

The Insolvency Act 1986

Administrator's progress report

2.24B

Name of Company

Sports Cafe Holdings Plc

Company number

04156891

In the High Court of Justice, Chancery Division

Companies Court

Court case number

269 of 2008

(a) Insert full name(s) and
address(es) of
administrator(s)

We Bruce Alexander Mackay and Alan Lovett of Baker Tilly Restructuring and Recovery LLP, 5 Old Bailey,
London, EC4M 7AF

administrators of the above company attach a progress report for the period

from

11 July 2008

to

9 January 2009

(b) Insert dates

Signed

Joint Administrator

Dated

9 January 2009

Contact Details:

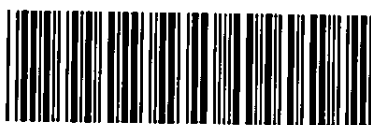
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

Tel	
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



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COMPANIES HOUSE

TUESDAY

**BAKER TILLY RESTRUCTURING AND
RECOVERY LLP**

SPORTS CAFE HOLDINGS PLC

SPORTS CAFE GROUP LIMITED

**SPORTS CAFE (CARDIFF)
LIMITED**

**SPORTS CAFE (BIRMINGHAM)
LIMITED**

**THE LONDON SPORTS CAFE
LIMITED**

(ALL IN ADMINISTRATION)

**Joint Administrators' Interim
and Final Progress Reports
pursuant to Rule 2.110 and
Rule 2.47 of the Insolvency
Rules 1986**

9 January 2009

Baker Tilley Restructuring & Recovery LLP
9 January 2009



9 January 2009

NOTICE

ABOUT THIS REPORT

This Report has been prepared by Bruce Alexander MacKay and Alan Lovett, the Joint Administrators ("**Joint Administrators**") of Sports Café Group Limited ("**Group**"), Sports Café Holdings PLC ("**Holdings**"), Sports Café (Cardiff) Limited ("**Cardiff**"), Sports Café (Birmingham) Limited ("**Birmingham**") and The London Sports Café ("**London**") together the Companies ("**Companies**"), solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Group or the Companies.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Alan Lovett is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales under Registration Number 6476. Bruce MacKay is authorised to act as an insolvency practitioner by the Association of Chartered and Certified Accountants under Registration Number 8296.

The Joint Administrators act as to the Companies and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Baker Tilley Restructuring and Recovery LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the Administration.

SPORTS CAFE GROUP OF COMPANIES
pursuant to Rule 2.110 and Rule 2.47 of the Insolvency Rules 1986 to Creditors

9 January 2009

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Administration

The appointment of the Joint Administrators was made pursuant to Schedule B1 of the Insolvency Act 1986 whereby a notice of appointment filed at the High Court of Justice, Chancery Division on 11 January 2008 in respect of Group, Cardiff, Holdings and Birmingham and on 21 January 2008 in respect of London.

The Companies

- **Holdings:** registered in England and Wales under company number 04156891;
- **Group:** registered in England and Wales under company number 02960394;
- **Cardiff:** registered in England and Wales under company number 03453460;
- **Birmingham:** registered in England and Wales under company number 03408987; (and)
- **London:** registered in England and Wales under company number 02881370

Administrators or the Joint Administrators

Bruce Alexander MacKay and Alan Lovett of Baker Tilly Restructuring and Recovery LLP, 5 Old Bailey, London EC4M 7AF who, pursuant to paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, can act jointly and separately.

Registered Office

The Registered Office of the Companies were all changed to c/o Baker Tilly Restructuring and Recovery LLP, 5 Old Bailey, London EC4M 7AF

The Bank

Barclays Bank PLC, 1 Churchill Place, London, EC14 5HP

1 INTRODUCTION

Further to my report to creditors of 5 August 2008 in respect of the Companies, the Joint Administrators write to (1) provide an update on the administration of Group, which is continuing in Administration for a further 6 months, in accordance with Rule 2.47 of the Insolvency Rules 1986 and (2). provide a final report on Holdings, Birmingham, Cardiff and London in accordance with Rule 2.110 of the Insolvency Rules 1986.

