

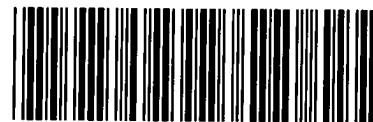
AM10

Notice of administrator's progress report



Companies House

WEDNESDAY



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26/04/2023

#263

COMPANIES HOUSE

1 Company details

Company number 0 3 1 6 0 1 4 5

Company name in full WRFC Trading Limited t/a Worcester Warriors

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Julie

Surname Palmer

3 Administrator's address

Building name/number Units 1-3 Hilltop Business Park

Street Devizes Road

Post town Salisbury

County/Region Wiltshire

Postcode S P 3 4 U F

Country

4 Administrator's name ①

Full forename(s) Andrew

Surname Hook

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Units 1-3 Hilltop Business Park

Street Devizes Road

Post town Salisbury

County/Region Wiltshire

Postcode S P 3 4 U F

Country

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 2	^d 7	^m 0	^m 9	^y 2	^y 0	^y 2	^y 2
To date	^d 2	^d 6	^m 0	^m 3	^y 2	^y 0	^y 2	^y 3

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	^d 2	^d 4	^m 0	^m 4	^y 2	^y 0	^y 2	^y 3
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AM10

Notice of administrator's progress report



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 **Ryan Cullinane**

Company name **Begbies Traynor (Central) LLP**

Address **Units 1-3 Hilltop Business Park
Devizes Road**

Post town **Salisbury**

County/Region **Wiltshire**

Postcode **S P 3 4 U F**

Country

DX **worcesterclub@btguk.com**

Telephone **01722 435190**



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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Julian
Surname Pitts

3 Insolvency practitioner's address

Building name/number 4F Toronto Square

Street

Post town Leeds

County/Region

Postcode L S 1 2 H J

Country



Julie Anne Palmer, Julian Pitts and Andrew Hook were appointed joint administrators of the Company on September 2022

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

WRFC Trading Limited t/a Worcester Warriors (In Administration)

Progress report of the joint administrators

Period: 27 September 2022 to 26 March 2023

Important Notice

This progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any other purpose, or by any other person for any purpose whatsoever.

Contents

1. Interpretation
2. Statutory information
3. Details of appointment of administrators
4. Progress during the period
5. Estimated outcome for creditors
6. Remuneration and expenses
7. Expenses
8. Assets that remain to be realised and work that remains to be done
9. Other relevant information
10. Creditors' rights
11. Conclusion
12. Appendices
 1. Account of receipts and payments
 2. Statement of Administrators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"Act"	The Insolvency Act 1986
"administration"	The appointment of administrators to the Company under Schedule B1 to the Insolvency Act 1986 on 27 September 2022
"administrators" "we" "our" and "us"	<p>Julie Anne Palmer of Begbies Traynor (Central) LLP, Units 1-3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF;</p> <p>Andrew Hook of Begbies Traynor (Central) LLP, Units 1-3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF; and</p> <p>Julian Nigel Richard Pitts of Begbies Traynor (Central) LLP, 4F Toronto Square, Leeds, LS1 2HJ.</p> <p>as joint administrators of the Company</p>
"Atlas"	Atlas Worcester Warriors Rugby Club Limited
"Club"	The Worcester Warriors Rugby Club business formerly operated by the Company
"Company"	WRFC Trading Limited t/a Worcester Warriors (In Administration)
"DCMS"	The Department for Culture, Media and Sport (formerly known as Department for Digital, Culture, Media and Sport)
"Directors"	The directors of the Company from time to time
"MQ Property"	MQ Property Co Limited (company no. 11472994), a company incorporated in England and Wales whose registered office is Sixways Stadium Warriors Way, Hindlip, Worcester, Worcestershire, WR3 8Z
"preferential creditor"	Any creditor of the Company whose claim is preferential by operation of sections 386 and 387 and Schedule 6 to the Act
PRL	Premier Rugby League, which is mostly comprised of (1) PRL Investor Limited and (2) Premier Rugby Limited.
"Proposals"	The administrators' statement of proposals dated 18 November 2022
"reporting period"	The period from 27 September 2022 to 26 March 2023
"RFU"	Rugby Football Union
"Rules"	The Insolvency (England and Wales) Rules 2016
"Sale Agreement"	The sale agreement between the administrators, the Company and Atlas dated 1 February 2023
"Sixways"	Sixways Stadium Limited (company no. 14173683), a company incorporated in England and Wales whose registered office is at Sixways Stadium, Warriors Way, Hindlip Worcester Warriors, Worcester, England, WR3 8ZE

"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (being as defined in section 248(1)(a) of the Act)
"security"	<p>(i) In relation to England and Wales, any mortgage, charge, lien or other security; and</p> <p>(ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off),</p> <p>(being as defined in section 248(1)(b) of the Act)</p>
"WSL"	Worcester Sport Limited (company no. 11217381), a company incorporated in England and Wales whose registered office is at Sixways Stadium Warriors Way, Hindlip, Worcester, England, WR3 8ZE

2. STATUTORY INFORMATION

Name of Company	WRFC Trading Limited t/a Worcester Warriors (In Administration)
Trading name:	Worcester Warriors Rugby Club; Sixways Stadium
Date of Incorporation:	15 February 1996
Company registered number:	03160145
Company registered office:	Units 1 to 3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	<p>Julie Anne Palmer of Begbies Traynor (Central) LLP, Units 1-3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF</p> <p>Andrew Hook of Begbies Traynor (Central) LLP, Units 1-3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF</p> <p>Julian Pitts of Begbies Traynor (Central) LLP, 4F Toronto Square, Leeds, LS1 2HJ</p>
Date of administrators' appointment:	27 September 2022
Date of administrators' resignation:	N/A
Court:	High Court of Justice, Business and Property Courts of England and Wales
Court Case Number:	CR – 2022 - 003292
Person making appointment / application:	The English Sports Council of 21 Bloomsbury Street, London, WC1B 3HF acting as agent and trustee for DCMS on the request of the Directors of the Company.

Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
Type of Proceedings:	The proceedings will be 'centre of main interest' (COMI) proceedings
Extensions of the administration period	There have been no previous extensions to the administration period

4. PROGRESS DURING THE PERIOD

Background

In addition to our appointment as administrators of the Company, we have also accepted the following related appointments:

- a) On 27 September 2022 we were appointed by DCMS as fixed charge receivers of the land and fixtures known as Sixways Stadium (owned by Sixways).
- b) On 5 October 2022, we were appointed as fixed charge receivers over the shares in MS Property owned by WSL by DCMS.

This report is being provided in connection with the administration of the Company. Separate reports will be provided to the relevant stakeholders in respect of our appointments as receivers over Sixways and WSL.

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 27 September 2022 to 26 March 2023.

Trading Receipts & Payments

Following our appointment, we attended the Company's premises and worked with certain members of staff to determine the trading activity of the business. After reviewing the position, we decided to trade the business to maintain the goodwill in the business as we formed the view that any party that was interested in purchasing the club as a going concern would likely wish to purchase the non-rugby events aspect of the business, given that the rugby operations had historically traded at a loss.

Since our appointment as administrators, the following events and activities have been held at Sixways Stadium with the support of various staff members:

1. Various conferences.
2. A fireworks event.
3. Modus cup (which is a school rugby event).
4. Various training sessions and matches for the Worcester Warriors Women's rugby club (this was primarily to ensure that the women's team were not suspended from the league).
5. Foundation events such as the 'dementia café'.
6. Academy team training.
7. Various training sessions and matches for the Worcester Raiders football club.

These events protected the goodwill in the business, supported the local community and gave 53 former staff members regular temporary work, as well as ad hoc temporary work for a significant number of other former staff members when assisting with one off events such as the fireworks display and the Modus Cup. The events have resulted in in excess of 10,000 members of the public attending Sixways Stadium (excluding conference numbers) since our appointment.

Shortly after we were appointed administrators of the Company, the RFU indicated that if the eventual purchaser of the club wished to play in the Championship in that following season, it would be necessary for the sale to complete by mid-December 2022 to allow the RFU time to finalise playing fixtures for the upcoming season. We therefore initially envisaged trading the business until around mid-December 2022, as we expected the sale of the club to complete by this time, in view of the RFU deadline. By later November 2022, we were largely in a position to finalise sale contracts with Atlas, subject to Atlas obtaining approval from the RFU and passing the RFU's 'fit and proper test'. However, as a result of protracted negotiations between Atlas and the RFU regarding certain of the RFU's requirements, the sale was delayed which resulted in the administrators continuing to trade the business until 31 January 2023 while we continued to market the club and invite further offers from other parties. Total trading losses were approximately £127,000.00.

Non-Trading Receipts & Payments

Receipts

As detailed in our Proposals, on 1 November 2022 we entered into an exclusivity agreement with Atlas in exchange for Atlas paying us an exclusivity fee of £500,000. That £500,000 has now been applied as a non-refundable deposit under the Sale Agreement. The majority of the Company's assets (including goodwill, equipment, intellectual property and plant and machinery) will be realised on completion of the Sale Agreement. Therefore, those assets are not yet shown as having been realised in the Receipts and Payments Account. Note that the terms of the Sale Agreement require Atlas to complete the transaction by 2 May 2023.

In addition, we have also realised the following assets during the reporting period:

- a) Trade debtors of approximately £39,000. Further information on trade debtors can be found below.
- b) Cash at bank of approximately £135,000 (which was held in the Company's bank account).
- c) Pre-appointment insurance claims lodged by the Company of approximately £61,000.
- d) Stock of approximately £5,000 (the majority of which was sold during sales held at the club shop during December 2022 with the support of former staff members).

Payments

The only material payments to any individual party to date relate to the costs of restoring and keeping live the Company's IT infrastructure which was provided by EBC Group (UK) Limited ("EBC"). EBC were paid approximately £59,000 during the period in question. It was necessary for us to pay this cost irrespective of whether we traded the business, as the information required to market the Company's business and assets was contained on the IT infrastructure.

We also paid non-trading (direct costs) of approximately £16,000, which primarily related to (1) payments to former staff members for assisting with the administration process (such as by providing information as there was limited information available to us on the date of our appointment and the directors were unable to meet us on site) and (2) security costs.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors of that work?

A general summary of the types of work that generally fall into the headings mentioned below are available on our firm's website at <http://www.begbies-traynorgroup.com/work-details>. Under the following headings we have set out a more detailed summary of the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

General case administration and planning

Since our appointment we have prepared a case planning and strategy memorandum, carried out regular reviews of the case and held frequent strategy meetings with our instructed solicitors, engaged with various stakeholders including the PRL, the RFU, the DCMS and other creditors, dealt with various media requests, engaged with a prospective purchaser of the women's rugby club and negotiated sale terms, dealt with routine correspondence and emails, maintained physical and electronic records, maintained the administrators' bank account and filed relevant correspondence. We have also carried out reviews of the administrators' insurance bond and of our ethics and anti-money laundering procedure.

The majority of the above work derived no direct financial benefit for creditors. However, the Insolvency Profession is a highly regulated industry, and we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Compliance with the Insolvency Act, Rules and best practice

We are required to ensure that the necessary notifications of our appointment as administrators are provided to the Company, the Company's creditors and various other stakeholders. Time has also been spent notifying all relevant parties (in accordance with statute) of our appointment, which has included filing notice of our appointment with Companies House and advertising this in the London Gazette, liaising with the Directors in respect of the preparation of the Company's Statement of Affairs, preparing our Proposals and issuing these to creditors, sending a VAT 769 Notification to HM Revenue & Customs ("HMRC") and liaising with creditors in respect of our appointment.

