(100,093.40) Trade & Expense Creditors	NIL	7.88
	NIL	(4,400.00)
DISTRIBUTIONS		
(1,000.00) Ordinary Shareholders	NIL	NIL
	NIL	NIL
(159,077.20)	1.15	(288.35)
REPRESENTED BY		
Bank 1 Current		311.65
		311.65

GAINSBOROUGH HEALTH AND FITNESS LIMITED – IN CREDITORS’ VOLUNTARY LIQUIDATION

LIQUIDATOR’S PROGRESS REPORT TO CREDITORS AND MEMBERS

FOR THE PERIOD 06 AUGUST 2021 TO 05 AUGUST 2022

This is my report to members and creditors following the third anniversary of my appointment as Liquidator and should be read in conjunction with any previous reports to creditors during the Administration.

EXECUTIVE SUMMARY

The Company was set up in 2004 and traded as a gym and provided services such as personal training. Problems began when there was a dispute with the landlord over the condition of the property which led to the Company refusing to pay rent.

This situation escalated to the point that the landlord re-entered the property and as such the business was unable to continue.

Prior to the commencement of the Administration, Robson Scott Associates Ltd acted as advisors to the Board as a whole acting on behalf of the Company. No advice was given to the individual directors regarding the impact of the insolvency of the company on their personal financial affairs. Whilst not formally in office at that time, Robson Scott Associates Ltd was still required to act in its dealings with the Company in accordance with the Insolvency Code of Ethics.

As required by the Insolvency Code of Ethics, I considered the various threats to my objectivity arising from this prior involvement. I concluded that those threats were at an acceptable level such that I could still act objectively and hence could be appointed Administrators of the Company.

On 6 February, 2019, I was appointed by Richard Pearce as Administrator of the Company and took over from the Board responsibility for the management of the affairs, business and property of the Company. Following a move from Administration, the Company entered into Liquidation on 06 August 2019 and I was duly appointed Liquidator.

STATUTORY INFORMATION

Company name:	Gainsborough Health And Fitness Limited
Registered office:	C/o Robson Scott Associates, 49 Duke Street, Darlington, County Durham, DL3 7SD
Former registered office:	Gainsborough Studios, 1 Poole Street , London , N1 5EB
Registered number:	05167822
Liquidator's name:	Christopher David Horner

Liquidator's address: 47-49 Duke Street, Darlington, County Durham, DL3 7SD

Liquidator's date of appointment: 06 August 2019

LIQUIDATORS' ACTIONS SINCE APPOINTMENT

There is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my appointment as Liquidator is contained in Appendix 1.

RECEIPTS AND PAYMENTS

My Receipts & Payments Account for the period from 06 August 2021 to 05 August 2022 is attached at Appendix 1.

The balance of funds are held in an interest bearing estate bank account.

ASSETS

Creditors will recall that the Administrator's Final Progress Report detailed realisations within the period of the Administration as follows:-

As previously detailed, the fixtures and fittings were with agents for sale. To date no funds have been received and the items have been abandoned on site.

After deducting costs and disbursements, funds of £7,665.94 were transferred from the Administration into the Liquidation account.

In this reporting period Bank Interest Net of Tax of £1.15 has been received from the estate account.

There have been no other asset realisations in this reporting period.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over its assets.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case there were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

Preferential Creditors

The statement of affairs anticipated £500.00 in preferential creditors. No claims have been received.

Crown Creditors

The statement of affairs included £1.00 owed to HMRC. HMRC's claim of £3,186.00 has been received.

Non-preferential unsecured Creditors

The statement of affairs included 9 non-preferential unsecured creditors with an estimated total liability of £184,673.20. I have received claims from no creditor. I have not received claims from 3 creditors with original estimated claims in the statement of affairs of £110,078.80.

DIVIDEND PROSPECTS

Unsecured creditors

A balance of £6,262.04 was distributed to unsecured creditors on 14 April 2021. A total of £1,836.95 was paid to preferential creditors at a rate of 100p in the £, and £4,400 was distributed to unsecured creditors providing a dividend of 4.61p in the £.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. I am required by the Statements of Insolvency Practice to undertake such an initial investigation and the work detailed below has been undertaken in connection with that initial investigation.

There were no matters that justified further investigation in the circumstances of this appointment.

PRE-APPOINTMENT REMUNERATION

At a meeting of creditors held following the commencement of the Administration my remuneration was agreed by creditors on 29 March 2019.

My pre-appointment fees in the Administration on a fixed fee of £3,000 were approved.

My remuneration was approved on a fixed fee of £13,500 for my work in respect of Administration, Creditors and Initial investigations.

To date I have drawn £13,500 in remuneration for work for which my fee was approved on a fixed basis, none of which was drawn in the reporting period.

I was also authorised to draw 5% of cash at bank realisations and 20% of tangible assets. Based on realisations I achieved I am entitled to remuneration of £1,358.35 with regard to cash at bank and £67.68 with regard to tangible assets. I have drawn £296.26 for remuneration approved on a percentage basis, of which £nil was drawn in the reporting period from 06 August 2021 to 05 August 2022.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also

published by R3, together with an explanatory note which shows Robson Scott Associates' fee policy are available at the link www.robsonscottassociates.co.uk. Please note that there are different versions of the Guidance Notes and in this case you should refer to the April 2017 version.

LIQUIDATOR'S EXPENSES

No Category 1 Disbursements, which do not require approval, have been paid in this reporting period.

Category 2 Disbursements have not been incurred or paid.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3 are available at the link www.robsonscottassociates.co.uk.

A copy of this firm's policy for charging disbursements is enclosed for your information. Robson Scott Associates Limited or any successor firm reserves the right to change the scale rates and grade structure of staff as and when appropriate.

FURTHER INFORMATION

An unsecured creditor may, with the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Liquidator's remuneration and expenses within 21 days of their receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidator as being excessive, and/or the basis of the Liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information Robson Scott Associates can be found in the attached summary sheet at www.robsonscottassociates.co.uk

SUMMARY

The Liquidation will remain open until all tax reclaims have been received. I estimate that this will take approximately 6 months and once resolved the Liquidation will be finalised and our files will be closed.

Robson Scott Associates uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how Robson Scott Associates uses your personal information on our website at www.robsonscottassociates.co.uk/privacy-cookies-policy

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Nicola Carter on 01325 365 950 or by email at admin@robsonscott.co.uk

C. D. Horner

Christopher David Horner
Liquidator

Christopher David Horner is an insolvency practitioner (no 16150) authorised by the Insolvency Practitioners Association and holds professional indemnity insurance covering all his formal insolvency appointments with Travelers Insurance Company, 61-63 London Road, Redhill, Surrey, RH1 1NA

Appendix 1

1. Administration

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder and their managers. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Maintaining up electronic case files.
- Setting and maintaining up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

2. Creditors

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Issuing a notice of intended dividend and placing an appropriate gazette notice.
- Reviewing proofs of debt received from creditors, adjudicating on them and formally

admitting them for the payment of a dividend.

- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.
- Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.

INSOLVENCY CODE OF ETHICS CHECKLIST

Name of potential appointment	Gainsborough Health And Fitness Limited
Type of appointment	ADM
Source of introduction	DIRECT

Note: Consider the web-site, advertising and other marketing materials of any new referral source to ensure that it is fair and not misleading, avoids unsubstantiated or disparaging statements and complies with relevant codes of practice and guidance in relation to advertising before being appointed to your first case introduced from that source. Prepare a file note to evidence that review. Paragraph 400.65 of the Insolvency Code of Ethics.