1.1 Progress of the Administration to 9 January 2009

1.1.1 Statutory requirements

All statutory requirements have been completed in a timely manner.

Bruce Alexander Mackay and Alan Lovett of Baker Tilly Restructuring and Recovery LLP, 5 Old Bailey, London, EC4M 7AF were appointed Joint Administrators of Holdings, Cardiff, Birmingham, and Group on 11 January 2008 by the Directors of the Companies. The Administrators were subsequently appointed Joint Administrators of London on 21 January 2008 by the Holder of a Qualifying Floating Charge.

The notice of appointment was filed in the High Court of Justice, Chancery Division, Companies Court under reference numbers 269 of 2008, 278 of 2008, 277 of 2008, 276 of 2008 and 514 of 2008.

The Joint Administrators' appointment specified that they would have power to act jointly and severally. The Joint Administrators have exercised and will continue to exercise all of their functions jointly and severally as stated in the notice of appointment.

1.1.2 Confidentiality

The Joint Administrators are dealing with a large amount of sensitive information. Consequently, the Joint Administrators have only included within this report the information that is required by statute and further information that is appropriate to disclose at this time.

1.1.3 Purposes of Administration

Paragraph 3 to Schedule B1 to the Insolvency Act 1986 (as amended) states an Administrator must perform his functions with the objective of:

a) *"rescuing the Company as a going concern"* or

b) *"achieving 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)"*, or

c) *"realising property in order to make a distribution to one or more secured or preferential creditors."*

The Bank is owed in excess of £10m under its security over all of the assets of the Companies other than Holdings, which has been cross-guaranteed by the Companies. Since the Bank's security was granted and registered prior to 15 September 2003 the Prescribed Part does not apply, which renders the first two purposes unachievable.

Given the Bank's financial position and security, the Administrators have primarily pursued object c, *"realising property in order to make a distribution to one or more secured or preferential creditors"*.

1.1.4 Initial Trading

On appointment the Administrators reviewed the 8 leasehold units with the benefit of advice from agents. It was concluded that two units, in Liverpool and Manchester, were loss making and unlikely to be sold for a premium that would justify the cost of trading. Both premises were closed on Monday 14 January 2008. The remaining 6 units continued to trade in the expectation that realisations would be better than may be achieved if closed.

Revenues for the period of the Administrators' trading, 11 January 2008 to 23 January 2008, totalled £366,000, in line with initial estimates. After allowing for costs, directly referable to the period of trading, the Administrators' trading is expected to be broadly around break even. However, rent and payroll arrears, and ransom payments to key suppliers will result in an overall trading loss to be recouped from the sale proceeds of the business and assets achieved only with the benefit of trading. So as to assist trading liabilities the Bank provided short term overdraft facilities to the Administrators for the purposes of making rent and other essential payments to maintain supplies and retain employees.

1.1.5 Sale of the Business and Assets

To assist with the sale of the business assets of the Companies, agents (Edward Symmons) marketed the same with bar and leisure operators and other potential interested parties, and advertised this for sale in the Financial Times on 18 January 2008. In response, 68 interested parties, including 38 bar and leisure operators, 10 private equity houses and 20 individuals or agents, were provided with Non Disclosure Agreements ("NDA").

36 parties signed NDAs including 25 bar and leisure operators, 6 private equity houses and 5 individuals or agents. After the provision of information packs and negotiations with interested parties, the Administrators accepted an offer from Black Dollar Ltd, a recently formed operator funded by Agilo, a private equity fund.

On 23 January 2008 at 4.15 p.m., the Joint Administrators sold the business and assets of the Companies to Black Dollar Limited, Included in the sale were:

- Five of the eight units were included in the sale of business: The units at London, Birmingham, Glasgow, Leeds and Newcastle.
- The employees of these units were transferred to Black Dollar Limited under the Transfer of Undertakings Protection of Employment Regulations ("TUPE").
- The remaining units, Liverpool, Manchester and Bristol were closed. The chattels and stock from those units were, however, included in the sale to Black Dollar Limited. All realisations from the sale to Black Dollar are included in the receipts and payments account enclosed at appendix A.

