



WEDNESDAY



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04/10/2017

#319

COMPANIES HOUSE

1 Company details

Company number 0 4 9 1 8 5 1 6

Company name in full Kentaro Limited

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

2 Administrator's name

Full forename(s) Simon

Surname Harris

3 Administrator's address

Building name/number 22 York Buildings

Street John Adam Street

Post town London

County/Region

Postcode W C 2 N 6 J U

Country

4 Administrator's name

Full forename(s) Cameron / Mark

Surname Gunn / Supperstone

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

5 Administrator's address

Building name/number 22 York Buildings

Street John Adam Street

Post town London

County/Region

Postcode W C 2 N 6 J U

Country

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	0	9	0	3	2	0	1	7
To date	0	8	0	9	2	0	1	7

7 Progress report

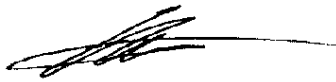
☐ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d0

^d2

^m1

^m0

^y2

^y0

^y1

^y7

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.

Simon Harris

ReSolve Partners Limited

22 York Buildings

John Adam Street

London

Postcode

W C 2 N 6 J U

DX

020 7702 9775



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

Kentaro Limited
In Administration (the Company)

Administrators' six month progress report
For the period 9 March 2017 to 8 September 2017

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1. INTRODUCTION

As you may be aware, Cameron Gunn, Mark Supperstone and Simon Harris, were appointed as Joint Administrators of the Company on 10 October 2014. This report on the progress of the Administration covers the period 9 March 2017 to 8 September 2017 (the Reporting Period) and should be read in conjunction with the Administrators' report and proposals to creditors dated 2 December 2014 and progress reports dated 6 May 2015, 8 September 2015, 5 April 2016, 8 September 2016 and 30 March 2017 (copies of which are available on request to this office, free of charge).

As previously reported, following the approval of creditors on 25 September 2015, the Administration was extended for 12 months to 9 October 2016. A further extension was necessary owing to outstanding matters which were outlined in the Administrators' report dated 8 September 2016. Following an application to Court the Administration was extended to 9 October 2018.

Please find attached the statutory information relating to the Company at **Appendix I**.

2. ADMINISTRATORS' ACTIONS SINCE THE LAST REPORT

Since the Administrators' last report the following matters have been completed:

- Issued the Administrators' progress report dated 30 March 2017
- Liaised with Lenani Limited (Lenani or the Purchaser) and Taylor Wessing Solicitors (TWS), regarding a claim for damages following the Football Club's termination of a contract (the Football Club Contract) included in the sale agreement to the Purchaser
- Corresponded with litigation funders in an attempt to seek funding to issue a claim for damages against the Football Club for termination of the Football Club Contract
- Liaised with a third party who has alleged it has a claim to the income stream due from the Football Club Contract
- Sought to agree with the third party an agreement to fund the claim in respect of the Football Club Contract and its termination
- Reviewed and attempted to recover amounts owed to the Company in respect of book debts and liaised with Mr Grothe in relation to his assistance with recovery of the same
- Dealt with creditor claims and enquiries, and
- Addressed all statutory duties associated with the Administration.

3. RECEIPTS AND PAYMENTS

The Administrators' receipts and payments account for the Reporting Period is attached at **Appendix II**.

As previously reported, all funds have now been transferred to the Administration Sterling account during the previous reporting period and accordingly, there is no longer a need to split the receipts and payments via currency accounts.

4. ASSETS

Please note the below section details assets dealt with during the Reporting Period (9 March 2017 to 8 September 2017) or those yet to be realised. For details of the Company's assets dealt with in previous reporting periods please refer to the Administrators' previous reports.

Insurance refund

A refund of £344 has been received in respect of an insurance policy refund. No further realisations are anticipated.

Sale of certain assets

As previously reported, on 17 November 2014, the Administrators completed a sale of certain assets and contracts held by the Company to Lenani for £100,000. The sale included an agreed profit split in respect of the Football Club Contract, details of which were provided in the Administrators' previous reports to creditors. The purchase consideration of £100,000 was payable by way of £25,000 due on completion with the balance payable by way of deferred considerations, payable quarterly, of £25,000. The last instalment was due on 1 August 2015.