Note: The Ethical Code allows certain successor appointments provided that no threats arise from the earlier insolvency procedure. An ethics checklist should be completed in respect of each separate insolvency appointment. For successor appointments you should specifically identify, evaluate and deal with any threats that arise from the earlier appointment.

Note: In the Ethical Code "connected party" includes: connected companies, creditors, debtors, Directors, former Directors, shadow Directors, employees, or close or immediate family of officers of the Company over which you are being appointed; and others with commercial relationships with the Practice.

Name(s) of directors/shareholders

Name	Director	Company Secretary	Shareholding
Richard Pearce	Yes	Yes	100%

Record the date a circular email was sent to all staff in the practice about the prospective appointment, and attach with any positive responses received from staff about any prior relationship with the company, its directors, or its shareholders:

Date of circular email: 29 January 2019

Record the date the check was made of the practice's database of clients, and former clients against the name of the company, its directors, or its shareholders, and attach an extract where the check identifies a prior professional relationship:

Date check made: 29 January 2019

Self-review threats? - i.e. threats occurring when a previous judgement made by an individual within the practice needs to be re-evaluated by the IP:

<p>Have we acted for the Company, its Directors or shareholders? (includes former Directors and shareholders) (note that para 44(d) of the Code says that "It is likely that greater threats will arise (or may be seen to arise) where work has been carried out within the previous three years. However, there may still be instances where, in respect of non-audit work, any threat is at an acceptable level. Conversely, there may be situations whereby the nature of the work carried out was such that a considerably longer period should elapse before any threat can be reduced to an acceptable level.")</p>	Company	No
	Directors	No
	Shareholders	No
Have we carried out any previous insolvency process for any "connected party"?		No
Are we instructed to carry out a concurrent insolvency process for any "connected party"?		No
Have the company's assets been sold pre-appointment, whilst the IP, or their firm, and/or any associates were advising the company?		No
Is the intention to undertake a sale immediately upon appointment on pre-agreed terms in either an Administration or a CVL? (note that such a pre-pack sale will always give rise to a self-review threat, but may also give rise to other threats, although obtaining a valuation and marketing the business will be factors that reduce the level of the self-review threat when you evaluate it.)		No

Self-interest threats? - i.e. threats occurring as a result of the financial or other interests of the Practice, the IP, or a close or immediate family member of an individual within the Practice:

Are estimated fees material?	Advice/pre-appointment Post-appointment	No No
Is any "connected party" personally connected or known to IP or staff?		No
Could a third party perceive that such a threat exists, e.g. as a result of a close link between the source of the introduction and the practice, or where the source of the introduction accounts for a significant amount of the practice's insolvency work?		No

Advocacy threats? - i.e. where an individual within a Practice promotes a position or opinion to the point that subsequent objectivity may be compromised:

Has anyone within the Practice promoted a position in respect of the company that would impair the objectivity of the IP when they are appointed office holder?	No
Could a third party perceive that such a threat exists?	No

Familiarity threats? - i.e. where because of a close relationship an individual becomes too sympathetic or antagonistic to the interests of others:

Does anyone within the Practice have such a close relationship with the company, a director or a shareholder that they have become too sympathetic or antagonistic to the interests of creditors and other stakeholders?	No
Could a third party perceive that such a threat exists?	No

Intimidation threats?

Are there any circumstances where the IP may be deterred from acting objectively as a result of actual or perceived threats to the IP or the practice? e.g. threats arising from a close relationship with, or reliance upon the source of the work.	No
Could a third party perceive that such a threat exists?	No

General:

Are the circumstances of the particular appointment or total number of appointments held such that the Practice does not have adequate resources to undertake the appointment?	No
Is the nature of the appointment such that the IP does not have sufficient technical knowledge to undertake the appointment?	No
Where the IP had previously acted as investigating accountant, has a significant professional relationship arisen? (N.B: A significant professional relationship would NOT normally arise provided that: a) there has not been a direct involvement by an individual within the practice in the management of the entity; b) the Practice had its principal client relationship with the creditors rather than the Company; and c) the entity was aware of this.)	No
Could a third party perceive that such a threat exists?	No
Where the IP had previously acted as investigating accountant, are any discussions (or lack of discussions) with the directors about the financial affairs of the company likely to give rise to a conflict? (e.g. a familiarity threat or threat to the fundamental principle of confidentiality).	No
Could a third party perceive that such a threat exists?	No
Any other possible threats? (provide details)	No

MVL specific:

Where the IP's Practice has acted as auditors to the Company, are there any other circumstances that give rise to an unacceptable threat to compliance with the fundamental principles?	Yes/No
Has the IP satisfied himself that the Directors' declaration of solvency is likely to be substantiated by events?	Yes/No

All case types: Have any threats or perceived threats been identified to the IP's compliance with the fundamental principles of:

integrity? i.e. threats arising from prior professional or personal relationships.	No
objectivity? i.e. threats arising from prior professional or personal relationships.	No
professional competence and due care? - i.e. the ability to act diligently and in accordance with applicable technical and professional standards.	No
confidentiality? - i.e. will accepting the appointment give rise to a risk of disclosure of confidential information or a risk of information being used for the personal advantage of the IP or third parties.	No
professional behaviour? - i.e. complying with the relevant laws and regulations and avoiding any action that discredits the profession, and acting with courtesy.	No

Conclusion:

Have any threats or perceived threats been identified to the IP's compliance with the fundamental principles? (i.e. are the answers to any of the prompts above yes.)	No
<p>If yes, evaluate the level of any threats/perceived threats to the fundamental principles that have been identified, considering what a reasonable and informed third party having knowledge of all relevant information would conclude to be an "acceptable" level of threat? (Record below the conclusion reached in respect of their evaluation of any threats/perceived threats to the fundamental principles identified).</p>	
If the evaluation of the threats/perceived threats to the fundamental principles concludes	

that the threat is NOT at an "acceptable" level, record below the safeguards put in place to eliminate the threat, or to reduce it to an "acceptable" level.

Note: If the IP cannot reduce the threat or perceived threat to an "acceptable" level then he should not accept the appointment.

Note: Where the IP has identified that a threat or perceived threat to the fundamental principles exists, but has either concluded that it is an "acceptable" level of threat or puts safeguards in place to reduce to the threat to an "acceptable" level or to eliminate it and he wants to take the appointment, he must make disclosure of the existence of the threat to the creditors prior to the appointment being made, or if that is not practical, immediately on appointment, and receive no objection to him accepting the appointment. Note that this does not necessarily require the positive approval of creditors, but in cases where the threat is potentially more significant, it might be appropriate to seek positive approval before accepting the appointment.

Signed 
Case administrator/manager

Date 29.1.19

Signed 
Christopher David Horner

29/01/2019

Date _____

Note: Since the Code applies to all professional work that may lead to such an appointment the completion of the checklist must be undertaken without delay after first contact with the directors.

Note: Continue to consider ethical issues, both those that you have already identified and to identify new ones that may come to light after the completion of the ethics checklist up until the date of your appointment. Where the gap between first completing the ethics checklist and the date of appointment is significant, consider completing a further ethics checklist just prior to appointment.

Note: All prospective office holders should sign the checklist.

ANTI-MONEY LAUNDERING RISK ASSESSMENT AND CUSTOMER DUE DILIGENCE CHECKLIST

Name of Company	Gainsborough Health And Fitness Limited
Type of appointment	ADM
Nature of the Company's business	Other sports activities
Source of introduction	Direct

Note: The verification of identity of all relevant identities based on the risk assessment must be completed, and this checklist signed off by a/the prospective office holder, as soon as practicable after first contact is made, and before the establishment of a business relationship with the Company, i.e. before undertaking any work on behalf of the Company. However, if there is little risk of money laundering or terrorist financing, then the verification may be made while the business relationship is being established, i.e. during the pre-appointment stage, and while undertaking work on behalf of the Company. In such circumstances a file note should be prepared indicating why there is little risk of money laundering or terrorist financing in the case in question. The verification of identity must, however, always be undertaken prior to receiving monies in to a clients' account or an estate account in respect of the Company, and prior to appointment as officeholder.

