

AM23

Notice of move from administration to dissolution



Companies House

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

1 Company details

Company number 05709792

Company name in full ACICS LIMITED

→ Filling in this form

Please complete in typescript or in bold black capitals.

2 Court details

Court name HIGH COURT OF JUSTICE, THE BUSINESS AND PROPERTY

COURTS IN LEEDS, INSOLVENCY AND COMPANIES LIST(ChD)

Court number CR2021LDS000628

3 Administrator's name

Full forename(s) SAMUEL JAMES

Surname WOODWARD

4 Administrator's address

Building name/number ERNST & YOUNG LLP

Street 1 BRIDGEWATER PLACE

WATER LANE

Post town LEEDS

County/Region

Postcode LS115QR

Country UNITED KINGDOM

AM23

Notice of move from administration to dissolution

5	Administrator's name ①	
Full forename(s)	TIMOTHY GRAHAM	
Surname	VANCE	
		① Other administrator Use this section to tell us about another administrator.
6	Administrator's address ②	
Building name/number	ERNST & YOUNG LLP	
Street	1 BRIDGEWATER PLACE	
	WATER LANE	
Post town	LEEDS	
County/Region		
Postcode	L S 1 1 5 Q R	
Country		
		② Other administrator Use this section to tell us about another administrator.
7	Final progress report	
<input checked="" type="checkbox"/> I have attached a copy of the final progress report		
8	Sign and date	
Administrator's signature	Signature X  X	
Signature date	^d 1 ^d 6 ^m 0 ^m 3 ^y 2 ^y 0 ^y 2 ^y 3	

**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

Postcode

L S 1 1 5 Q R

Country UNITED KINGDOM

DX

Telephone +44 11 3298 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

16 March 2023

Ref: SGW/TV/TH/SV
Email: sarah.vyse@parthenon.ey.com

Dear Sirs

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

I write to provide you with our final progress report in the administration, which includes details of the outcome. The report covers the period from 1 December 2022 to 16 March 2023 and should be read in conjunction with our previous progress reports dated 27 June 2022 and 23 December 2022. Statutory information about the company, the administration and the office holders is given at Appendix 1.

Summary of the Joint Administrators’ (“the Administrators”) proposals dated 21 January 2022 (“the Proposals”)

As set out in the Proposals, the purpose of an administration is to achieve one of three objectives:

- a. To rescue the company as a going concern
- b. To achieve a better result for the company’s creditors as a whole than would be likely if the company were wound up (without first being in administration)
- c. To realise property in order to make a distribution to one or more secured or preferential creditors

Insolvency legislation provides that objective (a) should be pursued unless it is not reasonably practicable to do so or if objective (b) would achieve a better result for the company’s creditors as a whole. Objective (c) may only be pursued if it is not reasonably practicable to achieve either objective (a) or (b) and can be pursued without unnecessarily harming the interests of the creditors of the company as a whole.

It was not deemed possible to achieve objective (a) for the following reasons:

- ▶ The Company had significant liabilities with no means of settling them in full; and
- ▶ The purpose of the Administration was to deliver a sale of the property, which would only be achieved via an asset sale as opposed to a sale of the legal entity.

In this case, objective (b) was not applicable, however the Administration moratorium provided the Joint Administrators with the necessary protection to realise (and optimise) value from the property.

Accordingly, the Joint Administrators pursued objective (c), to realise assets in order to make a distribution to the secured creditors. There were no preferential creditors envisaged in the Administration.

The Proposals outlined that the principal objective of the Administration was to realise value from the freehold property in order to make a distribution to one or more secured creditors.

Approval of the Proposals

As the Company had insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part, in accordance with the provisions of paragraph 52(1) (b) of Schedule B1 to the Insolvency Act 1986, The Joint Administrators did not seek a decision of the creditors on the approval of the proposals.

The Joint Administrators were obliged to seek a decision of the creditors if requested to do so by creditors of the company whose debts amount to at least 10% of the total debts of the company.

No request from creditors was received and the Proposals were deemed approved on 2 February 2022.

Summary of steps taken during the administration

As previously advised, the primary objective of the Administration was to realise value from the freehold property and make a distribution to the secured creditor.

All matters relating to the sale of the property (including the outcome) are set out in our previous progress reports.

Since our previous report dated 23 December 2022, we have received the final VAT reclaim from HMRC, including a Repayment Supplement of £2,278. The latter is reflected in the receipts and payments account at Appendix 2.

Distributions to creditors

Secured creditors

The secured creditors 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 held 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.

HSBC has received distributions from the Administration estate totalling £7.46m. This is in addition to rent collected by the Joint Administrators under the terms of the lease which was subject to fixed charge

security charge in accordance with the Notice of Charge dated 1 November 2021. As this was paid to HSBC directly, it is not reported in the Joint Administrators' receipts and payments account.

HSBC has not recovered its indebtedness in full.

Notice of no further dividend

In accordance with Rule 14.37(2) of the Insolvency (England and Wales) Rules 2016, I give notice that we are unable to declare any dividend to preferential or non-preferential creditors as there were minimal floating charge assets.

Receipts and payments account

I enclose a receipts and payments account for the period from 1 December 2022 to 16 March 2023.

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. No third-party funding has been provided for any investigations. No 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. Please note that the references in the Guide to fee estimates do not apply to administrations, such as this one, which started before 1 October 2015.

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 Joint Administrators' basis of remuneration was fixed on a time-cost basis by the secured creditors on 22 March 2022.