To date £90,000 has been received. The Purchaser defaulted on the consideration due on 1 August 2015 and only £15,000 of the final £25,000 has been received to date.

The deferred sale consideration is secured by way of a debenture over Lenani's assets and by way of a personal guarantee granted by Mr Grothe in respect of Lenani's obligations. The Administrators have reserved their rights in respect of the balance due as Mr Grothe is assisting with the Football Club Contract.

As previously reported, the Football Club Contract has been terminated by the Football Club, thereby withdrawing the possibility of any profit share income as per the terms of the sale agreement. The Purchaser disputes the validity of termination and as a result, the Purchaser and the Administrators have jointly instructed TWS to liaise with the Football Club regarding the validity of termination.

A draft claim was issued to the football club in an attempt to promote a settlement. However no response was received. The Football Club Contract is subject to law in a foreign jurisdiction, accordingly it is considered a claim would need to be issued in that jurisdiction. The Administrators are advised issuing and filling the claim will also incur a Court fee. Discussions are ongoing with Lenani regarding funding for the necessary Court fee in order to issue and file the claim.

In addition, the Administrators have also entered into discussions with certain litigation funders to determine their appetite for funding a claim against the football club. To date, no funder has indicated it is willing to fund a claim. The Administrators will continue to liaise with alternative litigation funders in this regard.

Recently the Administrators were approached by a third party purporting to have a claim/security to the Football Club Contract income and alleging that any settlement funds would firstly be due to them following a purported assignment of the rights. The Administrators do not consider the claim to be valid, however have engaged with the third party to determine whether it would be willing to fund a claim against the Football Club. Correspondence in this regard is presently on-going. The Administrators will provide an update in their next report. Realisations continue to remain uncertain.

Dividend from SHL Group

As previously reported, the Company's subsidiary company, Sports Holdings Limited (SHL), declared a dividend to shareholders pre-appointment, however the £1 million owed to the Company was not paid. The Administrators have been advised by Mr Grothe's legal representative that the Company waived its entitlement to receive the dividend declared.

Mr Grothe has advised the Company's electronic and financial records are held on its parent company, Kentaro AG's (AG) server in Switzerland. Following AG's liquidation (subsequently overturned), AG's landlord refused access to the server unless outstanding rental amounts were paid. The directors of the reinstated AG eventually arranged the release of the server. However, the server is now held by the General Attorney in Bern, Switzerland as part of an ongoing FIFA investigation. The Administrators are further advised AG has again been placed into liquidation.

AG's liquidator advised it could arrange for a search to be conducted on the server on the Administrators' behalf, however there would be a charge for doing so. They also advised that on searches they have conducted, they have had limited success with the results. The Administrators agreed to meet the costs for the searches to be conducted on the server. The Administrators are advised by AG's liquidator that the search for information was unsuccessful. As supporting documentation is not available, any recoveries from this source are uncertain.

Intercompany debtors

The Company has two intercompany debts due from subsidiaries of AG based in Sweden and Germany. The amounts outstanding as per Company accounts are £100,000 and €200,000 respectively. As previously reported, both the Swedish and German AG subsidiaries are subject to insolvency proceedings in their respective jurisdictions. Realisations from the intercompany debtors are currently unknown.

Director's loan account

As detailed in the Administrators' previous report, Company records show an amount of £122,053 due from Mr Grothe in respect of an outstanding director's loan account.

The Administrators have requested documentation to support Mr Grothe's statement that the loan has been repaid. The Administrators are advised the supporting information is contained on AG's server which, following a search of same being conducted, failed to recover any supporting documentation. Any future realisations are therefore uncertain.

Book debts

As at 10 October 2014, the Company's records indicated debts of £1.008 million due to the Company. Please note this total contains amounts due from debtors in various currencies which have been converted into sterling for ease of reporting. The amounts recovered will be subject to foreign exchange (FX) currency fluctuations. To mitigate FX fluctuations, Administration currency accounts were opened.