The majority of the above work derived no direct financial benefit for creditors. However, the Insolvency Profession is a highly regulated industry, and we are required to ensure that we comply with statute and best practice guidelines.

Investigations

The administrators are required to investigate the Company's affairs to enable a confidential report to be submitted to the Insolvency Service on the Directors' conduct. Furthermore, this would assist with identifying whether there are any potential claims against the Directors or any other parties which may result in further realisations to the insolvent estate. To not prejudice their position as regards any potential claims that may be brought, the administrators do not propose to disclose any detailed information at this stage. Full details will be provided to creditors as and when we consider it appropriate to do so.

However, general work carried out by the administrators and in respect of our investigations is as follows:

- Writing to creditors and requesting that they provide us with details of their claims against the Company and with any information that may assist us with our investigations into the Company's affairs and the conduct of its Directors.
- Writing to the Company's Directors to seek clarification on the nature of certain transactions between the Company and various connected parties, requesting that they complete a detailed questionnaire pertaining to their time in office and reviewing those responses.

- Liaising with the former employees of WRFC Players Limited ("Players") as regards the nature of certain transactions between the Company and various connected parties.
- Writing to and liaising with the Company's instructed solicitors, requesting copies of their files and reviewing the nature of their instruction.
- Writing to and liaising with the Company's instructed accountants, requesting copies of their files and reviewing the information contained within those files.
- Conducting Land Registry searches on assets formerly owned by the Company to understand the nature of their disposals.
- Writing to the Company's bank and requesting copies of all bank statements for the 6 year period prior to the date of our appointment and analysing those statements as regards payments and receipts to and from various parties in the lead up to insolvency.
- Reviewing and comparing the Company's management accounts to its filed accounts to assess any material movements in the Company's assets year on year.
- Securing a copy of the Company's IT server and reviewing the information held on it.
- Reviewing property/land transactions entered into prior to our appointment.
- Writing to the receivers of a property that was transferred out of the Company prior to our appointment.

Our investigations remain ongoing.

It is not possible to say at this stage whether the above work has derived any benefit to creditors. However, the administrators are required by statute to carry out an initial review into the affairs of the Company and the conduct of its Directors.

Realisation of assets

The following work has been carried out in connection with the realisation of the Company's assets:

Sale of the Company's Business and Assets

As previously noted, as at the date of our appointment the Company's main assets were:

- equipment (including plant and machinery);
- goodwill;
- its leasehold interest in Sixways Stadium;
- intellectual property; and
- its "P Shares" and "Invested Units" in the PRL (pursuant to which the Company is entitled to receive distributions from the PRL).

As reported on 2 February 2023, we exchanged sale contracts with Atlas on 1 February 2023. Key terms of the sale agreement are as follows:

- Completion is due to occur on or prior to 2 May 2023.

- The assets being sold to Atlas include the club's business and certain of its assets such as equipment, goodwill, intellectual property (i.e. the Worcester Warriors brand) and leasehold interest in Sixways Stadium, but not its "P Shares" and "Invested Units" in the PRL.
- Atlas may not, within 5 years of completion, dispose of:
 - (i) its leasehold interest in Sixways Stadium; or
 - (ii) its freehold interest in the land surrounding Sixways Stadium (which is currently owned by MQ Property), other than to a subsidiary of Atlas or if such disposal is contemplated by the business plan submitted by Atlas to the RFU.

As the sale to Atlas has not yet completed, it is not appropriate to disclose details of the marketing and sales process. Following completion, we will send a letter to all known creditors setting out in detail the following matters:

- a) the marketing process;
- b) offers received for the club's assets on both a going concern and breakup basis; and
- c) communication with the RFU.

Sale of the Worcester Warriors Women's Rugby Club

Not long after our appointment, we were approached by Andy Moss of Cube International about purchasing the Worcester Warriors women's rugby club with a view to enabling the women's team to continue to compete in the current season of the Allianz Premier 15s league. Had this not occurred, the women's team would have been unable to continue to participate in the current season while the club's business and assets were marketed. Andy Moss incorporated Worcester Warriors Women Ltd ("WWWL") for the purposes of acquiring the Worcester Warriors women's rugby club.

To enable the women's team to continue to play and train from Sixways Stadium, we proposed issuing a licence to WWWL. The benefit of a licence was that any purchaser of the wider business and assets would have the ability to terminate that licence, if it wished to acquire the women's club as part of the wider sale (or, alternatively, if that was a condition of the RFU approving any prospective buyer).

The licence paid by WWWL for its period of occupation was £8,800.00 plus VAT, which represented the approximate marginal cost of the women's team's ongoing use of the stadium and facilities. This was paid by WWWL on 06 April 2023 (i.e. after the period covered by this report). WWWL paid any other operating and trading costs directly.

Book Debts

As at the date of our appointment, the Company's accounts recorded book debts of £456,129.50 (previously reported to total £455,932.00). Following our appointment, we engaged a number of former staff on a contract basis to assist with the Club's day-to-day operations, including with collecting outstanding debtors.

During the relevant period, we have reviewed the Company's pre-appointment bank statements and reconciled these against the outstanding debtor balances to determine the balance outstanding (as, based on our enquiries it appears that the balances contained in the Company's accounts may not have been accurate). The table below shows the outcome of the collection process to date:

	AMOUNT £	AMOUNT £
OPENING SALES LEDGER BALANCE		456,129.50
Credit account write back		44,500.77
TOTAL DEBTS OUTSTANDING		500,630.27
LESS:		
Deductions for invoices raised for 2022/2023 season	(240,665.22)	
Deductions for invoices in query / in insolvency procedures	(92.57)	
Deductions for Contra accounts	(76,637.45)	
Disputed invoices	(9,300.00)	
Potential uncollectable debts (as invoices are dated 2021)	(5,185.66)	(331,880.90)
TOTAL COLLECTABLE LEDGER PRE APPOINTMENT		168,749.37
Receipts to date from appointment	26,614.00	
Confirmed future receipts	7,518.15	
Total current expected receipts		34,132.15
CURRENT REMAINING LEDGER BEING PURSUED		74,298.00

The remaining debtor balance includes a significant amount owing by a firm of solicitors who were instructed by the Company prior to our appointment in relation to a number of matters. The amount owing by that firm totals approximately £37,000.00 and we have received a contra claim of approximately £34,000.00 with a further claim of approximately £70,000.00 in respect of accrued work in progress. We are continuing to liaise with this debtor to resolve the matter.