SIP13 does not apply since the business was not sold to a connected party

1.2 The Proposals

The Administrators' proposals in relation to the Companies were approved by creditors on 19 March 2008 and are as follows:-

- 1.2.1 The Administrators should continue to trade the business to explore the possibility of selling the Companies' business and assets upon the terms they consider to be the most beneficial to creditors of the Companies. (Achieved)
- 1.2.2 To the extent that a sale of the business is unachievable, or assets remain following a business sale then the Administrators should consider and pursue the most appropriate alternative method of realising the assets for the benefit of the creditors.
- 1.2.3 The Administrators should arrange to distribute available funds from the realised assets to those creditors entitled to them in such manner as they consider will lead to an early distribution of the available assets in an economic manner.
- 1.2.4 The Administrators be authorised to make such application to Court for directions as they consider appropriate with a view to achieving the purposes of the Administration or their Proposals.
- 1.2.5 The Administrators conclude the Administration when all the property and assets have been realised and distributed (after costs).
- 1.2.6 The Joint Administrators propose that the Companies exit the Administrations by way of a Creditors Voluntary Liquidation, if surplus funds are available to distribute to the unsecured creditors, or by way of dissolution if no surplus funds are available to unsecured creditors after the costs of the Administrations.
- 1.2.7 If appropriate, that Bruce Alexander Mackay and Alan Lovett of Baker Tilly Restructuring and Recovery LLP, 5 Old Bailey, London, EC4M 7AF be appointed Joint Liquidators of the Companies following cessation of the Administration.

1.2.8 In relation to the above:

- We have met or are in the process of meeting the proposals numbered paragraphs 1.2.1, 1.2.2 and 1.2.3.
- The proposals set out in numbered paragraph 1.2.4 is not applicable as we did not need to apply to Court for direction.
- The proposal set out in numbered paragraph 1.2.5 will now be implemented for Holdings, Cardiff, Birmingham and London and these Companies will exit Administration by way of dissolution.
- The proposal set out in numbered paragraph 1.2.7 is also not applicable as the Companies will not be subsequently placed into Liquidation following the cessation of the Administration.

1.3 Future conduct of the Administration of Group

It is proposed that the Joint Administrators will continue to manage the affairs, business and property of the Group for a further six months in order to achieve the purpose of the Administration.

- 1.3.1 There is a VAT refund due to the Group in the sum of £97,800. We are currently in correspondence with HM Revenue & Customs to recover the VAT refund;
- 1.3.2 Continuing negotiations in relation to the assignment of the Bristol lease although realisations in this regard are unlikely;
- 1.3.3 A claim against a third party's insurers is also being progressed in conjunction with our solicitors DLA Piper;
- 1.3.4 Dealing with statutory reporting and compliance obligations; and
- 1.3.5 Finalising the Administration.

1.4 Statement concerning the EC Regulation

The EC Council Regulation on Insolvency Proceedings 2000 does apply to this Administration and the proceedings are main proceedings. This means that this Administration is conducted according to insolvency legislation of England and Wales and is not governed by the insolvency law of any other European Union Member State.

2 RECEIPTS AND PAYMENTS

An abstract of the Joint Administrators' receipts and payments account to 9 January 2009 is attached at Appendix A.

2.1 Receipts

Total receipts in the period to 9 January 2009 were £4,627,000.

2.2 Payments

Total payments to 9 January 2009 were £4,338,000. Accrued costs of the Administration to date are summarised below.

2.2.1 Administrators' remuneration

Since a dividend to unsecured creditors is unlikely our fees and disbursements have been sanctioned by the secured creditor (the Bank), as required under statute.

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Insolvency Rules 1986. Further information is given in the Association of Business Recovery Professionals' publication *A Creditors' Guide to Administrators' Fees*, a copy of which is enclosed as Appendix D to this Report. Attached as Appendices B, C and D is a detailed analysis of time spent, and charge out rates, for each grade of staff for the various areas of work carried out to 9 January 2009, as required by the Association of Business Recovery Professionals' *Statement of Insolvency Practice No. 9* ("SIP").