The book debts have been split into the Company's business divisions as follows:

Trade debtors (primarily football and excluding boxing)

The Administrators wrote to all known trade debtors to request payment of outstanding amounts, totalling circa £745,000 in Company's records. Of the balance due, circa £628,000 relates to amounts purportedly owing to the Company where contracts or invoices are not available or are subject to dispute. In addition, the major debtors are located in jurisdictions outside of the European Union (EU); making commencement of legal action (if necessary) to recover amounts more complex. Furthermore, several debtors have responded with proof of payment of the amounts outstanding prior to Administration, thereby reducing the value of the ledger.

As advised previously, to actively pursue the debtors, the Administrators instructed Mr Grothe to assist in the recovery of book debts, primarily those related to football and outside the EU jurisdiction. Despite Mr Grothe's instruction no funds have been recovered. Given the age of the ledger and lack of supporting information to substantiate same recoveries are presently uncertain and may be minimal, if any.

Trade debtors – Boxing

As advised previously, the Administrators were contacted by the ultimate rights holder who granted the Company the ability to exploit certain boxing television rights in various jurisdictions. Circa £219,000 relates to amounts outstanding from boxing trade debtors for the exploitation of boxing rights prior to the purported date of termination of the agreement. However, the rights holder claimed an entitlement to any recoveries received. As a result of the settlement with the ultimate rights holder detailed earlier in this report the Company and the rights holder have settled the dispute to boxing related funds.

There have been no amounts received in the Reporting Period in respect of boxing trade debtors. As a result, total realisations in this regard are as previously reported, USD 7,500. Following the settlement agreement these funds are now available to the Company's estate and transferred to the sterling account.

Based on present information the value of the debtor ledger will be significantly less than indicated in the Company's records. Given the age of the ledger and lack of supporting documentation to support significant sums owing, further recoveries are uncertain and may be minimal, if any.

5. DIVIDEND PROSPECTS

Secured creditors

There are no outstanding sums owed to secured creditors.

Preferential creditors

The Statement of Affairs, lodged by Mr Grothe on 3 December 2014, anticipated £33,869 in preferential creditors. The Administrators have received a claim from the Redundancy Payments Office (RPO) for £48,648 and anticipate employees will also have further balancing claims in respect of arrears of wages (up to £800) and holiday pay.

Due to the uncertainty of funds being available to preferential creditors, at present, no preferential creditors' balancing claims have been calculated, nor has the RPO's claim being adjudicated on.

A dividend to preferential creditors will predominately be dependent on recoveries from the Football Club Contract.

Non-preferential unsecured creditors

The Statement of Affairs included unsecured creditors with an estimated total liability of £11.8 million. The Administrators have received claims totalling circa £7.9million. It should be noted that no adjudication of claims has been carried out.

A dividend to unsecured creditors will predominately be dependent on recoveries from the Football Club Contract.

6. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

As previously reported the Administrators undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation. The Administrators took into account the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. There were no matters that justified further investigation in the circumstances of this appointment.

Within six months of the Administrators' appointment, they are required to submit a confidential report to the Secretary of State to include any matters which have come to their attention during the course of their work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of a company. The Administrators confirm that their report has been submitted.

7. PRE-ADMINISTRATION COSTS

As previously reported, the Administrators' pre-appointment time costs up to the date of appointment on 10 October 2014 totalled £30,804. A breakdown of the Administrators' and professional advisor's pre-appointment costs was outlined in the Administrators' previous reports.

To date no amounts have been paid in respect of the Administrators' pre-appointment costs.

The approval of pre-appointment costs was received from unsecured creditors on 18 December 2014.

8. ADMINISTRATORS' REMUNERATION

The Administrators' remuneration was previously authorised at a meeting of creditors, held by correspondence, on 18 December 2014 to be drawn on a time cost basis.

The Administrators' time costs for the Reporting Period amounts to £14,978, representing 45 hours' work at an average charge out rate of £334 per hour, bringing cumulative time costs to £296,812. Please note that due to an administrative error £511 of time costs was not recorded in the previous period but has been added to the cumulative total to correct the previous omission.