During the period covered by this report, we have incurred time costs of £13,774. To date, the Joint Administrators have incurred time costs in respect of the Company of £139,190 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 will be drawn.

At Appendix 3 to this report there is an analysis and explanation of the time incurred.

Joint administrators' expenses

During the period covered by this report, the Joint Administrators have incurred expenses totalling £34 relating to bank charges. There is an analysis of expenses incurred in this period and to date at Appendix 4 of this report.

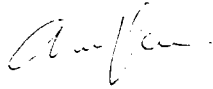
During the administration, we have paid expenses totalling £140,604.

The outcome of the administration

In accordance with the terms of the proposals, as there are no remaining assets to be realised or distributions to be made, the Company will move from administration to dissolution. The administration will come to an end on the date on which the notice is registered by Companies House and the company will be deemed to be dissolved three months later.

Should you have any remaining questions about the administration, please do not hesitate to contact my colleague Sarah Vyse at the email address provided above.

Yours faithfully
For the Company



Tim Vance
Joint Administrator

Enc: Copy of Form AM23

Timothy Graham Vance is licensed in the United Kingdom to act as an Insolvency Practitioner by The Institute of Chartered Accountants of Scotland and 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.

The affairs, business and property of the Company are being managed by the Joint Administrators, Timothy Graham Vance and Samuel James Woodward, 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 11 3298 2508
Name of alternative person to contact with enquiries about the case:	Sarah Vyse

Appendix 2

ACICS Limited (in Administration) (“the Company”) Joint Administrators’ Abstract of Receipts and Payments from 1 December 2021 to 16 March 2023

ACICS Limited - In Administration Receipts and payments account				
<i>Estimated to Realise as per Directors’ Statement of Affairs</i>		<i>1 June 2022 to 30 November 2022</i>	<i>1 December 2022 to 16 March 2023</i>	<i>Total</i>
£	Receipts	£	£	£
7,500,000	Freehold Property	7,681,777	-	7,681,777
-	Insurance Rent	12,684	-	12,684
-	Pre Appointment VAT	6,228	-	6,228
-	VAT Repayment Supplement	-	2,278	2,278
7,500,000	Bank Interest	299	6	305
		7,700,988	2,284	7,703,272
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
	Bank Charges	-	34	34
		240,536	34	240,569
Net realisations		7,460,452	2,251	7,462,702
Distributions				
	Secured Creditors	7,350,000	112,702	7,462,702
	Net funds	110,452	(110,452)	-
<i>Funds in Hand</i>				
	Cash at Bank	64,891	(64,891)	-
	Net VAT receivable/(payable)	45,561	(45,561)	-
		110,452	(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 charged in accordance with the Notice of Charge dated 1 November 2021. Accordingly, it is not reported in the Administration receipts and payments account. The Joint 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 was paid into the Joint Administrators account as they have accounted to HMRC directly as part of the post appointment VAT returns.

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

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

Joint Administrators’ Time-Costs from 1 December 2021 to 16 March 2023 and a comparison with the fee estimate dated 21 January 2022

	Per fee estimate dated 21 January 2022			Period to 30 November 2022			Actual in this reporting period from 1 December 2022 to 16 March 2023			To 16 March 2023		
	Total hours	Time costs (£)	Average hourly rate (£)	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	27.7	7,649	276	3.6	1,188	330	31.3	8,837	282
Bank & Statutory Reporting	86.0	28,020	326	48.3	16,392	339	14.7	4,391	299	63.0	20,783	330
Creditors	4.0	1,430	358	2.0	360	180	5.4	1,594	295	7.4	1,954	264
Immediate Tasks	19.5	4,993	256	18.5	4,813	260	-	-	-	18.5	4,813	260
Investigation & CDDA	10.0	2,925	293	13.5	3,683	273	-	-	-	13.5	3,683	273
Job Acceptance & Strategy	7.5	3,188	425	7.5	3,188	425	-	-	-	7.5	3,188	425
Legal Issues	2.0	850	425	0.5	213	425	-	-	-	0.5	213	425
Other Matters	6.0	2,820	470	9.0	4,635	515	-	-	-	9.0	4,635	515
Property	155.0	61,425	396	52.0	23,045	443	-	-	-	52.0	23,045	443
Statutory Duties	85.0	26,530	312	90.2	28,705	296	16.0	5,850	366	106.2	32,555	307
Trading	15.0	4,955	330	2.0	470	235	-	-	-	2.0	470	235
VAT & Taxation	79.5	27,765	349	110.1	34,267	311	2.3	751	327	112.4	35,018	312
Total	490.5	170,320	347	381.3	125,416	329	42.0	13,774	328	423.3	139,190	329

Summary of work

The Joint Administrators have incurred 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.

Appendix 4

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

Summary of Joint Administrators’ expenses incurred

£	Per fee estimate 21.01.2022	Paid in period to 30 November 2022	Paid in period 1 December 2022 to 16 March 2023	Total to 16 March 2023
£	£	£	£	£
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	34	40
Storage	4,000	-	-	-
Sundry	1,000	-	-	-
Total	166,000	140,423	34	140,456
Category 1 disbursements (see note 2)				
Specific Penalty Bond	24	30	-	30
Public notices	99	99	-	99
Courier costs	-	17	-	17
Printing	-	2	-	2
Total disbursements	123	148	-	148
Total expenses	166,123	140,571	34	140,604

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