The objective of this checklist is to:

- 1. obtain and record information about the identity of the Company, such as what it does, the nature of its assets, the identity of its directors and the identity of its beneficial owners, to enable a risk assessment to be undertaken – "Information Gathering Stage";*
- 2. use a risk assessment that considers client risk, service risk, geographic risk and insolvency specific risks to determine whether simplified, normal or enhanced customer due diligence of the Company and the entities involved with the Company is required – "Risk Assessment Stage";*
- 3. record the customer due diligence that was undertaken using a risk-based approach as determined by the risk assessment at 2 above, to verify the identity of the Company, its directors and its beneficial owners as identified during the information gather stage at 1 above, i.e. record the evidence obtained from an independent, reliable source to verify the identity of the Company and all relevant entities – "Verification Stage";*
- 4. prompt to consider the outcome of the risk assessment when considering whether money laundering may have been undertaken in respect of the Company, i.e. looking at the source of assets and funds of the Company, and at the transactions which the Company entered into while trading - "Continued Monitoring Stage"; and*

5. *record actions taken to comply with the Money Laundering Regulations 2017 in respect of one-off post appointment transactions of €15,000 or more, i.e. gather information about the purchaser, undertake a risk assessment and verify the identity of the purchaser – “High Value Transaction Stage”.*

Note: Money laundering is defined very widely and includes all forms of handling or possessing criminal property, together with facilitating the handling or possession of criminal property. Criminal property is defined simply as being the benefits arising from any conduct which is a criminal offence in the UK.

Note: In Administrations, where the appointment of the Administrator is made by a Qualifying Floating Chargeholder (QFCH), then since the Practice's initial business relationship is with the QFCH, undertake a risk assessment in respect of the QFCH using a separate money laundering checklist, verifying the identity of the QFCH, those who are instructing you to ensure that they have authority to act on behalf of the QFCH and the beneficial owners of the QFCH, using a risk based approach.

Note: While the references in this checklist are to “Company” it should also be used where the appointment is in respect of an LLP or partnership, with suitable amendments to the terminology used.

1. INFORMATION GATHERING STAGE

The objective of this section is to gather and record information about the identity of the Company, such as what it does, the nature of its assets, the identity of its directors and the identity of its beneficial owners, to enable a risk assessment to be undertaken.

A. The Company

Record the following information about the Company and retain a copy of the memorandum of association or other governing documents on file.

Record an overview of the nature of the Company's business using the prompts below. This information is then used when undertaking the risk assessment for the Company:

Company name	GAINSBOROUGH HEALTH AND FITNESS LIMITED
Company number	05167822
Registered office address	Gainsborough Studios, 1 Poole Street, London, N1 5EB
Principal place of business (if different)	
Legal regime (if not English law)	
Nature of the company's business	Other sports activities
Business sector in which the company operates	Health & leisure
Geographical extent of the company's trading	London area
Note the source and nature of the company's assets to be dealt with in the appointment.	Air conditioning, gym equipment, sauna
Is the source and nature of the assets consistent with the known information about the company (e.g. last accounts or other financial information)	2017 accounts show fixed assets of £158k

B. The Directors

Record below the names of the directors of the Company according to the information recorded at Companies House and/or contained in the records of the Company, i.e. the names of the de jure directors. For larger companies, just record the names of the members of its management body and its senior management not the names of all directors. Record which individuals have instructed the practice to act as officeholder in the insolvency appointment.

Obtain information from the directors about their full name, date of birth and residential address, which is then verified during the verification stage.

Note: In a Compulsory Liquidation ascertain the names of the directors of the Company as part of the information gathering work in respect of the Company, but it is not necessary to verify their identity at section 3 below since they are not instructing the Practice.

Note: In an Administration, where an application to Court is being made for an Administration Order, ascertain the names of the directors of the Company as part of the information gathering work in respect of the Company, but it is not necessary to verify their identity at section 3 below unless the application to the Court is being made by the Company or its directors.

Name of director/management body/senior management team	Instructing director?
Richard Pearce	Yes
	Yes/No
	Yes/No
	Yes/No
	Yes/No
	Yes/No

* Indicate with an asterisk the senior person responsible for managing the Company, e.g. the managing director or Chief Executive. Their identity must be verified even if they are not one of the directors instructing the practice.

As a result of enquiries made into the affairs of the Company, are you aware of anyone who purports to act on behalf of the Company, e.g. a de facto director (someone who acknowledges that they are a director of the Company and holds themselves out as such even though their appointment is not formally recorded at Companies House) or shadow director? If so, record their names below:

C. The Shareholders

Record the below the names of the shareholders of the Company and indicate whether they are beneficial owners of the Company:

Name of shareholder	Number and % of voting shares held	Beneficial owner?
Richard Pearce	100%	Yes
		Yes/No
		Yes/No
		Yes/No
		Yes/No

Obtain information about the name and registered number of any corporate shareholders, and obtain information from any individuals who are beneficial owners about their full name, date of birth and residential address, which is then verified during the verification stage.

Note: If there is a more complex ownership structure, such that the beneficial owners of the Company cannot be easily identified, consider attaching a diagram showing the ownership structure and highlighting those entities that are beneficial owners.

Note: When considering whether an individual is a beneficial owner, remember to take into account indirect control, e.g. where shares are owned by a number of family members.

Note: Where the entity over which the IP is being appointed is an LLP, the beneficial owners of the LLP are any individual who exercises control over the management of the LLP, and any individual who ultimately owns or controls (directly or indirectly e.g. by way of family groups) more than 25% of the shares or voting rights in the LLP.

Note: Where the entity over which the IP is being appointed is a partnership, the beneficial owners of the partnership are any individual who exercises control over the management of the partnership, and any individual who is entitled to, or controls, (whether directly or indirectly, e.g. by way of family groups) more than 25% share of the capital or profits of the partnership, or more than 25% of the voting rights in the partnership.

Situations involving Corporate shareholders

Where the shares of the Company are owned by another corporate entity, then since a corporate entity cannot be the ultimate beneficial owner of a Company, it is necessary to determine who is/are the shareholders of that corporate entity, and which of those individuals is/are the ultimate beneficial owner(s) of the Company. Record the name of the shareholders of any corporate beneficial owner of the Company below and their shareholding; calculate the level of control that they have over the Company; and indicate whether they are ultimate beneficial owners, i.e. they have control of 25% or more of the voting shares. If the corporate shareholder itself has corporate shareholders then continue to take such steps until the individual(s) who is/are the ultimate beneficial owner(s) of the Company has been identified, using additional sheets as necessary:

Note: When determining whether an individual is a beneficial owner, only take into account their overall control of the Company, which will reflect the shareholdings of any corporate shareholders. For instance, Company X, has two corporate shareholders, Company Y and Company Z, each owning 50% of the shares; company Y has two individuals as shareholders, A owning 60% and B owning 40% of the shares; company Z has three individuals as shareholders, B, C and D, each owning 33.3% of the shares. A controls 30% of Company X and so is an ultimate beneficial owner (60% of Y x 50% of X); B controls 37% of Company X and so is an ultimate beneficial owner (40% of Y x 50% of X + 33.3% of Z x 50% of X); C and D each control 17% of Company X and so are not ultimate beneficial owners (33.3% of Z x 50% of X).