Cash at Bank

Following our appointment, we wrote to the Company's bank requesting that it remit the cash at bank balance to the administration bank account. Funds totalling £135,756.05 were subsequently received.

Insurance Claims

Business Interruption Insurance

We have been advised by the Directors that they had previously pursued a business interruption insurance claim against one of the Company's insurers. We have liaised with the Company's insurance broker to establish the basis of the claim and the reasons for the insurer's initial rejection of it. Based on communications to date and advice received from our solicitors, we do not believe that the Company has a meritorious business interruption claim although we are continuing to monitor other similar business interruption claims that are in the process of being litigated.

Pre-Appointment Insurance Claims

We have received approximately £61,000.00 from the Company's insurer in respect of insurance claims lodged by the Company prior to our appointment. We do not expect to receive any further funds from insurance claims lodged prior to our appointment.

Other Debtors

The Company's books and records indicate that a connected party owes the Company £612,329.36. However, we are informed by the Directors that that third party is also a creditor of the Company for a greater amount. This matter is ongoing and forms part of our investigations into the Company's affairs.

Petty Cash

Following our appointment, we secured and reconciled the Company's petty cash which totalled £9,610.00. The funds have been paid into the administration bank account.

P Shares and Fixed Interest Stocks

Since our appointment, we have been in discussions with the PRL in relation to realising the Company's "P Shares" and "Invested Units" in the PRL. These discussions are set out in further detail below.

P Shares

The terms of the shareholders' agreement (which sets out the terms upon which the Company holds its P Shares) are confidential and we are therefore unable to disclose those terms in this report. However, we note that the shareholders' agreement contains a call option which enables PRL Investor Limited to require the Company to transfer, among other things, its P Shares in circumstances where the Company suffers and insolvency event.

The shareholders' agreement sets out a formula for determining the price payable to the Company upon a compulsory transfer of its P Shares, which is essentially calculated at 8 times the previous years' distribution, which we expect will be £9,814,016.02.

The PRL notified us on 29 November 2022 that it intended to exercise the call option over the P Shares. Our solicitors and the PRL's solicitors are in the process of negotiating the terms of the buyback agreement. We expect to transfer the Company's P Shares imminently.

Invested Units

Pursuant to the terms of a licence, services and commercial rights agreement between, among others, the Company and Premier Rugby Limited ("**Licence Agreement**") (which sets out the terms upon which the Company holds its Invested Units), Premier Rugby Limited is required to pay monthly distributions to the Company in respect of its Invested Units. Following our appointment, Premier Rugby Limited withheld these monthly distributions (totalling £582,115.00) as it claimed to have a right to set off those payments against amounts Premier Rugby Limited claims to be owed by the Company (allegedly totalling £2,111,332.58).

We requested that Premier Rugby Limited provide us with information to support its purported claim. Following receipt of that information, on 12 December 2022, we rejected certain parts of the Premier Rugby Limited's proof of debt in respect of amounts totalling £1,623,120.70 (and reserved our position on the balance of the proof of debt). We have granted Premier Rugby Limited an extension of time to appeal the rejection of part of its proof of debt.

On 9 February 2023, we received an offer from Premier Rugby Limited to pay £150,000 in full and final settlement of the outstanding distributions payable to the Company under the Licence Agreement. Following further negotiations, Premier Rugby Limited agreed to pay a settlement sum of £300,000 (plus VAT) in respect of the arrears. In addition, we have received two further monthly distributions (each of £99,923 plus VAT) for February and March 2023. Premier Rugby Limited has agreed to continue to pay all further distributions in accordance with the terms of the Licence Agreement.

Rent

The Club's caretaker resides onsite and pays rent in respect of his occupation. We have received rent totalling £600.00 from the caretaker.

Relegation Appeal

On 26 September 2022, the RFU notified the Club that it had been suspended from all rugby competitions in accordance with Regulation 6.4 of the RFU Regulations. On 28 September 2022, we formally notified the RFU that the Club had suffered an Insolvency Event in accordance with Regulation 5.5.1 of the RFU Regulations. We also requested that the RFU waive the automatic relegation provision contained in Regulation 5.5.5.

On 10 November 2022, we appealed the RFU's decision to relegate the Club on the basis that the Company's entry into administration should be characterised as a "no-fault insolvency", which would avoid an automatic relegation of the Club. Our position was that the Club had been significantly impacted by the COVID-19 pandemic and that the Club's debt with HMRC, which was a significant factor in its insolvency, had only materially started to accrue following the onset of the COVID-19 pandemic.

On 6 December 2022, we received notification from the RFU that the appeal had been rejected. We did not challenge the rejection of our appeal as we did not consider that the cost of doing so would be of benefit to creditors.

The above work has resulted in the maximisation of the Company's assets which will result in a distribution to the relevant body of creditors. Furthermore, we have a duty to realise the Company's assets where it is commercial for us to do so.

Dealing with all creditors' claims (including employees), correspondence and distributions

Since our appointment we have dealt with creditor correspondence (including by way of email and telephone conversation), maintained up to date creditor records, amended claims received and discussed the progress of the administration with creditors.