2.2.2 Time costs of the Companies excluding Holdings

Excluding time costs in respect of Holdings, total time costs are £473,070, representing 2,257.6 hours to 1 January 2009, at an average hourly charge out rate of £209.55. We have drawn £353,070 plus VAT on account of fees approved by the Bank at a reduced hourly rate and subject to discounts.

2.2.3 Time Costs of Holdings

Total time costs for Holdings to 9 January 2009, as set out at Appendix C1. are £16,271.50 representing 65.4 hours of time at an average hourly charge out rate of £248.80. This includes Investigative, Administrative and Planning, Trading and Realisation of Assets. It does not include non restructuring advice such as Corporate Finance, Tax and VAT advice from Baker Tilley in-house specialists which, following approval from the Bank have drawn a further £60,000 plus VAT.

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent. However, the cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates.

2.2.4 Legal fees

Accrued total legal fees to 9 January 2009 is £242,415.16, including disbursements. The most significant disbursement is the fees of DLA Piper incurred in connection with the sale of the business and assets, various applications made to court and advice provided in relation to potential trading issues arising from health & safety and licensing, applications to court, but also in connection with advice in support of the Joint

Administrators fulfilling their statutory duties. Other fees relate to work conducted by Walker Morris Solicitors, Four Counties Licensing Services Limited, Brunton Miller, Bevan Brittan, Sitons LLP, John Morse Solicitors, Davenport Lyons and Beachcroft LLP. At this stage it is likely that there will be no further legal fees incurred in this regard.

2.2.5 Agent fees

Accrued agent fees are currently £120,331 and relate to the valuation of The assets and property of the Companies, review on the health, safety and security issues as well as the marketing and sale of the business and assets of the Companies. At this stage it is likely that there will be no further agents fees incurred in this regard.

2.3 Analysis of time spent

Our staff have carried out the following tasks:

2.3.1 Administration and Planning

This includes dealing with the commencement of the Administration, statutory filing of appointment documents with Companies' House, requesting the submission of the Statement of Affairs and filing it at Companies' House, together with day-to-day administration duties. These include but are not limited to: handling receipts and payments; VAT and Corporation Tax issues such as the monthly VAT returns; pension queries and general correspondence.

2.3.2 Investigations

We have sent the directors questionnaires in relation to the directors' conduct as officers of the Companies, and in accordance with our statutory obligations under the Company Directors' Disqualification Act 1986, we have filed the appropriate documentation on the conduct of the directors with the Business Enterprise & Regulatory Reform.

2.3.3 Realisation of Assets

Our staff have been assisting with various matters such as preparing sale documents, *handling queries from interested parties* and obtaining valuations of assets. A large amount of time has been spent on this area as it is considered to be a key aspect of the Administration. Additionally, time has been spent reviewing and agreeing Reservation of Title claims with regard to stock and dealing with Finance Company creditors.

2.3.4 Trading

Our staff have had to set up accounts with suppliers in order to trade on an ongoing basis. Payments to suppliers and general correspondence with

these have been undertaken. Certain aspects of trading led to large time demands upon our staff. Since trading has ceased, most accounts have been closed and final bills paid.

2.3.5 Creditors

Queries from and correspondence with creditors and employees have been necessary aspects of the Administration process. The preparation of the Administrators' Proposals has been undertaken including the circulation of the proposals to the creditors. A brief report on the outcome of the creditors' meeting and the report on the first six months of the Administration period have both been prepared.

2.3.6 Administrators' Disbursements

The basis of the Joint Administrators' drawing disbursements was approved by the Bank.

Disbursements drawn from the Company's assets in accordance with the Banks' approval are detailed at Appendix E.

3 DIVIDENDS TO CREDITORS

3.1 Secured creditors

The Bank is owed in excess of £10m across the Companies. Gross realisations are unlikely to reach £5m and after the costs of the Administration have been taken into account the Bank will suffer a significant shortfall on its principal debt.