Name of the shareholders of the corporate shareholder of the Company	Number and % of voting shares held in the corporate shareholder	% of control of Company	Beneficial owner of Company?
			Yes/No
			Yes/No
			Yes/No
			Yes/No

Obtain information from any individuals who are beneficial owners about their full name, date of birth and residential address, which is then verified during the verification stage.

Situations involving shareholders of the Company who are Trusts

Where the shares of the Company are owned by a Trust, then since a Trust cannot be the ultimate beneficial owner of a Company, it is necessary to take reasonable measures understand the ownership and control structure in order to determine who is/are the individuals who are involved in the Trust, and which of those individuals is/are the ultimate beneficial owner(s) of the Company. Prepare a file note setting out the structure of the Trust, ideally in diagrammatic form, to get a better understanding of the structure of the Trust. Record the name of the trustees, beneficiaries, the settlor (the person who introduced the funds that created the Trust), any Trust protectors (a person appointed by the Trust Deed who has responsibilities when certain events occur or when the trustees make certain types of decision), and any Trust controllers; calculate the level of control that they have over the Company; and indicate whether they are ultimate beneficial owners of the Company, i.e. they have control of 25% or more of the voting shares. Remember that it is only individuals who can be beneficial owners, so if any of the entities involved with the Trust are not individuals then you need to determine who controls those entities.

Name of trustee/beneficiary/settlor/protector/trust controller	% of control of Company	Beneficial Owner of the Company?
		Yes/No
		Yes/No
		Yes/No
		Yes/No
		Yes/No

Obtain information from any individuals who are beneficial owners about their full name, date of birth and residential address, which is then verified during the verification stage.

2. RISK ASSESSMENT STAGE

The objective of this section is to use the information obtained about the Company at section 1, together with the Practice's Whole Practice risk assessment and information provided by the RPBs about risk factors for the insolvency profession, to undertake a risk assessment that considers client risk, service risk, geographic risk and insolvency specific risks to determine the overall risk assessment in respect of the Company and decide whether simplified, normal or enhanced customer due diligence of the Company, its directors and beneficial owners is required.

Answer all questions:

Are there any risk factors for the Practice in respect of money laundering and terrorist financing arising from the nature of the Practice's customers; the countries or geographic areas in which it operates; its products or services; its transactions; and its delivery channels. <i>(N.B: use the Whole Practice risk assessment undertaken under regulation 18 to answer this prompt.)</i>	No
Are there any risk factors for the insolvency profession as promulgated by your licensing body?	No
Is the source of introduction of the prospective appointment unknown to the Practice? <i>(N.B: this prompt may not apply for some compulsory liquidations and N/A should be recorded, unless the appointment as Liquidator was a result of direct contact with the practice by someone connected with the Company in liquidation, including a creditor.)</i>	N/A
Does the source of introduction of the prospective appointment exert such influence over the Company, its directors, its beneficial owners, or the Practice as to increase the risk of money laundering or the financing of terrorism?	No
Has the Practice only dealt with a third party introducer rather than meeting the Directors/controllers? i.e. you have not met the Directors or senior management team of the Company.* <i>(N.B: this prompt may not apply for some compulsory liquidations and N/A should be recorded, unless the appointment as Liquidator was a result of direct contact by someone connected with the Company in liquidation, including a creditor.)</i>	No
Does the Company operate from a location that is not local to the Practice?	Yes
Is there a complex ownership structure of the Company, such that there is a risk of the true beneficial owners of the business being disguised?	No

Did the Company trade with parts of the world with a known risk of high instances of criminality or terrorism? *	No
<i>(N.B: where the Company traded with such parts of the world, refer the case to the IP and the Nominated Officer under the Money Laundering Regulations 2017 for assessment. The IP and Nominated Officer should prepare a file note alongside the checklist justifying the risk assessment).</i>	
Is a members' voluntary liquidation being proposed?	No
Based on the information obtained about the Company, is there anything known about the Company, its trading or the prospective appointment which could give rise to a higher risk of money laundering or financing of terrorism? *	No
Based on the information obtained about the Company, are the assets of the Company as disclosed by the directors NOT commensurate with the known financial information relating to the Company, i.e. are the disclosed assets either significantly more than, or less than, you would expect to see in the circumstances of the Company? *	No
Based on the information obtained about the Company, is the nature of the assets and the source of the assets of the Company, both those disclosed by the directors, and those used during the life of the Company, such that it gives rise to an increased risk of money laundering or the financing of terrorism? <i>(N.B: Where the Practice anticipates trading the Company following appointment, or a CVA is proposed where contributions are to be received from the Company or a third party, that increases the risk of money laundering or the financing of terrorism).</i>	No
Is the nature of the Company's business such that a significant level of its business activities were undertaken in cash? *	No
Does the Company operate in a public position and/or a location that carries a higher exposure to the possibility of corruption? *	No
Are any of the Directors or beneficial owners overseas persons or entities?	No
Are any of the Directors or beneficial owners based in a part of the world with a known risk of high instances of criminality or terrorism? *	No
Are any of the Directors or beneficial owners subject to personal insolvency proceedings, e.g. an undischarged bankrupt or in an IVA? *	No
<i>(Note: put a copy of the search on the case file as evidence).</i>	

<p>Have any of the Directors or beneficial owners been disqualified from acting as a director? *</p> <p><i>(Note: put a copy of the search on the case file as evidence).</i></p>	No
<p>Are there any de facto or shadow directors involved in the management of the Company?</p>	No
<p>Are any of the Directors or beneficial owners subject to financial sanctions? *</p> <p><i>(N.B. Search the consolidated list of targets that can be found at https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets/consolidated-list-of-targets Download the data in Excel, which is then searchable, and consider subscribing for updates at https://public.govdelivery.com/accounts/UKHMTREAS/subscriber/new)</i></p> <p>Note: If they are subject to financial sanctions then you will need to obtain a licence before undertaking any work in respect of the Company. OFSI@HMTreasury.gsi.gov.uk</p>	No
<p>Is a politically exposed person (PEP) involved with the Company? *</p> <p><i>(N.B: A PEP means an individual who is entrusted with prominent public functions in the UK or abroad, including: heads of government, ministers and deputy or assistant ministers; members of parliament or of similar legislative bodies; members of the governing bodies of political parties; members of the supreme court, or of any judicial body the decisions of which are not subject to further appeal except in exceptional circumstances; members of auditors or of the boards of central banks; ambassadors, charges d'affaires and high-ranking officers in the armed forces; members of the administrative, management or supervisory bodies of State-owned enterprises; and directors, deputy directors and members of the board of an international organisation.)</i></p>	<p>No</p> <p><i>(If the answer is "yes", see the note on PEPs below and record within that note the name of the individual PEP and their risk assessment.)</i></p>
<p>Is anyone involved with the Company a family member or known close associate of a PEP? *</p> <p><i>(N.B: A family member of a PEP includes a spouse or partner of that person; children of that person and their spouses or partners; or parents of that person.</i></p> <p><i>N.N.B: A known close associate of a PEP is means: an individual known to have joint beneficial ownership of a legal entity or a legal arrangement or any other close business relations with a politically exposed person; or an individual who has sole beneficial ownership of a legal entity or a legal arrangement which is known to have been set up for the benefit of a politically exposed person.</i></p>	<p>No</p> <p><i>(If the answer is "yes", see the note on PEPs below and record within that note the name of the individual PEP and their risk assessment.)</i></p>

Are there any other unusual factors relating to the affairs of the Company that give rise to an increased risk of money laundering or the financing of terrorism? *	No
<i>N.B: Consider in particular the information obtained about the nature of the Company's business, the business sector within which it operates, the geographical extent of its trading, and the nature of its assets as recorded above.</i>	
<i>N.N.B: If there are such unusual factors consult immediately with the IP and the Nominated Officer under the Money Laundering Regulations 2017.</i>	

Notes on PEPs:

Where a PEP is involved with the Company, or a family member or known close associate of a PEP is involved with the Company, then assess the risk associated with that individual PEP. FCA Guidance indicates that a PEP who is entrusted with a prominent public function in the UK should be treated as low risk, unless a firm has assessed that other risk factors not linked to their position as a PEP mean they pose a higher threat. Normal customer due diligence can be undertaken for a PEP as a low risk individual, but enhanced due diligence is required for any PEP not assessed as a low risk individual.

