



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

1 Company details

Company number 0 5 7 0 9 7 9 2

Company name in full ACICS Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Samuel James

Surname Woodward

3 Administrator's address

Building name/number Ernst & Young LLP

Street 2 St Peters Square

Post town Manchester

County/Region

Postcode M 2 3 D F

Country United Kingdom

4 Administrator's name ①

Full forename(s) Timothy Graham

Surname Vance

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Ernst & Young LLP

Street 1 Bridgewater Place

Water Lane

Post town Leeds

County/Region West Yorkshire

Postcode L S 1 1 5 Q R

Country United Kingdom

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 0	^d 1	^m 0	^m 6	^y 2	^y 0	^y 2	^y 2
To date	^d 3	^d 0	^m 1	^m 1	^y 2	^y 0	^y 2	^y 2

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

Amber

X

Signature date

^d 2	^d 3	^m 1	^m 2	^y 2	^y 0	^y 2	^y 2
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**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 Sarah Vyse

Company name Ernst & Young LLP

Address 1 Bridgewater Place

Water Lane

Post town Leeds

County/Region West Yorkshire

Postcode

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Country United Kingdom

DX

Telephone 0113 298 2508

**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

TO ALL KNOWN CREDITORS

23 December 2022

Ref: SGW/TV/TH/SV

Email: tharvey@parthenon.ey.com

Dear Sirs

ACICS Limited (in Administration) (“the Company”)

High Court of Justice, The Business and Property Courts in Leeds, Insolvency and Companies List (ChD), CR-2021-LDS-000628

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016, to provide creditors with a report on the progress of the Administration.

On 1 December 2021, the Company entered Administration with R H Kelly and T Vance were appointed to act as Joint Administrators (‘the Administrators’). The appointment was made by the sole Director of the Company under the provisions of paragraph 22 of Schedule B1 to the Insolvency Act 1986.

This report covers the period from 1 June 2022 to 30 November 2022 and should be read in conjunction with the Administrators’ Statement of Proposals (‘the Proposals’) dated 21 January 2021 and the previous progress report covering the period from 1 December 2021 to 31 May 2022.

Statutory information about the Company, the Administration and the office holders is set out at Appendix 1.

As insolvency practitioners, the Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. A copy of the Statement of Insolvency Practice 1 is available from <https://www.icaew.com/-/media/corporate/files/technical/insolvency/regulations-and-standards/sips/england/sip-1-e-and-w-introduction-to-statements-of-insolvency-practice-oct-2015.ashx>

Change of Administrator

In accordance with a Court Order dated 27 June 2022 (‘the Order’), following his retirement, Robert Hunter Kelly was replaced as Joint Administrator by Samuel James Woodward, an Insolvency Practitioner licenced by the Institute of Chartered Accountants in England and Wales. In compliance with the terms of the Order, a block advertisement was advertised in the London Gazette on 7 July 2022 and creditors are to be notified of the Order within this progress report.

Pursuant to the Order, each creditor has the right to apply to vary or discharge the Order within 28 days of receipt of the notification provided herein.

Extension of administration

The Administration was extended by the secured creditors under Paragraph 78 (2) of Schedule B1 of the Insolvency Act 1986. The extension was for a period of 12 months commencing from 1 December 2022. Accordingly, the Administration is now due to expire on 30 November 2023.

The purpose of the extension is to:

- ▶ Provide additional time for VAT to be received by the Company in respect of its final VAT return in the Administration.
- ▶ Obtain tax clearance from HMRC.
- ▶ Carry out statutory closure matters, including obtaining the Joint Administrators' discharge from liability and filing final statutory reports.

Summary of progress

Freehold property – Park Mill

Our previous progress report to creditors outlined our marketing approach to achieve best value for the property.

Following a period of negotiations with interested parties, we completed a sale of Park Mill on 1 July 2022 for £7.83m. This offer was agreed following discussion with our agent who recommended its acceptance.

The sale proceeds were subject to the Bank's fixed charge security and are reflected in the receipts and payments account (actual receipt was £7.68m which is after rent apportionments to the buyer).

Rent and insurance rent

Since appointment, the Administrators have collected rent of £450,000 and insurance rent of £12,684.