To date the sum of £2,900,000 has been distributed to the Bank under their security over the Companies.

3.2 Preferential creditors

Preferential creditors' claims are estimated to total £2,819, these claims have not been admitted for dividend purposes, as there is no prospect of a dividend for preferential creditors.

3.3 Non-preferential creditors and prescribed part

There will be no prescribed part ring-fenced funds available to non-preferential, unsecured creditors. The Prescribed Part does not apply as the Bank's charges were created before 15 September 2003, with the exception of Holdings where no distributions are anticipated.

4 **FUTURE REPORTING**

In respect of Group, the Administrators intend to provide Creditors with their next report in July 2009, in accordance with Rule 2.47 of the Insolvency (Amendment) Rules 2003, although it is anticipated this will be a final report.

5 **OUTSTANDING MATTERS**

5.1 **Extension of the Administration**

5.1.1 **Group**

The Administration of Group was due to automatically end on 9 January 2009. However On 7 January 2009 the administration of Group was extended for a period of 6 months by the Court.

The Joint Administrators' have yet to complete their work in the Administration and consequently the Joint Administrators are not in a position to conclude the Administration at this time. It is anticipated that the administration of Holdings will be completed before 9 July 2009.

5.2 **End of Administration**

5.2.1 **The Companies except Group**

The Joint Administrators will bring the Administrations of Holdings, Cardiff, Birmingham and London to a conclusion by way of dissolution within the next couple of days.

Yours faithfully
For and on behalf of
Sports Cafe Group Limited
Sports Cafe Holdings PLC
Sports Cafe (Cardiff) Limited
Sports Cafe (Birmingham) Limited
The London Sports Cafe Limited



B A Mackay
Baker Tilly Restructuring and Recovery LLP
Joint Administrator

9 January 2009

Alan Lovett is licensed to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales under Registration No. 6476 Bruce Alexander Mackay is licensed to act as an Insolvency Practitioner by the Association of Chartered Certified Accountants under Registration No. 8296

The Joint Administrators act as agent to the Companies without personal liability.

APPENDIX A

MEMBERS OF THE SPORTS CAFE GROUP - IN ADMINISTRATION RECEIPTS AND PAYMENTS SUMMARY SCH, SCG, SCC AND SCB 11 JANUARY 2008 TO 9 JANUARY 2009 AND TLSC 21 JANUARY 2008 TO 9 JANUARY 2009

Sports Cafe Group Limited - In Administration
Receipts and Payments account
To 9 January 2009

Receipts	£'000
Leasehold property	0
Intellectual Property	0
Goodwill	1,870
Fixed charge chattels	10
Goodwill (Scottish unit)	1,280
Chattels	390
Stock	117
Debtors	62
Rent Prepayment	115
Rates Prepayment	134
Floats	22
Bank interest	53
Rates refund	16
Lease assignments	1
S C Bet debt	170
Takings	387
Totals	4,627
Payments	
Cost of Sales	(38)
Wages	(208)
Security	(103)
Rent	(94)
Other	(105)
Retention of title	(69)
Administration fees	(363)
M&A services	(60)
Legal fees	(242)
Agents fees	(81)
Licence Solutions	(39)
Sundry Other	(36)
Fixed Charge Distribution	(2,900)
Totals	(4,338)
 Cash at Bank	 191
 Net VAT Paid (to be reclaimed)	 98
	289

9 January 2009

APPENDIX B

BAKER TILLY RESTRUCTURING AND RECOVERY LLP

CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units.
- Time billed is subject to Value Added Tax (VAT) at the applicable rate.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to creditors, but do not require creditors' approval prior to being drawn from the insolvency estate. These are known as "Category 1" disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) require the approval of creditors prior to being drawn from the insolvency estate. These are known as "Category 2" disbursements.
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of creditors.
- Where applicable, expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate.

9 January 2009

APPENDIX C (1).