Record the name of any PEPs below, together with the risk assessment in respect of each individual PEP, and the reasons for that risk assessment:

Name of PEP	Risk Assessment (low or high)	Reasons for risk assessment

Before establishing a business relationship with the Company where a PEP is involved with it, irrespective of the risk assessment in respect of that individual you must: have approval from senior management within the Practice; and take adequate measures to establish the source of assets which are involved in the proposed business relationship, e.g. by looking at the known financial information in respect of the Company. Prepare a file note recording the decision to establish a business relationship with the Company and the reasons for doing so.

Risk assessment outcome:

Record the outcome of the risk assessment in respect of the Company?		Low/Normal*
--	--	-------------

* Delete either “high” or “low/normal” based on the following criteria:

- where the answer is “yes” to any of the prompts marked “*”, or there are 3 or more “yes” answers to the prompts which are not marked “*”, then it is a “high risk” appointment
- where the answer to no more than 2 of the prompts which are not marked “*” is “yes”, it is either a “low risk” or “normal risk” appointment – undertake the further risk assessment detailed below.

Where the risk assessment outcome is “low/normal” complete the following additional risk assessment to determine whether the overall risk assessment should be “low” or “normal”. The following prompts are all designed to identify “low risk” factors associated with the Company. Answer all questions:

Is the Company a public administration, or a publicly owned enterprise?	No
Is the Company listed on a regulated market, where the regulated market is located in an EEA state or a third country that has effective systems to counter money laundering and terrorist financing?	No
Does the Company provide a financial product or service as set out at section 37(3)(b) of the Money Laundering Regulations 2017?	No
Is the Company resident, established or registered in an EEA state or a third country that has effective systems to counter money laundering and terrorist financing?	No
Does the Company operate solely in an EEA state or a third country that has effective systems to counter money laundering and terrorist financing?	No

If any of the answers to the above prompts is “yes”, combine that outcome with the information obtained about the Company and its trading, then record below why you think that the overall risk assessment for the Company should be “low” rather than “normal”. Leave blank if you consider that the risk assessment should still be “normal”.

--

Record the final overall outcome of the risk assessment in respect of the Company, i.e. low, normal or high?	normal
--	--------

Where the overall outcome is "low", then simplified customer due diligence can be undertaken rather than normal customer due diligence, undertaking less due diligence. Often a "low" risk Company will be one that is listed, and in such circumstances it would certainly not be necessary to verify the identity of the beneficial owner(s) – see section 3 below. It is still necessary to undertake continued monitoring, i.e. looking at the source of assets and funds of the Company, and at the transactions which the Company entered into while trading, which you can do as part of your normal investigations into the affairs of the Company, and if those indicate that the "low" risk assessment is no longer appropriate, then either normal or enhanced customer due diligence must be undertaken, depending on the revised risk assessment identified, but ensuring that those from whom evidence of identity, or additional evidence of identity, is sought are not tipped off – see section 4 below.

Where the overall outcome is "normal", then normal customer due diligence must be undertaken – see section 3 below. It is still necessary to undertake continued monitoring, i.e. looking at the source of assets and funds of the Company, and at the transactions which the Company entered into while trading, which you can do as part of your normal investigations into the affairs of the Company, and if those indicate that the "normal" risk assessment is no longer appropriate, then enhanced customer due diligence must be undertaken, but ensuring that those from whom additional evidence of identity is sought are not tipped off – see section 4 below.

Where the overall outcome is "high", then enhanced customer due diligence must be undertaken – see section 3 below. It is also necessary to undertake continued monitoring, i.e. looking at the source of assets and funds of the Company, and at the transactions which the Company entered into while trading, which you can do as part of your normal investigations into the affairs of the Company, but when doing so being more alive to the possibility of money laundering as a result of the risk assessment undertaken – see section 4 below.

3. CUSTOMER DUE DILIGENCE STAGE

Customer due diligence is the process of verifying the identity of the Company, its directors and beneficial owners, i.e. verifying the information gathered about the identity of the Company, its directors and beneficial owners during the information gathering stage, using a risk-based approach. The objective of this section is to provide a framework to record the names of the relevant entities whose identity need to be verified and to record the evidence of identity obtained in respect of those entities.

Customer due diligence needs to be undertaken in respect of the following entities:

- the Company;
- the director(s), member(s) of its management body, or member(s) of its senior management team who instructed the practice to act in respect of the Company, to both verify their identity and to evidence that they have authority to act on behalf of the Company;
- the senior person responsible for managing the Company, e.g. the managing director or Chief Executive, if they were not a person instructing the practice to act in respect of the Company; and
- the individual(s) who is/are the ultimate beneficial owner(s) of the Company.

It is not permitted to rely solely on the register of persons of significant control maintained by the Company. Verification of identity must be based on reliable independent sources, either being documents provided by the entity concerned, information obtained electronically, or both.

Copies of the evidence of identity should be obtained and retained by the Practice, ideally attached to this checklist. The Practice has to show the provenance of the copies of the evidence it obtains. When the original document was seen by an employee of the Practice, it should be sufficient for that person to endorse the copy to that effect, including the date on which it was seen. However, when the copy originates from outside the business, the standing of the person who certified it should be considered. The Practice should have a policy in this regard, and the safest approach is for the Practice to require that certified copies are only acceptable if endorsed by a person who is a member of the regulated sector in the UK, e.g. solicitor or banker, or is subject, in an EEA or non-EEA state, to an equivalent regulatory regime which includes compliance supervision requirements equivalent to the money laundering directive.

For *individuals*, if verification is by documents provided by the individual then this should be based on a government issued document with the person's full name and photo with either their date of birth or their address (e.g. passport, photo-card driving licence, national identity card (non-UK nationals), or identity card issued by the Electoral Office for Northern Ireland). Alternatively, electronic verification can be undertaken if the information it provides is reliable, comprehensive and accurate.

Note: An electronic verification system is reliable, comprehensive and accurate if it draws on multiple sources of information; its sources of information are checked and reviewed regularly; there are control mechanisms to ensure data quality and reliability; the information is accessible, i.e. it should be possible to either download and store search results in electronic form, or print a hardcopy that contains all the details required (name of provider, original source, date, etc); and it provides adequate evidence that the individual is who they claim to be.

Where the risk assessment is that this is a "low" or "normal" risk case, then government issued photo ID or a "pass" in respect of electronic verification is sufficient evidence of identity. Where it is a "high" risk case then enhanced customer due diligence is required, such that the identity of the individual must be verified by two separate reliable independent sources. That should be the evidence required to verify the identity of an individual in a "low" or "normal" risk case, i.e. government issued photo ID or a "pass" in respect of electronic verification, supported by secondary evidence comprising:

- a valid full UK driving licence (paper version); or
- recent evidence of entitlement to a state- or local authority-funded benefit (including housing benefit, council tax benefit, tax credits, state pension, educational or other grant); or
- a current council tax demand letter or statement; or
- HMRC-issued tax notification (**Note:** employer-issued documents such as P60s are not acceptable); or
- end of year tax deduction certificates; or
- a current bank statement or credit/debit card statement (but not those printed from the internet); or
- a current utility bill; or
- electronic verification where a copy of government issued photo ID is also held.