We have also liaised with creditors who have property on site and facilitated the return of that property where it was considered appropriate to do so.

Case specific matters include the following:

- **Rugby creditors:** In accordance with the RFU's 'Change of Control' requirements, any purchaser of the Club is required to satisfy all 'rugby creditors' (as determined by the RFU) within 28 days of being issued a licence to play in the appropriate league, unless otherwise agreed.

The concept of rugby creditors does not exist under the Act and, in fact, is fundamentally at odds with certain insolvency principles. In particular, we have a statutory duty to distribute the realisations of the Company's assets in a manner that is prescribed in the Act. The RFU's requirement for the incoming purchaser to pay rugby creditors ahead of other creditors is inconsistent with this payment regime. In this regard we note that:

- (a) we do not expect to distribute any funds to unsecured creditors via the administration process as we do not expect that asset realisations will be sufficient to repay the secured and preferential creditor claims in full; and
- (b) approximately 40% of rugby creditor claims relate to amounts owing by Players (which is a subsidiary of the Company) in relation to employee claims, which would not in any scenario be repayable from realisations of the Company's assets.

As such, when assessing competing offers it would not be appropriate for us to prefer an offer that provides for repayment of rugby creditors ahead of an offer that does not, merely because rugby creditors would be repaid under that first offer. If this position was taken, then the secondary preferential creditor (HMRC) would be adversely impacted by proceeding with an alternative offer.

Notwithstanding this, we worked with the RFU to quantify rugby creditors to assist interested parties with formulating their offers for the business and assets. However, this process was protracted by various factors including because:

1. The RFU was unable to confirm whether losses incurred in respect of the current season's cancelled matches would rank as rugby creditors. This was important as one club submitted a proof of debt claiming £469,000 in respect of one cancelled match. On 19 December 2022, the RFU eventually confirmed that any amount awarded pursuant to a "dispute resolution process" would be classed as a rugby creditor.

Although, for reasons set out above, the rugby creditor figure was not material to us as administrators, it was critical to a number of interested parties as all rugby creditors would need to be repaid in full to obtain RFU approval to play in the upcoming season. This was particularly relevant as we were informed that other clubs, were considering submitting claims in respect of cancelled matches.

We understand that a number of interested parties were negotiating with the RFU on rugby creditors up until mid-January 2023. In particular, interested parties were trying to negotiate a backstop date for any further rugby creditor claims and/or a cap on total rugby creditor claims so that they could set up their business models accordingly. We are not aware of any party having reached an agreed position with the RFU as regards rugby creditors.

Note that as far as we are aware, no interested party had also approved the RFU's insolvency licence despite all interested parties entering into discussions with the RFU since mid-December 2022.

2. On 30 November 2022 PRL notified us that it had a further purported claim against the Company of approximately £2,100,000.00.
- **Supporters' Club:** We met with representatives of the supporters' club given the interest that its members had expressed in the administration. We held a question-and-answer session with the supporters' club, the questions and answers from which were subsequently posted on social media channels.

Best practice means that we should respond to creditors in a timely manner. Whilst this work has not derived any direct financial benefit to creditors, it has ensured that, where possible, creditors have been able to claim under relevant insurance policies and/or from the Government where applicable.

Other matters such as seeking decisions of creditors via deemed consent procedures and / or decision procedures, meetings, tax, litigation, pensions and travel

We have undertaken relevant searches to establish the presence of any occupational pension schemes. These searches have confirmed that the Company did not operate any occupational pension schemes.

The majority of the above work derived no direct financial benefit for creditors. However, the Insolvency Profession is a highly regulated industry, and we are required to ensure that the above work is completed in line with statute and best practice guidelines.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our Proposals. Based on realisations made to date and estimated future realisation, we estimate an outcome for each class of the Company's creditors as follows:

Secured creditor

The Company granted The English Sports Council (acting as agent and trustee for DCMS) a fixed charge over the Company's P Shares and its Invested Units pursuant to a security deed dated 17 February 2021. The charge was registered at Companies House on that same day.

The Company also granted the English Sports Council (acting as agent and trustee for DCMS) a floating charge over the Company's assets pursuant to a guarantee and debenture dated 17 February 2021. The charge was registered at Companies House on that same day.

The amount owing to DCMS as at the date of our appointment was £16,134,720.40, comprising principal debt of £15,706,000.00 and interest of £428,720.40, but excluding enforcement and other costs recoverable by DCMS pursuant to the terms of the security agreements. We do not expect that DCMS's debt will be repaid in full at this stage.

Preferential creditors

We are not aware of any primary preferential creditors as all employees were employed by Players which entered into compulsory liquidation.

Secondary preferential creditors

We consider that there are likely to be sufficient funds for a dividend to be paid to HMRC as secondary preferential creditor. However, we are not in a position to estimate the timing and quantum of any distribution at this stage.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part for unsecured creditors is calculated were provided in our Proposals. We have estimated, to the best of our knowledge and belief, that the Company's net property after costs will be nil and there will be no distribution to unsecured creditors via the prescribed part.

Unsecured creditors

Based upon realisations to date and estimated future realisations we expect that there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

Effect of Administration on limitation periods under the Limitation Act 1980

As we have previously confirmed, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

6. REMUNERATION & EXPENSES

We have not at this time drawn any funds on account of our remuneration, nor on account of certain expenses as approval has not previously been sought. For the avoidance of doubts, and contrary to suggestions made on social media, Atlas has never offered to fund all or part of the administrators' remuneration.

At this stage, we are not seeking fee approval from the relevant class of creditors. A further report will be sent to all creditors on this matter in due course.

Category 1 Expenses

Trading Expenses

To 26 March 2023, we have incurred trading expenses in the sum of £315,030.12, of which £293,444.00 has been paid.

Non-Trading Expenses

To 26 March 2023, we have incurred non-trading category 1 expenses in the sum of £84,574.24 (excluding professional costs), of which £77,166.85 has been paid.