The rent was paid into a ringfenced account which is subject to HSBC's fixed charge in accordance with the Notice of Charge dated 1 November 2021. Therefore it is not reported in the Administrators' receipts and payments account. The rent sums were applied in debt reduction under HSBC's banking documents.

The insurance rent was paid to the Administrators' account as these funds were used to settle post appointment insurance premiums.

Other matters

VAT recovery

The Company has received £6,228 in respect of a VAT refund relating to payments incurred whilst part of the Adare SEC VAT Group. This is reflected in the receipts and payments account.

Receipts and payments account

A summary of our receipts and payments for the period from 1 December 2021 to 30 November 2022 is attached at Appendix 2. This includes receipts and payments specifically relating to the period covered by this report and it does not reflect estimated future realisations or costs.

Investigations

We have undertaken investigations into the Company's affairs, in accordance with Statement of Insolvency Practice 2 (Investigations by Office Holders), and the Company Directors Disqualification Act 1986 with the required statutory returns made to the Insolvency Services. As part of our ongoing role, we will investigate matters brought to our attention in respect of the Administration. No third-party funding has been provided for any investigations. No further investigations are ongoing.

Joint administrators' remuneration

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

The Proposals stated that in the event a creditors' meeting is not requisitioned and a creditors' committee is not formed, the Joint Administrators would seek to have their remuneration fixed by the secured creditors, in accordance with Rule 18.8(4) of the Insolvency (England and Wales) Rules 2016. The Joint Administrators will ask for their remuneration to be fixed on the basis of time properly given by them and their staff in dealing with matters arising in the administration.

The Administrators separately corresponded with the secured creditors in this regard and the basis of the Joint Administrators' remuneration was fixed by the secured creditors on 22 March 2022.

During the period covered by this report, we have incurred time costs of £41,784. To date, the Joint Administrators have incurred time costs in respect of the Company of £125,416 against which fees of £100,000 have been drawn. This is below the level forecast in the fee estimate dated 21 January 2022. No further fees are anticipated to be drawn.

An analysis of the time spent, and a comparison with the fee estimate dated 21 January 2022 is attached as Appendix 4 to this report.

Joint administrators' statement of expenses incurred

The secured creditors approval has also been obtained for drawing Category 2 disbursements (see Appendix 3 for further details).

Further commentary and analysis in relation to the expenses of the Administration is provided at Appendix 3.

During the period covered by this report, we have paid Administration expenses totalling £140,452. This relates to fees and expenses in connection with the sale of the freehold property.

Outcome for creditors

We provide below, for information, an indication of the position with regard to creditors' claims.

Secured creditors

The secured lenders are HSBC UK Bank plc ("HSBC") and Endless LLP ("Endless").

The Company had secured indebtedness (per the Statement of Affairs) of c.£32.9m comprising:

- ▶ HSBC – c.£11.0m; and
- ▶ Endless – c.£21.9m

HSBC and Endless both hold debenture security over the Company and its assets with Endless subordinated to HSBC via an intercreditor agreement.

The main asset of the Company was the freehold property at Park Mill. This was subject to fixed charge security and thus all net realisations were applied against HSBC's indebtedness via its fixed charge security.

To date, HSBC has received distributions totalling £7.35m. A final distribution will be made to HSBC prior to closure of the Administration.

HSBC will not recover its indebtedness in full and therefore there will be insufficient realisations to enable a distribution to Endless or unsecured creditors.

Preferential creditors

There were no employees of the Company and thus no preferential claims arising in respect of employees.

As the principal asset realisations have been covered by the fixed charge security, no recoveries will be available for preferential creditors.

Non-preferential creditors

There will be insufficient funds available to non-preferential unsecured creditors.

Prescribed Part

The Prescribed Part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Insolvency Act 1986. The Prescribed Part applies to floating charges created on or after 15 September 2003.

The Prescribed Part is not expected to apply in the Administration.

Remaining work


The Joint Administrators will continue to manage the affairs, business and property of the Company to achieve the purpose of the Administration. This will include, inter alia:

- ▶ Receiving the final VAT reclaim from HMRC;
- ▶ Making a further distribution to HSBC;
- ▶ Ensuring all statutory reporting and compliance obligations are met; and
- ▶ Finalising the Administration, including payment of all Administration liabilities.

Next report

We will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner. Should you have any queries with any of the matters outlined in this report, please contact my colleague Tom Harvey at the email address provided above.