Remember that enhanced due diligence will be required in respect of any PEPs who have not been assessed as low risk individuals.

For *Companies and other Corporate* bodies such as an LLPs, the verification should ideally be electronic, by way of an extract from the Companies House register, including the certificate of incorporation, or the overseas equivalent. Ideally, also obtain a copy of its constitution documents, e.g. Memorandum and Articles of Association. Where the Company is a listed or regulated entity, obtain a printout from the website of the relevant regulator or exchange.

For *Trusts*, the verification should be by way of obtaining a copy of the Trust document, which will also determine the name of the trustees, beneficiaries, the settlor (the person who introduced the funds that created the Trust), any Trust protectors, and any trust controllers whose identity you need to verify.

In order to comply with its requirements to undertake customer due diligence in respect of an entity, the Practice can rely on the evidence of identity held by relevant third parties, but the Practice remains liable for the third party's failure to comply with the provisions relating to customer due diligence. The Practice must enter into a written arrangement with the third party whereby the Practice can obtain from them, immediately upon request, copies of the evidence of identity, and whereby the third party is required to retain copies of the evidence of identity for the period required by the Practice, i.e. 5 years from the date of vacation of office. A relevant third party is a person or business that: is subject to the Money Laundering Regulations 2017; or who carries on business in another EEA state and is subject to the requirements of the fourth Money Laundering Directive; or who carries on business in another country and is subject to requirements in relation to customer due diligence and record keeping that are equivalent to those under the fourth Money Laundering Directive. In practice, we would not recommend taking such an approach, and would remind you that if the third party provides the Practice with a copy of the evidence of identity then that becomes the Practice's evidence of identity.

A. Verification of the Company:

The objective of this section is to verify the identity of the Company over which the IP is to be appointed officeholder.

Note: This information should still be obtained in Compulsory Winding Ups and where the IP is to be appointed Administrator by Order of the Court.

Identity verified	Date of verification	Means of verification
Yes	29.1.19	Passport and veriphy COMPANIES HOUSE SEARCHES

B. Verification of the Directors:

The objective of this section is to verify the identity of the directors (or members of its management body or senior management team) who have instructed the practice to act, and to confirm that they are indeed directors of the Company (or members of its management body or its senior management team) and so have authority to act on behalf of the Company, i.e. to verify the identity of the individuals who have been flagged up at section 1B.

The identity of the senior person responsible for managing the Company, e.g. the managing director or Chief Executive, should also be verified if they are not a person instructing the practice to act in respect of the Company.

Note: All references below to director includes reference to members of the Company's management body or senior management team if they instructed the practice instead of the directors.

Note: In a Compulsory Winding Up, while the names of the directors of the Company should be ascertained as part of the information gathering work in respect of the Company undertaken at section 1 above, it is not necessary to verify their identity since they are not instructing the Practice.

Note: In an Administration where the IP is to be appointed Administrator by Order of the Court the names of the directors of the Company should be ascertained as part of the information gathering work in respect of the Company at section 1 above, although it is not necessary to verify their identity unless the application to the Court is being made by the Company or its directors. The Practice should take all reasonable steps to verify the identity of the instructing director(s) where the application is being made by the Company or its directors, but if they are unable to do so, then the IP need not resign as Administrator for failing to do so as required by the Money Laundering Regulations 2017, if resigning would be prejudicial to the interests of the creditors. If the Practice is unable to verify the identity of the instructing director(s) in such circumstances, prepare a file note recording the steps taken to do so and indicating why resigning would be prejudicial to the interests of the creditors. However, where the Practice is instructed by the Company or the directors in connection with the application to Court, then they should be able to obtain evidence of identity of the beneficial owners, such that this exception is unlikely to apply.

Record below the names of the instructing directors of the Company, and the senior person responsible for managing the Company if they did not instruct the practice as recorded at section 1B, and the evidence obtained to verify their identity, together with the date that evidence was obtained:

Name of director	Date of verification	Means of verification
RICHARD PEARCE	29.1.19	PASSPORT + VERIFY

Are you satisfied that the director instructing the Practice has authority to act on behalf of the Company?	Yes/No
---	--------

C. Verification of beneficial owners:

The objective of this section is to verify the identity of the individual or individuals who are beneficial owners of the Company and to prompt to either record the evidence of identity obtained, or to evidence that reasonable measures have been taken to verify the identity of the beneficial owner so that the Practice is satisfied that they know who the beneficial owner is, i.e. to verify the identity of the individuals who have been flagged up as the beneficial owners of the Company at section 1C above.

If the senior person responsible for managing the Company is to be treated as its beneficial owner, then there is a prompt to record the reasons for doing so.

Note: Where a beneficial owner is also a Director whose identity has been verified, then merely record that fact below.

Note: In a Compulsory Winding Up the Practice should still take all reasonable steps to verify the identity of the beneficial owners, but if they are unable to do so, then the IP need not resign as liquidator for failing to do so as required by the Money Laundering Regulations 2017, if resigning would be prejudicial to the interests of the creditors. If the Practice is unable to verify the identity of the Company's beneficial owners, prepare a file note recording the steps taken to do so and indicating why resigning would be prejudicial to the interests of the creditors.

Note: In an Administration where the IP is appointed Administrator by the Court, the Practice should still take all reasonable steps to verify the identity of the beneficial owners, but if they are unable to do so, then the IP need not resign as Administrator for failing to do so as required by the Money Laundering Regulations 2017, if resigning would be prejudicial to the interests of the creditors. If the Practice is unable to verify the identity of the Company's beneficial owners, prepare a file note recording the steps taken to do so and indicating why resigning would be prejudicial to the interests of the creditors. Where the Practice is instructed by the Company or the directors in connection with the application to Court, then they should be able to obtain evidence of identity of the beneficial owners, such that this exception is unlikely to apply in such a case.

Record below the names of the individuals who are beneficial owners of the Company as recorded at section 1C, and the evidence obtained to verify their identity, together with the date that evidence was obtained:

Name of individuals who are beneficial owners	Date of verification	Means of verification
Richard Pearce		Passport and Veriphy

Note: If it is not possible to obtain evidence of the identity of the beneficial owners of the Company, then instead of recording the means of verification, record above the steps taken to verify their identity to evidence that all possible means of identifying their identity have been exhausted. In such circumstances, or if there are doubts that the individual identified is in fact the beneficial owner, then treat the senior person responsible for managing the Company as the beneficial owner. Ensure that evidence of their identity is obtained and recorded above, and prepare a file note explaining why they are being treated as the beneficial owner of the Company, which should be attached to this checklist.

COMPLETION

Once the checklist has been fully completed and evidence to verify the identity of the Company and all relevant entities obtained, it should be signed and dated to evidence when the practice's anti-money laundering procedures were completed:

Signed  Date 29.1.19

Case administrator/manager

Signed  Date 29/01/2019

IP

4. CONTINUED MONITORING STAGE

The objective of this section is to prompt to consider the outcome of the risk assessment when considering whether money laundering may have been undertaken in respect of the Company; and to prompt for, and evidence, continued monitoring where necessary and the consideration of the appropriateness of the risk assessment undertaken in respect of the Company.

A. Investigations

Considering whether money laundering has taken place through the examination of the Company's affairs and financial records is the key to a Practice's anti-money laundering procedures. The Money Laundering Regulations 2017 do not require an IP to undertake any investigations over and above what you are required to undertake in order to fulfill your obligations under the insolvency legislation and SIPs.