SPORTS CAFE HOLDINGS PLC

JOINT ADMINISTRATORS' TIME COSTS ANALYSIS TO 9 JANUARY 2009

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
Administration and Planning						
Case Management	1.2	0.0	0.1	1.7	3.0	£607.50
Shareholders/Director/Debtor/ Bkpt	0.0	3.8	0.0	0.0	3.8	£608.00
Appointment	0.0	1.0	0.0	0.0	1.0	£295.00
Post Appointment Taxation	3.5	1.0	28.5	0.8	31.8	£4,871.00
Totals	4.7	5.8	28.6	2.3	39.4	£6,381.50
Investigations						
Investigations/CDDA	0.0	0.0	0.0	1.0	1.0	£120.00
Totals	0.0	0.0	0.0	1.0	1.0	£120.00
Realisation of Assets						
Land and Property	0.2	0.0	0.0	0.0	0.2	£65.00
Sale of Business	9.0					£4,075.00
Other assets	6.5	8.5	0.0	0.0	15.0	£5,295.00
Totals	15.7	8.5	0.0	0.0	24.2	£9,435.00
Trading						
Trading	0.3	0.0	0.0	0.0	0.3	£97.50
Totals	0.3	0.0	0.0	0.0	0.3	£97.50
Creditors						
1st creditors/shareholders reports	0.5	0.0	0.0	0.0	0.5	£237.50
Totals	0.5	0.0	0.0	0.0	0.5	£237.50
TOTAL HOURS	21.2	14.3	28.6	3.3	65.4	£16,271.50
TOTAL TIME COST	9273.5	3685.5	2928.5	384.0	£16,271.50	

9 January 2009

APPENDIX C (2).

SPORTS CAFE GROUP LIMITED COMBINED TIME ANALYSIS

JOINT ADMINISTRATORS' TIME COSTS ANALYSIS TO 9 JANUARY 2009

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
Administration and Planning						
Appointment	17.5	16.2	33.2	0.0	66.9	£14,644.50
Background Information	7.0	2.2	2.5	0.5	12.2	£2,736.00
Case Management	66.0	8.0	76.5	11.0	161.5	£41,681.00
Land and Property	0.0	0.0	0.4	0.0	0.4	£50.00
Pension Scheme	0.0	0.0	0.6	0.5	1.1	£135.00
Post-appointment - general	112.0	62.7	2.2	12.6	189.5	£64,930.50
Post-appointment taxation	14.1	41.3	18.7	0.0	74.1	£23,874.00
Pre-appointment matters	0.0	3.5	4.9	2.0	10.4	£1,729.50
Receipts and Payments	0.1	19.5	229.5	0.0	249.1	£35,647.00
Sale of business	0.0	0.0	1.9	0.0	1.9	£237.50
Shareholders/Director/Debtor/ Bkpt	2.0	1.0	3.5	0.0	6.5	£1,502.00
Statement of Affairs	0.0	1.0	20.6	0.0	21.6	£2,917.00
Closure	0.0	6.0	0.0	0.0	6.0	£2,160.00
Totals	218.7	161.4	394.5	26.6	801.2	£192,244.00
Investigations						
Investigations/CDDA	2.5	1.8	54.0	0.0	58.3	£11,125.50
Totals	2.5	1.8	54.0	0.0	58.3	£11,125.50
Realisation of Assets						
Assets - general/other	0.0	2.2	12.1	0.0	14.3	£2,395.00
Chattels	0.0	4.7	2.0	0.0	6.7	£1,696.00
Debtors & sales finance	0.0	0.0	2.3	0.0	2.3	£310.50
HP/Leasing creditors	0.0	0.0	9.6	0.0	9.6	£1,200.00
Land and Property	2.0	20.6	25.3	0.0	47.9	£10,015.50
ROT/ Third Party Assets	1.0	7.5	67.9	0.0	76.4	£12,804.00
Sale of business	61.2	46.9	51.7	0.0	159.8	£44,144.00
Stock and WIP	0.0	2.5	0.0	0.0	2.5	£690.00
Other assets	3.0	37.7	1.0	0.0	41.7	£11,677.00
Totals	67.2	122.1	171.9	0.0	361.2	£84,932.00
Trading						
Case Management	0.5	0.0	0.0	0.0	0.5	£212.50
Trading	9.4	239.5	325.5	0.4	574.8	£90,997.50
Totals	9.9	239.5	325.5	0.4	575.3	£91,210.00
Creditors						
1st creditors meetings and reports	2.5	4.5	30.8	0.0	37.8	£6,239.00
Case Management	0.0	0.0	2.5	0.0	2.5	£437.50
Employees	0.0	7.2	25.6	0.0	32.8	£4,672.50
Other Creditor Meetings and Reports	0.0	90.0	14.0	0.0	104.0	£32,315.00
Secured Creditors	10.0	0.0	23.1	0.0	33.1	£8,502.50
Unsecured Creditors	0.0	0.0	93.4	4.5	97.9	£13,983.00
Totals	12.5	101.7	189.4	4.5	308.1	£66,149.50
Case Specific Matters						
Major issues - Employees	0.0	0.0	83.3	2.3	85.6	£9,352.50
Legal Matters	0.5	2.0	0.0	0.0	2.5	£1,785.00
Totals	0.5	2.0	83.3	2.3	88.1	£11,137.50
TOTAL HOURS	311.3	628.5	1218.6	33.8	2192.2	£456,798.50
TOTAL TIME COST	£131,477.00	£156,296.00	£165,625.00	£3,400.50	£456,798.50	