To date, the Administrators have drawn £66,667 in respect of their time costs. All of which was drawn in previous reporting periods. The Administrators anticipate drawing further sums in respect of their outstanding remuneration in due course.

A schedule of the Administrators' charge out rates, disbursement policy and a narrative description of the work undertaken in the Administration to date, together with the time costs incurred to date is attached as **Appendices III and IV**. Creditors should note that since my proposals were issued there has been a change to the charge out

rates. These are detailed in **Appendix III**, together with my previous charge out rates.

A copy of 'A Creditors Guide to Administrators' Fees' published by the Association of Business Recovery Professionals is available at the link - <http://www.resolvegroupuk.com/resources>. Please note that there are different versions of the Guidance Notes, and in this case you should refer to the November 2011 version. A hard copy of both documents can be obtained, free of charge, on request from the address below.

9. ADMINISTRATORS' EXPENSES

The Administrators' expenses in the Reporting Period total £87, bringing cumulative expenses to £1,686. Of the total, £845 was incurred in respect to category two disbursements.

Please note any management fees previously charged are not being recovered from the Administration and accordingly have been removed from the Administrators' expenses claim.

The Administrators confirm the basis of charging category two disbursements was approved by unsecured creditors on 18 December 2014.

A summary of the Administrators' expenses is shown at **Appendix III** and these remain unpaid at the date of this report.

Professional advisors

The following professional advisors have been used in the Reporting Period (for details of the professional advisors utilised in previous periods please revert to the Administrators' previous reports):

Professional Advisor	Nature of Work	Fee Arrangement	Fees incurred to date (£)	Amount Paid (£)	Amount outstanding (£)
Bird & Bird LLP**	Solicitors	Time costs	2,000	2,000	-
Taylor Wessing	Solicitors	Conditional fee arrangement	-	-	-
Philipp Grothe	Debt collection	Conditional fee arrangement	-	-	-

Note: Plus disbursements where applicable

*** Costs detailed above relates to legal advice provided in the Reporting Period only. For details of the previous sums paid to BBL please see the Administrators' previous progress reports.*

Bird and Bird LLP

BBL provided advice in respect of the third party claims brought against the Company in respect of the Football Club Contract and reviewed various agreements relating to the same.

Taylor Wessing

TWS has been instructed by the Purchaser in respect of the purported termination of the Football Club Contract. TWS has confirmed it will also act on behalf of the Administrators in respect of this matter as the Football Club contract remains in the Company's name. TWS has also liaised with the third party in respect of the claim against the football club with a view to seeking an agreement to fund the legal action.

Philipp Grothe

Mr Grothe has been instructed to assist with collection of the Company's debtors. Mr Grothe will be remunerated on a success fee basis of 15 per cent of net recoveries.

The choice of professionals was based on the Administrators' perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the Administrators' fee arrangement with them. The fees charged have been reviewed and the Administrators are satisfied that they are reasonable in the circumstances of this case.

10. FURTHER INFORMATION AND COMPLAINTS

An unsecured creditor may, with the permission of the court or with the concurrence of five per cent in value of the unsecured creditors (including the creditor in question) request further details of the Administrators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of ten per cent in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrators' fees and the amount of any proposed expenses or expenses already incurred, within eight weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

Should you have any comments or complaints regarding this Administration, please contact Cameron Gunn in the first instance. If you consider that we have not dealt with your comment or complaint appropriately, you may request we perform an internal independent review of your complaint. This review would be undertaken by a person within ReSolve not involved in the Administration. A request for a review can be made in writing to the Compliance Manager, ReSolve Partners Limited, 48, Warwick Street, London, W1B 5NL or by email to ben.woodthorpe@resolvegroupuk.com.

If you still feel that you have not received a satisfactory response then you may be able to make a complaint to the Complaints Gateway operated by the Insolvency Service. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, or you may email ip.complaints@insolvency.gsi.gov.uk, or you may phone 0845 602 9848. The Complaints Gateway will in turn determine if such complaint should be addressed by Mr Gunn, Mr Supperstone or Mr Harris' regulatory body.