Yours faithfully
for the Company



Tim Vance
Joint Administrator

Samuel James Woodward is licensed in the United Kingdom to act as an Insolvency Practitioner by The Institute of Chartered Accountants in England and Wales. Timothy Vance is licensed in the United Kingdom to act as an Insolvency Practitioner by The Institute of Chartered Accountants of Scotland.

The affairs, business and property of the Company are being managed by the Joint Administrators, Samuel James Woodward and Timothy Vance who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy

Appendix 1

Information about the proceedings, the Company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	High Court of Justice, The Business and Property Courts in Leeds, Insolvency and Companies List (ChD)
Court reference:	CR-2021-LDS-000628
Registered name of the company:	ACICS Limited
Registered office address of the company:	C/o Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR
Registered number:	05709792
Country of incorporation (for a company incorporated outside the United Kingdom):	N/A
Date of appointment of the joint administrators:	1 December 2021
Details of any changes of administrator:	Robert Hunter Kelly was replaced as Joint Administrator by Samuel James Woodward on 27 June 2022
Full names of the administrators:	Samuel James Woodward and Timothy Graham Vance
Office holder number(s):	8582 / 26710
Administrators' address(es):	Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR
Telephone number:	+44 113 298 2355
Name of alternative person to contact with enquiries about the case:	Tom Harvey

Appendix 2

ACICS Limited (in Administration)

Joint Administrators' Summary of Receipts and Payments from 1 December 2021 to 30 November 2022

ACICS Limited - In Administration Receipts and payments account				
<i>Estimated to Realise as per Directors' Statement of Affairs</i>		<i>1 December 2021 to 31 May 2022</i>	<i>1 June 2022 to 30 November 2022</i>	<i>Total</i>
£	Receipts	£	£	£
7,500,000	Freehold Property	-	7,681,777	7,681,777
-	Insurance Rent	12,203	481	12,684
-	Pre Appointment VAT	6,228	-	6,228
-	Bank Interest	7	292	299
7,500,000		18,438	7,682,550	7,700,988
Payments				
	Administrator Fees	-	100,000	100,000
	Administrator Disbursements	-	119	119
	Agents' Fees	-	81,400	81,400
	Legal Fees	-	46,333	46,333
	Insurance	-	12,683	12,683
		-	240,535	240,535
Net realisations		18,438	7,442,014	7,460,452
Distributions				
	Secured Creditors	-	7,350,000	7,350,000
Net funds		18,438	92,014	110,452
<i>Funds in Hand</i>				
	Cash at Bank	80,879	(15,988)	64,891
	Net VAT receivable/(payable)	(62,441)	108,001	45,561
		18,438	92,013	110,452

Notes

1. Receipts and payments are stated net of VAT.
2. Sale proceeds are net of a £147,123 rent apportionment adjustment at sale completion.
3. Rent (net of VAT) under the lease is paid into a ringfenced account which is subject to HSBC's fixed charge in accordance with the Notice of Charge dated 1 November 2021. Accordingly, it is not reported in the Administration receipts and payments account. The Administrators have collected £450,000 under the terms of the lease which has been paid into this account. These monies will be applied against HSBC's indebtedness.
4. The VAT charged on the rent has been paid into the Joint Administrators account as they will account to HMRC directly as part of the post appointment VAT returns.

5. Insurance rent is payable under the terms of the lease and paid into the Administration account as this will be used to meet the cost of the post appointment insurance premium.

Appendix 3

ACICS Limited (in Administration)

Summary of joint administrators' expenses incurred

£	Per fee estimate 21.01.2022	Paid in period 31 May 2022	Paid in period 1 June 2022 to 30 November 2022	Outstanding	Total to 30 November 2022
Payments made from the estate which are not disbursements	£	£	£	£	£
Legal fees	50,000	-	46,333	-	46,333
Property agent fees	100,000	-	81,400	-	81,400
Insurance	10,000	-	12,683	-	12,683
Bank charges and interest	1,000	-	6	-	6
Storage	4,000	-	-	-	-
Sundry	1,000	-	-	-	-
Total	166,000	-	140,423	-	140,423
Category 1 disbursements (see note 2)					
Specific Penalty Bond	24	20	-	10	30
Public notices	99	99	-	-	99
Courier costs	-	-	-	17	17
Printing	-	-	-	2	2
Total disbursements	123	119	-	29	148
Total expenses	166,123	119	140,423	-	140,571

We do not anticipate any Category 2 disbursements during this Administration.