Consideration is required in all cases, but when investigating cases the Practice should take into account the risk assessment undertaken, and particular care should be taken for insolvency cases assessed as "high" risk, but the Practice should still be alive to the possibility of money laundering in "normal" risk and "low" risk cases.

When considering potential money laundering transactions the Practice should take into account its knowledge of the type of business the Company was engaged in and how they normally traded seen from the review of their financial records, accounts and trading activities to help identify unusual or suspicious transactions.

Where the investigation highlights potential money laundering transactions such that the person undertaking the investigations has "knowledge or suspicion", or reasonable grounds for suspicion, that money laundering has occurred a report should be submitted to the Practice's Nominated Officer (formerly known as the MLRO).

B. Continued monitoring and consideration of the appropriateness of the risk assessment

The Practice also needs to consider whether the initial risk assessment was appropriate.

Where the case has been identified as "high risk", or where a PEP is involved with the Company, or a family member or known close associate of a PEP is involved with the Company, unless they have been assessed as low risk PEPs, enhanced due diligence measures are required. There must be continued ongoing monitoring of the business relationship, which will include the reviewing of transactions with the Directors, controllers and their associates post appointment, including distributions of capital in a MVL.

Either record that continued monitoring in the following table, or do so within a periodic file review document.

Date of consideration	Any post appointment transactions?	Comments in respect of post appointment transactions	IP's initials
	Yes /No		
	Yes/No		
	Yes/No		
	Yes/No		

Where prior to appointment the case has been identified as either "normal risk" or "low risk", such that normal or simplified due diligence was undertaken, consider on a regular basis, say 6 monthly, whether any factors have come to light during the administration of the case that means that the original assessment was incorrect and that it is in fact a "high risk" case. Consider the following matters in particular:

- the investigations undertaken into the affairs of the Company and any particular transactions identified as a result of the investigations undertaken;
- whether it becomes clear that a PEP is in fact involved with the Company, or
- whether a family member or known close associate of a PEP is in fact involved with the Company, or
- where simplified due diligence was undertaken, there are doubts over the veracity of the documents obtained for the purposes of identification or verification.

In those circumstances enhanced due diligence measures are required. If enhanced due diligence is required then complete section 3 of the checklist again in respect of the directors and beneficial owners and ensure that the change of status is taken into account when undertaking future investigations. In addition, where it is as a result of becoming aware of the involvement of a PEP, or of a family member or an associate of a PEP, obtain approval from the senior management in the Practice to continue the business relationship.

Either record that periodic consideration below, or do so within a periodic file review document.

Date of consideration	Have any factors come to light?	Comments (if factors have come to light)	IP's initials
	Yes/No		
	Yes/No		
	Yes/No		
	Yes/No		
	Yes/No		
	Yes/No		

5. HIGH VALUE TRANSACTIONSTAGE

The objective of this section is to prompt to take appropriate actions to comply with the Money Laundering Regulations 2017 in respect of one-off post appointment transactions of €15,000 or more and to record those actions, i.e. gather information about the purchaser, undertake a risk assessment and verify the identity of the purchaser – “High Value Transaction Stage”.

The Practice needs to comply with the Money Laundering Regulations 2017 in respect of high value transactions with the insolvent estate post appointment, where the sum of €15,000 or more is involved. The most common situation will be the purchase of the Company's assets, but it would also cover third party contributions, say in CVAs or towards costs in CVLs or MVLs.

Record the name of transacting entity: (i.e. the purchaser of the assets or contributor towards costs or contributions in a CVA)	
Record the nature of the transaction (e.g. purchase of assets or CVA contribution):	

Complete a corporate or personal money laundering risk assessment depending on whether the transacting entity is an individual or a corporate entity, in order to:

- obtain and record information about the identity of the transacting entity, such as what they/it do/does, the nature of their/its assets, and if a Company the identity of its directors and its beneficial owners, to enable a risk assessment to be undertaken – “Information Gathering Stage”;
- use a risk assessment that considers client risk, service risk, geographic risk and insolvency specific risks to determine whether simplified, normal or enhanced customer due diligence of the transacting entity is required – “Risk Assessment Stage”;
- record the customer due diligence undertaken in respect of the transacting entity using a risk-based approach as determined by the risk assessment undertaken, to verify the identity of the individual or the Company, its directors and its beneficial owners as identified during the information gather stage, i.e. record the evidence obtained from an independent, reliable source to verify the identity of the individual or the Company and all relevant entities – “Verification Stage”.

Note: Where the entity's identification has already been verified as part of the customer due diligence in connection with accepting the appointment, then reliance can be placed on the verification work already undertaken.

Note: Where a transaction is assessed as “normal risk” then customer due diligence need only be undertaken in respect of the transacting entity. Where the transacting entity is a Company, obtain sufficient information to verify the identity of the Company and the directors of the Company with whom you are dealing, in order to confirm that they are indeed directors and have authority to bind the Company.

Note: Where a transaction is assessed as “high risk” the enhanced due diligence needs to be undertaken in respect of the transacting entity. Where the transacting entity is a Company, obtain sufficient information to verify the identity of the Company, the directors of the Company with whom you are dealing, in order to confirm that they are indeed directors and have authority to bind the Company, and the beneficial owner(s) of the Company.

Note: Where an agent is handling the sale of assets consider relying on the money laundering verification work that they undertake as part of their own anti-money laundering obligations. To do so, obtain their agreement in writing; obtain a copy of the evidence of identity that they obtain; and assess that evidence to ensure that it satisfies the requirements of the risk-based assessment undertaken.

Bribery Act 2010 Policy and Case-based Risk Assessment

Name of Company	Gainsborough Health And Fitness Limited
Type of appointment	ADM
Nature of the Company's business	Other Sports Activities
Source of introduction	Direct

The objective of this checklist is to:

- use a risk based assessment to determine whether there is any risk of bribery in relationship to the appointment;
- support the Practice's stated policy that our business culture is one where bribery is never acceptable;
- act as a prompt to consider the outcome of the risk based assessment; and
- act as evidence of the assessment of risk and use of appropriate procedures to prevent bribery.

This document derives from guidance provided by the Ministry of Justice which can be found at the following internet address:

<http://www.justice.gov.uk/guidance/making-and-reviewing-the-law/bribery.htm>

Compliance On Call accepts no liability for any liability or regulatory penalty arising from the use of this document, even if used correctly. You should review the above advice and ensure that any documents and procedures that you adopt are suitable to an organisation with your risk profile.

Policy Statement: Our Practice is committed to carrying on its business fairly, openly and honestly. Our business culture is one where bribery is never acceptable.

A. RISK ASSESSMENT

1. In order to determine the level of risk associated with this appointment, complete the following risk assessment:

Source of introduction:

Is the source of introduction of the prospective appointment being paid or rewarded for anything other than work done?	No – normal risk
--	------------------

Other individuals associated with the appointment (e.g. debtor, Director, shareholder, partner and their relatives):

Are any individuals associated with the appointment being paid or rewarded for anything other than work done?	No – normal risk
---	------------------

The insolvent company/individual:

Is there anything unusual known about the debtor, its trading (e.g. the sector in which it operates or the value and duration of its contracts) or the prospective appointment which could give rise to a higher risk of bribery?	No – normal risk
---	------------------

2. Record the initial risk level

Risk level identified on appointment	Normal
--------------------------------------	--------

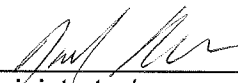
If the risk is Normal, then only a periodic review of the appointment is required to confirm that the position has not changed.