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APPENDIX D (1)

BAKER TILLY RESTRUCTURING AND RECOVERY LLP

LONDON OFFICE

CHARGE OUT RATE BANDS

	Charge out band as at date of appointment	Charge out band as at date of current report
Partners	375 - 425	395 - 475
Managers	160 - 295	195 - 360
Administrators	85 - 135	140 - 175
Assistants & Support Staff	75 - 100	100 - 120

It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.

Baker Tilly Restructuring and Recovery LLP's charge out rates are reviewed periodically.

"CATEGORY 2" DISBURSEMENTS

Authority will be sought to recover the following costs as "Category 2" disbursements at the creditors' meeting

Fax	5 pence per sheet
Photocopying	4 pence per sheet
Internal room hire	£250 per part day
Subsistence	£23 per night
Travel (car)	38 pence per mile

APPENDIX D (2)

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES ENGLAND AND WALES

1 Introduction

- 1.1** When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees and explains the basis on which fees are fixed.

2 The nature of administration

- 2.1** Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:
- rescuing the company as a going concern, or
 - achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration, or, if the administrator thinks neither of these objectives is reasonably practicable
 - realising property in order to make a distribution to secured or preferential creditors.

3 The creditors' committee

- 3.1** The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

4 Fixing the administrator's fees

- 4.1** The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either:
- as a percentage of the value of The Land which the administrator has to deal with, or
 - by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration.

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed and, if it is fixed as a percentage fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of The Land which the administrator has to deal with.

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- 4.2** If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.
- 4.3** There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets. In this case a resolution of the creditors shall be taken as passed if, and only if, passed with the approval of –
- each secured creditor of the company; or
 - if the administrator has made or intends to make a distribution to preferential creditors –
 - each secured creditor of the company; and
 - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

- 4.4** A resolution of creditors may be obtained by correspondence.

5 What information should be provided by the administrator?

5.1 When seeking fee approval

- 5.1.1** When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgment as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:
- the nature of the approval being sought;
 - the stage during the administration of the case at which it is being sought; and
 - the size and complexity of the case.
- 5.1.2** Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.
- 5.1.3** Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:
- Administration and planning
 - Investigations
 - Realisation of assets

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- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy.
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including sub-contractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

- 5.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff.

5.2 After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

5.3 Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

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6 What if a creditor is dissatisfied?

- 6.1** If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration.