Notes

- Statement of Insolvency Practice No.9 defines expenses as any payments from the insolvency estate which are neither an office holder's remuneration or a distribution to a creditor or member.
- Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do require prior approval (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
 - Category 2 expenses are payments to associates or which have an element of shared costs.
- Expenses also include disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Disbursements fall into either Category 1 or Category 2.
- Outstanding expenses relate to expenses invoiced within the reporting period but which were yet to be settled.

Appendix 4

ACICS Limited (in Administration)

Joint administrators' time costs for the period from 1 December 2021 to 30 November 2022 and a comparison with the fee estimate dated 21 January 2022

	Per fee estimate dated 21 January 2022			Actual in this reporting period			Cumulative to 30 November 2022		
	Total hours	Time costs (£)	Average hourly rate (£)	Total hours	Time costs (£)	Average hourly rate (£)	Total hours	Time costs (£)	Average hourly rate (£)
Accounting & Administration	21.0	5,420	258	20.7	6,004	290	27.7	7,649	276
Bank & Statutory Reporting	86.0	28,020	326	15.8	5,107	323	48.3	16,392	339
Creditors	4.0	1,430	358	-	-	-	2.0	360	180
Immediate Tasks	19.5	4,993	256	-	-	-	18.5	4,813	260
Investigation & CDDA	10.0	2,925	293	-	-	-	13.5	3,683	273
Job Acceptance & Strategy	7.5	3,188	425	-	-	-	7.5	3,188	425
Legal Issues	2.0	850	425	-	-	-	0.5	213	425
Other Matters	6.0	2,820	470	1.0	515	515	9.0	4,635	515
Property	155.0	61,425	396	15.0	6,555	437	52.0	23,045	443
Statutory Duties	85.0	26,530	312	18.4	5,592	304	90.2	26,705	296
Trading	15.0	4,955	330	1.0	180	180	2.0	470	235
VAT & Taxation	79.5	27,765	349	58.0	17,832	307	110.1	34,267	311
Total	490.5	170,320	347	129.9	41,784	322	381.3	125,416	329

Summary of work

The Joint Administrators have incurred time costs (or will incur future time costs) in dealing with, inter alia, the following matters:

► **Accounting and Administration** – includes general administrative duties, such as cashiering, filing, as well as maintaining the Joint Administrators' accounting records.

► **Bank and Statutory Reporting** – includes statutory reporting to all classes of creditors. Reports include the Joint Administrators Proposals to creditors, separate reporting the secured lenders, six monthly progress reports and filings of documents at Companies House.

► **Creditors/Members** – relates to correspondence with creditors and members and answering specific creditor/member queries.

► **Immediate tasks** – relates to carrying out on appointment tasks and duties such as speaking with the Company director, issuing correspondence notifying appointment, collating information and carrying out other initial activities.

► **Investigations & CDDA** – carrying out all investigations required by Statement of Insolvency Practice No.2 and Company Director's Disqualification Act 1986 and filing returns.

► **Job Acceptance & Strategy** – time spent in complying with the firm's internal compliance and job acceptance procedures prior to accepting an appointment. In addition, putting in place a plan of action for executing the administration strategy, in particular the property disposal approach.

► **Legal Issues** – relates to general legal advice during the Administration.

► **Other matters** – relates to time spent on matters arising from the Administration.

► **Property** – time spent working to deliver a sale of the Company's main realisable asset, the freehold property at Park Mill, Huddersfield. This includes working with appointed agents Fox Lloyd Jones (FLJ) to agree and deliver a disposal strategy and subsequently negotiate the transaction mechanics and contract.

► **Statutory duties** – time spent in complying with statutory matters.

► **Trading** – time spent collecting rent and insurance rent under the terms of the lease.

► **VAT and taxation** - investigating the Company's VAT and corporation tax position up to the date of appointment, preparation and submission of VAT and corporation tax returns for the post appointment period. Includes time spent on ascertaining the tax position regarding the sale of the property including capital allowances pools and transfer of going concern provisions. In addition, time spent on removing the insolvent entities from the previous VAT group and establishing a standalone VAT registration for ACICS along with work to opt to tax the property.