If the risk is High, then Partner/Director level authority is required to accept the appointment and all ongoing payments, rewards or gifts. If the likely recipient or provider of the reward, gift or payment is a Partner/Director, then authority must be given in writing by all of the other Partners or Directors. That specific authority should be copied and attached. In such circumstances, it may be appropriate to complete the more detailed Bribery Act case-based risk assessment available on the Compliance On Call Creditor Gateway portal.

Policy

Policy Statement: Our Practice is committed to carrying on its business fairly, openly and honestly. Our business culture is one where bribery is never acceptable.

Those signing below confirm that to the best of their knowledge no factor, individual or entity connected with this appointment gives rise to any risk of bribery other than the level recorded above.

Signed  Date 29.01.2019
Case administrator/manager

Signed  Date 29/01/2019
Christopher David Horner

Note: All prospective office holders should sign.

Appendix 3

PRACTICE FEE RECOVERY POLICY FOR ROBSON SCOTT ASSOCIATES

Introduction

This sheet explains the alternative fee bases allowed by the insolvency legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court. The report accompanying the request to fix the basis of remuneration will indicate the basis, or bases, being requested in that particular case and will make it clear what work is to be undertaken in respect of each basis.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at www.creditorinsolvencyguide.co.uk. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) "Payments to Insolvency Office Holders and their Associates from an Estate" and can be accessed at www.robsonscottassociates.co.uk. Alternatively, a hard copy may be requested from Robson Scott Associates Limited of 47-47 Duke Street, Darlington, County Durham, DL3 7SD. Please note that we have provided further details in this policy document.

SIP 9 also contains various requirements that the office holder has to comply with in connection with their remuneration, both when seeking approval and when reporting to creditors and other interested parties after approval. One of the matters that an office holder has to comply with is that they must also seek approval for any payments that could reasonably be perceived as representing a threat to the office holder's objectivity or independence by virtue of a professional or personal relationship, including to an associate. Where it is anticipated that such payments will be made in a case they will be separately identified when seeking approval for the basis of the office holder's remuneration.

Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Charge out Rates

Grade of staff	Current charge-out rate per hour, effective from 2021 £	Previous charge-out rate per hour, effective from 2016 £
Insolvency Practitioner	350	325
Director	320	305
Manager	250	235
Supervisor	200	190
Senior Administrator	170	160
Case Administrator	150	125
Cashier	100	95
Support Staff	100	95

When we seek time costs approval, we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work

being carried out within the estimate, and by reference to each separate category of work. The blended rate is calculated as the prospective average cost per hour, based upon the estimated time to be expended by each grade of staff at their specific charge out rate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

A report accompanying the request to fix the basis of remuneration will include the fees estimate, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will summarise that information in an average or “blended” rate for all of the work being carried out within the estimate, and by reference to each separate category of work, and will also say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. A report accompanying the request to fix the basis of remuneration will set out the potential assets in the case, the remuneration percentage proposed in respect of any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the assets, but might also include other categories of work as listed above. The report will also include details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

A percentage of distributions made to unsecured creditors may also be requested, in order to cover the work associated with the agreement of claims and making the distribution.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. A report accompanying the request to fix the basis of remuneration will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 we will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

Direct Costs

Where we seek approval on a percentage and/or fixed fee basis, in order to meet the requirements of SIP 9 we also have to disclose the direct costs that are included within the remuneration that will be charged on those bases in respect of the work undertaken. The following are direct costs that will be included in respect of work undertaken in respect of each of the standard categories of work where the office holder is to be remunerated for such work on either a percentage or fixed fee basis:

- Case Administration (including statutory reporting) – staff costs, costs of case management system.
- Realisation of Assets - staff costs, costs of case management system.
- Investigations - staff costs, costs of case management system.
- Creditors (claims and distributions) - staff costs, costs of case management system.
- Trading - staff costs, costs of case management system.

Mixed basis

If remuneration is to be sought on a mixed basis, we will make it clear in the report accompanying the request to fix the basis of remuneration which basis will be charged for each category of work that is to be undertaken on the case.

Members' voluntary liquidations and Voluntary Arrangements

The legislation is different for members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) and Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All fee bases

With the exception of IVAs and CVAs, which are usually VAT exempt, the office holder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Expenses

As already indicated, a report will accompany the request to fix the basis of remuneration and that will include details of expenses to be incurred, or likely to be incurred. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

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

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder. They can be paid by the office holder without obtaining prior approval. . Examples of costs that may amount to Category 1 expenses are professional advisors (who are not associates), statutory advertising, external meeting room hire (where the room is only hired for that meeting), external storage, specific penalty bond insurance, insolvency case management software fees charged on a per case basis, and Company search fees.

Category 2 expenses are either payments to associates, or payments in respect of expenses that have an element of shared costs, such as photocopying and mileage. Category 2 expenses require approval in the same manner as an office holder's remuneration before they can be paid.`

The practice intends to seek approval to recover the following Category 2 expenses that include an element of shared costs:

Dishonoured Cheque	£25 per cheque
Mileage	55 pence per mile
Photocopying	15 pence per sheet
File set up	£20 per file
Meeting room hire (when not rechargeable at Cat 1)	£65 per statutory meeting
Compulsory Winding Up/ Bankruptcy Petition drafting	£1,550 plus VAT per petition drafted
Storage of books and records	£10 per standard archive box per month £15 per large archive box per month

Professional advisors may be instructed to assist the office holder on the case where they consider that such assistance is necessary to enable them to appropriately administer the case. The fees charged by any professional advisors used will be recharged at cost to the case. Where the professional advisor is not an associate of the office holder it will be for the office holder to agree the basis of their fees. Where the professional advisor is an associate of the office holder it will be for those responsible for fixing the basis of the office holder's remuneration to approve payments to them. The fees of any professional advisors are subject to the rights of creditors to seek further information about them or challenge them as summarised below. Professional advisors that may be instructed on a case include:

Solicitors/Legal Advisors;

Auctioneers/Valuers;

Accountants;

Quantity Surveyors;

Estate Agents;

Pension specialists;

Employment Claims specialists; and

GDPR/Cyber Security specialists.

Reporting and rights to challenge

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration charged by the office holder in the period covered by the report, i.e., the amount that the office holder is entitled to draw, together with the amount of remuneration actually drawn. If approval has been obtained for remuneration on a time costs basis, the time costs incurred will also be disclosed, whether drawn or not, together with the "blended" rates of such costs. The report will also compare the actual time costs incurred with those included in the fees estimate prepared when fixing the basis of the remuneration, and indicate whether the fees estimate is likely to be exceeded. If the fees estimate has been exceeded, or is likely to be exceeded, the report will explain why that is the case.

The report will also provide information about expenses incurred in the period covered by the report, together with those actually paid, together with a comparison with the estimated expenses. If the expenses incurred, or anticipated to be incurred, have exceeded the estimate provided the report will explain why that is the case.

Under the insolvency legislation the report must also include a statement of the legislative rights of creditors to request further information about the remuneration charged and expenses incurred in the period covered by the report, or to challenge them on the grounds that they are excessive. Extracts of the relevant insolvency rules dealing with these rights are set out below. Once the time period to seek further information about the office holder's remuneration and/or expenses for the period covered by the report has elapsed, then a Court Order is required to compel the office holder to provide further information about the remuneration and expenses. A Court order is required to challenge the office holder's remuneration and/or expenses for the period covered by the report. Once that period has elapsed, then a separate Court Order is required to allow an application out of time.

Under rule 18.9 of the Insolvency (England and Wales) Rules 2016, an unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the office holder's remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under rule 18.34, an unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the office holder's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.