Significant expenses incurred to date are as follows:

- **BCLP:** BCLP have been instructed as our legal advisors. They charge on a time costs basis and their time costs to date are £639,452.50 (this is in addition to the non-trading expenses of £84,574.24). These costs relate to the work undertaken on the sale of the Company's business and assets (including the sale of the Club to Atlas, negotiating with PRL with regards to the P Shares and Invested Units), liaising with the DCMS and its legal advisors, advising on specific insolvency points and their work in relation to the investigations into the Company's affairs including property transactions. This work has been necessary to realise the Company's business and assets and to also investigate, formulate and assist with potential claims against third parties.
- **EBC:** As mentioned above, EBC host and maintain the Company's IT system. It was essential that the supply of the IT systems be maintained so as to enable the continuation of trade and the access to information required for our investigations and book debt collection. EBC charges its fees on a monthly basis and total £57,790.11 for the period of this report.

Why have subcontractors been used?

No subcontractors have been instructed to date.

Category 2 Expenses

Details of the Category 2 expenses that have been incurred, but not drawn, during the period of this report are set out below.

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
<u>Mileage</u> Costs have been incurred in respect of travel to and from the trading premises. These costs have been necessary to incur so as to ensure that ongoing trade was effectively monitored by the administrators and their staff.	4,178.89
<u>BTG Corporate Solutions Limited ("BTG Advisory")</u> BTG Advisory is a member of the Begbies Traynor group and has been engaged to assist with the following: <ul style="list-style-type: none">• Forensic review of the Company's accounting records• Reconciliation of monies paid into the Company's bank account prior to our appointment• Collection of outstanding debtors	2,661.40

The fee for collection of the ledger is charged at 10% of debtor receipts recovered. As such, the fee is directly attributable to and commensurate with recoveries.	
<u>Eddisons Commercial Limited ("Eddisons") – Asset Valuation and Marketing</u> Eddisons is a member of the Begbies Traynor group and has been instructed in respect of the following: <ul style="list-style-type: none"> • Reviewing the Company's assets at the trading premises • Providing a valuation of the assets • Marketing the business and assets for sale Eddisons have charged the following fees in respect of the above: <ul style="list-style-type: none"> • £1,000.00: Valuation • £14,000.00: Time costs for site attendance and liaising with third parties In addition, Eddisons have incurred expenses for travelling to the trading premises and marketing the business and assets for sale: <ul style="list-style-type: none"> • Mileage: £741.67 	15,741.67
<u>Eddisons Insurance Services ("EIS")</u> EIS is a member of the Begbies Traynor group and has provided insurance brokerage services, having arranged open cover insurance in relation to the Company's assets. As well as charges for insurance, EIS may also charge an administration fee where relevant and appropriate. If applicable to this case so far, the charges are also described here.	9,298.00
TOTAL	31,879.96

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor an administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 2 together with a table of future expenses to be incurred.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the non-trading expenses of the administration would total £601,130.00. As matters have progressed, we expect that the expenses to the end of the administration are likely to exceed our original estimate for the following reasons:

- As detailed above, Atlas did not pass the RFU's Change of Control requirements. It was considered appropriate to re-enter into negotiations with all parties who had previously expressed an interest in the business and assets.
- Ongoing matters connected to the realisation of the P Shares and Invested Units with Premier Rugby Limited; and

- In connection with the above, the prolonged sale process has meant that we have incurred additional holding costs in respect of Sixways Stadium (to include utility costs and staffing costs) as well as ongoing costs in respect of the Company's IT provider.

8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

The following work remains to be completed:

- Completion of the sale of the business and assets to Atlas.
- Finalisation of the share buyback agreement for the P Shares and Invested Units with PRL.
- Realising the remaining trade debtors.
- Investigations into the Company's affairs to determine whether there is a claim against the Directors or any other party. Note that this is standard practice on all insolvencies, and we are not implying any wrongdoing by the Directors at this stage.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

Time recorded under this category is anticipated to include:

- Maintaining the case strategy plan.
- Filing.
- Dealing with general calls and enquiries.
- Dealing with routine correspondence and emails.
- Maintaining case files and electronic records.
- Undertaking conference calls and internal communications with regard to agreement of strategy and ongoing actions.
- Completing case reviews.
- Dealing with general enquiries into the sale of the Company's business and assets.
- Maintaining creditor portal and uploading statutory documents.

Specifically, we will continue to carry out case planning and strategy reviews of the case, liaise with our instructed solicitors, deal with routine correspondence and emails, maintain physical and electronic records, maintain the administrators' bank account and file relevant correspondence. We will also carry out reviews of the administrators' insurance bond and of our ethics and anti-money laundering procedure.

The majority of the above work will derive no direct financial benefit for creditors. However, as note the Insolvency Profession is a highly regulated industry, and we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Compliance with the Insolvency Act, Rules and best practice

Time recorded under this category is anticipated to include:

- Completing bond reviews.
- Requesting information from the director and third parties in relation to the affairs of the Company.
- Completing receipt and payment vouchers, journals and other necessary documents for transactions going through the estate account.

- Performing monthly reconciliations for the case account opened by the administrators.
- Completing statutory reports and returns.

Specifically, we will continue to ensure that statutory notifications are provided to creditors and various other stakeholders.

The majority of the above work will derive no direct financial benefit for creditors. However, the Insolvency Profession is a highly regulated industry, and we are required to ensure that we comply with statute and best practice guidelines.

Investigations

Time recorded under this category is anticipated to include:

- Reviewing the Company's accounting records.
- Liaising with the Insolvency Service and providing additional information to assist with their enquiries.

Specifically, our work in respect of investigations into various matters and asset transfers prior to our appointment as administrators will continue.

Given the nature of these matters, no further information will be disclosed at this stage so as to not prejudice our position.