11. SUMMARY

The Administration was previously extended until 9 October 2018. The extension was necessary as there are matters outstanding and assets that remain to be realised, particularly in respect of the Football Club Contract.

Should sufficient funds be received to enable a distribution to the unsecured creditors, the Administrators will consider a move to Liquidation in accordance with their proposals. Alternatively, the Company will exit Administration by way of dissolution.

Should you have any queries in relation to this matter please do not hesitate to contact Nathan Bickley-May of this office.

Yours faithfully
For and on behalf of
Kentaro Limited



Simon Harris
Joint Administrator

For enquiries regarding this correspondence please contact:

Contact name: Nathan Bickley-May
Phone number: 020 7702 9775
Email: Nathan.bickley-may@resolvegroupuk.com

The affairs, business and property of the Company are being managed by the joint administrators. Principals, Partners, Directors and staff acting as administrators, administrative receivers or supervisors act as agents of the company over which they are appointed at all times, and without personal liability. Cameron Gunn, Mark Supperstone, Simon Harris and Ben Woodthorpe are licensed in the United Kingdom by the Institute of Chartered Accountants in England and Wales.

APPENDIX I

STATUTORY INFORMATION

Company name: Kentaro Limited

Previous name: N/A

Company number: 04918516

Date of incorporation: 1 October 2003

Trading address: Unit 304 Design Centre East
Chelsea Harbour
London
SW10 0XF

Current registered office: c/o ReSolve Partners Limited
22 York Buildings
John Adam Street
London
WC2N 6JU

Former registered office: Eighth Floor
6 New Street Square
London
EC4A 3AQ

Principal trading activity: The acquisition and sale of television rights for sporting events

Appointment details

Date of appointment: 10 October 2014

Appointment made by: The Court

Court name: High Court of Justice, London

Court Reference: 7099 of 2014

Administrators appointed: Cameron Gunn Insolvency Practitioner Number: 9362
Mark Supperstone Insolvency Practitioner Number: 9734
Simon Harris Insolvency Practitioner Number: 11372

Paragraph 100(2) statement: Any act required or authorised under any enactment to be done by an administrator may be done by any or all of the Administrators acting jointly or alone

On 25 September 2015, the creditors agreed to extend the Administration of the Company for a period of 12 months, such that the Administration would automatically end on 9 October 2016.

By way of a Court Order made on 7 October 2016, the Administration was extended for a period of 24 months, to 9 October 2018.

Directors

Current Director	Philipp Grothe
Former Directors (last three years)	James Elliott Philip Ercolano Jonathan Hill Ronu Miah Christian Radeke

Share capital

Authorised	Allotted, called up and fully paid
1,000 ordinary shares of £1 each	1,000 ordinary shares of £1 each

Shareholders

Kentaro AG	1,000 Ordinary Shares	100 per cent
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Charge holder	Charge type	Date created	Date registered
Chelsea Harbour Limited	Rent Security Deposit Deed	18 November 2013	31 January 2013
HSBC Bank plc	Fixed and Floating charge Debenture	30 March 2007	31 March 2007
Chelsea Harbour Limited	Rent Security Deposit Deed	31 October 2005	3 November 2005

APPENDIX II

RECEIPTS AND PAYMENTS ACCOUNT

SUMMARY OF ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD 9 MARCH 2017 TO 8 SEPTEMBER 2017