7 What if the administrator is dissatisfied?

- 7.1** If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

8 Other matters relating to fees

- 8.1** Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.
- 8.2** If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

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APPENDIX E **SUMMARY OF PAYMENTS TO OFFICE HOLDER AND ASSOCIATED PARTIES**

AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S FIRM	
TYPE AND PURPOSE	£
Joint Administrators' Fees	£363,070.00
Joint Administrators' Disbursements	£5,044.01
Total	£368,114.01

AMOUNTS PAID OR PAYABLE TO ASSOCIATED PARTIES OF OFFICE-HOLDER	
TYPE AND PURPOSE	£
Baker Tilly Corporate Finance LLP	£60,000
Total	£60,000

AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S SOLICITOR	
TYPE AND PURPOSE	£
DLA Piper UK LLP	£231,112.35
Walker Morris Solicitors	£773.00
Four Counties Licensing Services Ltd	£1,254.40
Brunton Miller	£496.00
Bevan Brittan	£473.00
Sintons LLP	£3,246.13
John Morse Solicitors	£1,000.00
Davenport Lyons	£1,560.28
Beachcroft LLP	£2,500.00
Total	£242,415.16

AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S AGENT	
TYPE AND PURPOSE	£
Edward Symmons & Partners LLP	£80,950.00
Licensed Solutions Ltd	£39,381.78
Total	£120,331.78

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APPENDIX F

STATUTORY INFORMATION

COMPANY NAME:	Sports Cafe Holdings Plc ("SCH") Sports Cafe Group Ltd ("SCG") Sports Cafe (Cardiff) Ltd ("SCC") Sports Cafe (Birmingham) Ltd ("SCB") The London Sports Cafe Ltd ("TLSC")
PREVIOUS COMPANY NAMES:	SCH: Coliseum Group Plc SCG: Vantagestore Limited SCC: No previous names recorded SCB: No previous names recorded TLSC: Lakedeep Limited
COMPANY NUMBER:	SCH: 04156891 SCG: 02960394 SCC: 03453460 SCB: 03408987 TLSC: 02881370
DATE OF INCORPORATION:	SCH: 08/02/2001 SCG: 19/08/1994 SCC: 22/10/1997 SCB: 24/07/1997 TLSC: 16/12/1993
TRADING NAME:	The Sports Cafe
TRADING ADDRESS':	Sports Cafe London: 80 Haymarket, London, SW1Y 4TE Sports Cafe Birmingham: 240 Broad Street, Birmingham, B1 2HG Sports Cafe Bristol: 12-21 Baldwin Street, Bristol, BS1 1NA Sports Cafe Glasgow: 292 – 332 Sauchiehall Street, Glasgow, G2 3JA Sports Cafe Leeds: Sovereign House, 123 The Headrow, Leeds, LS1 5RD Sports Cafe Liverpool: 7 -11 Sir Thomas Street, Liverpool, L1 6BW Sports Cafe Manchester: 23 Quay Street, Manchester, M3 4AE

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	Sports Cafe Newcastle: 19 - 25 Grainger Street, Newcastle Upon Tyne, NE1 5JG
PRINCIPAL ACTIVITIES:	5530 – Restaurants 7487 – Other business activities 5540 – Bars 5552 – Catering
REGISTERED OFFICE:	80 Haymarket London SW1Y 4TE
SHARE CAPITAL: NOMINAL & ISSUED SHARE CAPITAL	SCH: 38,641,613 ordinary 5 pence shares (nominal value £1,932,080) SCG: 2 ordinary £1 shares (nominal value £2) 1000 ordinary \$1 shares (nominal value \$1000) SCC: 98 ordinary £1 shares (nominal value £98) SCB: 2 ordinary £1 shares (nominal value £2) TLSC: 500 £1 A shares (nominal value £500) 1 £1 B share (nominal value £1)
SHAREHOLDERS:	SCH: Bulk list of shareholders SCG: Sports Cafe Holdings Plc SCC, SCB and TLSC: Sports Cafe Group Ltd
DIRECTORS:	SCH: William Balkou, Ian Lenagan, Peter Marks and Paul Wright SCG: William Balkou and David Evans SCC, SCB and TLSC: William Balkou
SECRETARY:	SCH, SCC and SCB: Paul Wright SCG and TLSC: William Balkou
MORTGAGES AND CHARGES:	Fixed and Floating charges in favour of Barclays Bank Plc for all Companies with the exception of SCH.