We have a statutory duty to carry out these investigations. Furthermore, it is anticipated that this work may result in additional asset realisations which could enable us to distribute further funds to the Company's secured and preferential creditors.

Realisation of assets

The following remains to be completed:

- **Sale of the Company's Business and Assets:** We will continue to liaise with Atlas with a view to secure completion of the sale of the business and assets. This work will also include liaising with BCLP and various other stakeholders.
- **Book Debts:** We will continue to pursue the outstanding debtors and, where applicable, will consider commencing proceedings to pursue outstanding balances.
- **Other Debtors:** We will continue to liaise with the relevant parties to deal with and finalise all outstanding debts and claims.
- **PRL – P Shares and Invested Units:** We will continue to liaise with the PRL as regards the Compulsory Transfer Request which is anticipated to be served on the Company imminently. We will also continue to liaise with the PRL as regards a proposed settlement offer for the retained monies.

It is envisaged that this work will likely enable a return to DCMS as the Company's secured creditor. We also anticipate a potential claim to the secondary preferential creditor.

Dealing with all creditors' claims (including employees), correspondence and distributions

Time recorded under this category is anticipated to include:

- Dealing with ad hoc creditor correspondence, emails and telephone calls.
- Maintaining creditor records.

Specifically, we will continue deal with creditor correspondence, emails and telephone conversations, maintain up to date creditor records, amend claims received and discuss the progress of the administration with creditors.

Upon completion of the realisation of the assets over which DCMS has a fixed charge, we will look to distribute funds to DCMS. In addition to this, and providing that sufficient funds are held, we will look to adjudicate upon preferential claims with a view to making a distribution to the Company's preferential creditors.

Best practice means that we should respond to creditors in a timely manner. Furthermore, it will facilitate a payment to the Company's secured and preferential creditors.

Other matters which includes seeking decisions of creditors via deemed consent procedure and / or decision procedures, meetings, tax, litigation, pensions and travel

Time recorded under this category is anticipated to include:

- Dealing with correspondence received from HMRC.
- Submitting relevant VAT and CT returns as required.

Specifically, we will look to convene a decision process for the Company's preferential creditors with a view to obtaining approval for our proposed remuneration. Furthermore, additional work will be carried out in respect of any litigation action that we look to bring against third parties.

The majority of the above work will result in no direct financial benefit for creditors. However, it is considered that any successful litigation may increase realisations for the benefit of creditors. Furthermore, it should be noted that the Insolvency Profession is a highly regulated industry, and we are required to ensure that the above work is completed in line with statute and best practice guidelines.

How much will this further work cost?

A further report will be sent to all creditors in due course detailing the cost of all future work.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are set out at Appendix 3, Additional Expenses Anticipated for Future Work.

What is the anticipated payment for administering the case in full?

The total cost of administering the case in full is ongoing. A further report will be sent to all creditors on the administrators' remuneration which will detail the costs of the insolvency process subject to the relevant body of creditors' approval.

9. OTHER RELEVANT INFORMATION

Connected party transactions

There have been no connected party transactions during the course of the administration.

Proposed exit route from Administration

On present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors.

Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies.

Upon the registration of such notice our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Use of personal information

Please note that in the course of discharging our statutory duties as administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

As stated above, we will circulate a letter to all known creditors detailing the marketing and sales process of the business and assets following completion of the sale to Atlas. This letter will include details of the offers made by various parties, the timings of offers and the position with the RFU.

A further report will also be sent to all creditors in due course to agree the basis of the administrators' remuneration.



Julie Palmer
Joint Administrator

Dated: 24 April 2023

ACCOUNT OF RECEIPTS AND PAYMENTS – TRADING ACCOUNT

Period: 27 September 2022 to 26 March 2023

WRFC Trading Limited t/a Worcester Warriors
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 27/09/2022 To 26/03/2023 £	From 27/09/2022 To 26/03/2023 £
POST APPOINTMENT SALES		
Sales	165,563.95	165,563.95
	<u>165,563.95</u>	<u>165,563.95</u>
PURCHASES		
Stock	15,900.93	15,900.93
	<u>(15,900.93)</u>	<u>(15,900.93)</u>
OTHER DIRECT COSTS		
Direct Labour	139,438.67	139,438.67
Direct Expenses	3,518.21	3,518.21
	<u>(142,956.88)</u>	<u>(142,956.88)</u>
TRADING EXPENDITURE		
Utilities	98,060.35	98,060.35
Hire of Equipment	3,088.54	3,088.54
Sundry Expenses	11,553.75	11,553.75
Merchant Services Fee	9,967.20	9,967.20
Suppliers	10,342.35	10,342.35
Float Cash	650.00	650.00
Commission	924.00	924.00
	<u>(134,586.19)</u>	<u>(134,586.19)</u>
TRADING SURPLUS/(DEFICIT)	<u>(127,880.05)</u>	<u>(127,880.05)</u>

ACCOUNT OF RECEIPTS AND PAYMENTS – NON TRADING ACCOUNT
Period: 27 September 2022 to 26 March 2023