	Note	Estimated to Realise / Estimated Statement of Affairs £	10-Oct-14 to 08-Mar-17 £	09-Mar-17 to 08-Sep-17 £	Total to Date £
RECEIPTS					
Computer Equipment		Uncertain	200	-	200
Furniture and Equipment		4,250	4,618	-	4,618
Cash at bank		96,919	1,713	-	1,713
Cash at bank - Boxing accounts			12	-	12
Cash at bank - Talent Management Division (third party funds)		16,531	16,523	-	16,523
Sundry Refund - Sky			372	-	372
Talent Debtors (third party funds)		Uncertain	3,600	-	3,600
Trade Debtors		Uncertain	-	-	-
Boxing Debtors (beneficiary to be determined)			-	-	-
Suspense Account	1		3,685	-	3,685
Contribution to costs	2		2,301	-	2,301
Goodwill		1	1	-	1
Football Club Contract		1	1	-	1
Football Club Contract profit share commission	3	157,578	-	-	-
Seller's Records		1	1	-	1
Shares - Sports Holdings Limited		99,996	89,996	-	89,996
Match Agreement		1	1	-	1
Subsidiary dividend		Uncertain	-	-	-
Intercompany debtors - Swedish AG subsidiary		Uncertain	-	-	-
Intercompany debtors - German AG subsidiary		Uncertain	-	-	-
Overdrawn director's loan		Uncertain	-	-	-
Insurance refund			-	344	344
Receipt of funds from currency accounts (internal transfers)			99,423	-	99,423
		375,277	222,446	344	222,790
PAYMENTS					
Office Holders' Fees			66,667	-	66,667
Agents/Valuers fees			9,446	-	9,446
Agents/Valuers disbursements			361	-	361
Contribution to Costs			3,000	-	3,000
Accountancy fees			2,500	2,500	5,000
Legal fees			48,748	2,000	50,748
Legal disbursements			3,215	-	3,215
Storage costs			3,828	188	4,015
Statutory Advertising			225	-	225
Bank charges			8	-	8
Talent Claimants			17,123	-	17,123
VAT irrecoverable			49	-	49
Insurance of assets			731	-	731
Search fees			366	-	366
			156,267	4,688	160,955
BALANCE (Receipts less Payments)			66,179	(4,343)	61,836
Represented by					
Current account - non interest bearing					61,398
VAT receivable					438
TOTAL CASH IN HAND					61,836

Simon Harris
Joint Administrator
03 October 2017

Note

- 1 Amount relates to a post-appointment credit in the Company bank account which may relate to a Kentaro AG receipt
- 2 Amount includes costs covered by the Swedish liquidator for visit to storage facility to go through company records of Kentaro AB, who they are appointed over
- 3 Profit share commission may increase. Minimum amounts payable detailed only in estimated Statement of Affairs

APPENDIX III

ADMINISTRATORS' CHARGE OUT RATES, DISBURSEMENT POLICY AND NARRATIVE

Administrators' charge out rates

The Administrators are remunerated on a time cost basis. Charge-out rates used are appropriate to the skills and experience of a member of staff and the work that they perform. Time is recorded in six minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work.

The hourly charge-out rates used on this case are as follows. Please note that the rates increased on 1 January 2016:

Staff grade	Rate per hour from 1 January 2016 (£)	Rate per hour to 31 December 2015 (£)
Principal	510	490
Director	415	400
Senior Manager	395	385
Manager	340	325
Assistant Manager	305	295
Senior Administrator	255	245
Administrator	195	185
Junior Administrator	145	125

Secretarial and support staff are not charged to the cases concerned, being accounted for as an overhead of ReSolve Partners Limited.

Disbursement policy

Separate charges are made in respect of directly attributable expenses (Category one disbursements) such as travelling (non-mileage), postage, photocopying, statutory advertising and other expenses made on behalf of the assignment.

Indirect charges (Category two disbursements) require separate approval and the basis of charging these is as follows:

- Photocopying 20 pence per sheet
- Mileage 45 pence per mile

A summary of the Administrators' disbursements are summarised below:

	CATEGORY 1 Cost (£)	CATEGORY 2 Cost (£)	TOTAL Cost (£)	PAID TO DATE Cost (£)	OUTSTANDING Cost (£)
Insolv fee	110	-	110	-	110
Postage	171	845	1,016	-	1,016
Bonding	375	-	375	-	375
Subsistence and travel	185	-	185	-	185
	841	845	1,686	-	1,686

Please note any management fee included in previous reports is not being claimed in the Administration and accordingly has been removed from the above table.