WRFC Trading Limited t/a Worcester Warriors
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 27/09/2022 To 26/03/2023 £	From 27/09/2022 To 26/03/2023 £
	SECURED ASSETS		
Uncertain	P Share & Fixed Interest Stocks	NIL	NIL
		NIL	NIL
	SECURED CREDITORS		
(16,134,720.40)	English Sports Council	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Bank Interest Gross	2.26	2.26
364,745.60	Book Debts	38,943.66	38,943.66
135,756.06	Cash at Bank	135,756.05	135,756.05
	Exclusivity Funds - Atlas	500,000.00	500,000.00
Uncertain	Goodwill	NIL	NIL
	Insurance Claim	61,114.71	61,114.71
4,400.00	IT Equipment	NIL	NIL
Uncertain	Leasehold Property	NIL	NIL
Uncertain	Other Debtors	NIL	NIL
9,610.00	Petty Cash	9,610.00	9,610.00
48,200.00	Plant, Machinery, Fittings and Equipm	NIL	NIL
NIL	Prepayments	NIL	NIL
Uncertain	PRL Payment	NIL	NIL
	Rent	600.00	600.00
1,300.00	Stock	4,938.75	4,938.75
	Third Party Funds	(5,288.76)	(5,288.76)
	Trading Surplus/(Deficit)	(127,880.05)	(127,880.05)
		617,796.62	617,796.62
	COST OF REALISATIONS		
	IT Services	58,790.11	58,790.11
	Legal Fees - Disbursements	145.00	145.00
	Non Trading - Direct Costs	16,391.67	16,391.67
	Other Property Expenses	1,358.17	1,358.17
	Pension Agent - Evolve IS Ltd	150.00	150.00
	Statutory Advertising	94.10	94.10
	Transaction Fees	237.80	237.80
		(77,166.85)	(77,166.85)
	SECONDARY PREFERENTIAL CREDITORS		
(2,187,493.27)	HMRC	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(488,717.12)	Banks/Institutions	NIL	NIL
(1,789.40)	Customer Deposits	NIL	NIL
(2,085,900.00)	Directors / Connected Entities	NIL	NIL
(12,306.25)	Pre Sale Ticket Holders	NIL	NIL
(386,775.03)	Season Ticket Holders	NIL	NIL
(2,855,481.67)	Trade Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(5,182,839.00)	Ordinary Shareholder C	NIL	NIL
(13,541,667.00)	Ordinary Shareholders A	NIL	NIL
(2,529,167.00)	Ordinary Shareholders B	NIL	NIL
		NIL	NIL
(44,842,844.48)		540,629.77	540,629.77
	REPRESENTED BY		

WRFC Trading Limited t/a Worcester Warriors
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 27/09/2022 To 26/03/2023 £	From 27/09/2022 To 26/03/2023 £
REPRESENTED BY CONTINUED		
Barclays Floating Current Acc NIB		499,177.28
Barclays Trading account		25,523.97
Vat Payable		(29,015.23)
Vat Receivable		44,943.75
		<u>540,629.77</u>

STATEMENT OF ADMINISTRATORS' EXPENSES (NON-TRADING)

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
IT Services	EBC Group	58,790.11	58,790.11	0.00
Legal Fees	BCLP	639,452.50	0.00	639,452.50
Legal Expenses	BCLP	344.00	145.00	344.00
Staff	Various	16,391.67	16,391.67	0.00
Statutory Advertising	Courts Advertising	94.10	94.10	0.00
Property Expenses	1 st Call Appliances	105.00	105.00	0.00
Property Expenses	TAP Plumbing & Heating	1,220.00	1,220.00	0.00
Property Expenses	Plumbfix	33.17	33.17	0.00
Pension Advice	Evolve Pensions	150.00	150.00	0.00
Transaction Fees	Various	237.80	0.00	237.80
Accommodation	Various	1,430.76	0.00	1,430.76
Subsistence	Various	220.87	0.00	220.87
Website	MonkeyTree Hosting	1,099.96	0.00	1,099.96
Website	GoDaddy	97.25	0.00	97.25
Website	UK Fast Domain	8.50	0.00	8.50
IT Equipment	Amazon	99.99	0.00	99.99
Parking	Various	15.78	0.00	15.78
Postage	Postworks	3,387.28	0.00	3,387.28
Bonding	Marsh	810.00	0.00	810.00
Land Searches	Land Registry	21.00	0.00	21.00
Mail Redirection	Royal Mail	216.00	0.00	216.00
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
Mileage	Various	4,178.89	0.00	4,178.89
Agent's Fee and Costs – Valuation	Eddisons Commercial	15,741.67	0.00	15,741.67
Agent Fee – Book Debt Collection	BTG Corporate Solutions	2,661.40	0.00	2,661.40
Agent's Fee – Insurance	Eddisons Insurance Services	9,298.00	0.00	9,298.00

ADDITIONAL EXPENSES ANTICIPATED FOR FUTURE WORK (NON-TRADING)

Expenses anticipated to be incurred prior to closure of the case	Name of party with whom expense anticipated to be incurred	Amount estimated to cost £
Storage Costs	An Insolvency Practitioner is required to retain relevant books and records of the insolvent entity in order to carry out his/her duties as office holder. In addition, following case closure the Insolvency Practitioner will retain his/her working papers to allow any queries or issues raised to be dealt with.	500.00
Legal Fees and Expenses	<u>BCLP</u> : Legal costs for: <ul style="list-style-type: none"> • Dealing with general insolvency matters • Drafting the necessary legal documents to complete the relevant sale of business and assets • Assisting with our investigations into the Company's 	100,000.00
Insurance	<u>Eddisons Insurance Services</u> : Property and public liability insurance.	3,000.00
Accountancy Fee	The fees of the accountants who have been instructed to complete the Company's financial statements to the date of insolvency to determine whether any tax liability ranks as an expense of the liquidation and to assist with our investigations into the Company's affairs.	25,000.00 – 30,000.00
IT Costs	<u>EBC Group</u> : Costs of restoring and maintaining the IT system	5,000.00
Book Debt Collection	<u>BTG Corporate Solutions Limited ("BTG Advisory")</u> : The following work is anticipated to be required: <ul style="list-style-type: none"> • Forensic review of the Company's accounting records • Reconciliation of monies paid into the Company's bank account prior to our appointment • Collection of outstanding debtors <p>The fee for collection of the ledger is charged at 10% of debtor receipts recovered. As such, the fee is directly attributable to recoveries.</p>	7,500.00

For the avoidance of any doubt, the above estimate relates to the period of administration only, it does not relate to any expenses that will or may be incurred in any insolvency procedure following the administration.