Narrative of work carried out:

A description of the routine work undertaken in the Administration to date is as follows:

Pre-appointment

- Liaising with Shakespere Martineau (formerly SGH Martineau LLP) in relation to preparing the Administration application documents to place the Company into Administration
- Liaising with the Company's director
- Assisting in the preparation of an estimated outcome statement
- Review of contract documentation to determine the Company's assets
- Review of Court documents prior to filing
- Case planning for the appointment

Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on Insolv
- Review and storage
- Case bordereau
- Case planning and administration
- Preparation of estimated outcome statements
- Liaising with the Company's accountant
- Liaising with the Company's solicitors
- Liaising with HSBC regarding new administration bank accounts and currency accounts
- Maintaining and managing the Administrators' cashbook and bank account
- Correspondence with the director regarding non-investigative matters

Creditors

- Dealing with creditor correspondence and telephone conversations
- Maintaining creditor information on Insolv
- Reviewing, and adjudicating on if necessary, proofs of debt received from creditors
- Dealing with ROT claims
 - Correspondence with creditors regarding their claims
 - Correspondence with the landlord regarding items at the premises
- Liaising with the secured creditor
 - Correspondence with HSBC regarding amounts outstanding
 - Filing a statement of satisfaction with the Registrar of Companies
- Liaising with Bircham Dyson Bell LLP regarding treatment of TMD funds and talent creditors generally
 - Telephone conversations and emails regarding legal advice on the talent bank account
 - Review of written legal advice on treatment of funds
 - Correspondence regarding a response to the representative acting on behalf of the talent creditors

Realisation of Assets

- Liaising with the Company's pre-appointment bankers to transfer balances held to the Administration
- Recovering insurance refunds due to the Company
- Debtor ledger
 - Reviewing company records to locate invoices outstanding
 - Generating a debtor schedule
 - Correspondence with all debtors to request payment of invoices
 - Liaising with debtors by telephone, email and in writing generally
 - Reconciling amounts paid prior to appointment against debtors' accounts
 - Liaising with the director regarding his input into realising the outstanding amounts especially where no contracts are held
 - Liaising with BBL regarding the boxing accounts and the correct beneficiary of any amounts owed from boxing debtors

- Sale of assets
 - Liaising with ES Group regarding valuation, offers received and the sale of office equipment
 - Completing a sale of certain furniture and equipment
 - Attending the Company's premises to oversee removal of items
 - Preparing internal file notes on marketing tasks in relation to the sale of certain assets
 - Liaising with HMRC regarding their interest in the proposed sale
 - Liaising with the Football Association regarding the proposed sale of certain football contracts
 - Correspondence and meetings with the Purchaser's solicitors regarding the offer for the purchase of certain assets
 - Review of offer received
 - Review and amendments to draft sale agreements
 - Liaising with Bird & Bird LLP regarding negotiations of the sale and completion of sale contract
- Correspondence with the landlord
 - General correspondence regarding surrender of the lease
 - Correspondence regarding the rent deposit
 - Liaising with the landlord in Switzerland regarding the Company server
- Liaising with Rawlinson and Hunter, the Company's auditor regarding assets
 - Review of statutory accounts and other supporting information
- Liaising with Bird & Bird LLP regarding the treatment of boxing division funds
 - Telephone conversations and emails regarding legal advice on the boxing bank accounts
 - Review of written legal advice on treatment of funds
 - Correspondence regarding responses to the ultimate rights holders' solicitor
 - Discussions regarding settlement
 - Review and comments of draft settlement agreement
 - Negotiating and agreeing settlement agreement
- Dealing with the Football Club Contract
 - Liaising with the Purchaser regarding the contract
 - Liaising with the Purchaser regarding the termination of the contract
 - Correspondence with TWS in respect of bringing a claim against the football club in respect of termination of the contract
 - Review and comments on the draft claim to be issued to the football club
 - Liaising with litigation funders in respect of the claim
 - Correspondence with the third party seeking to bring a claim to the income received from the Football Club Contract
 - Reviewing the agreements between the third party and associated companies in respect of the assignment of the income to the Football Club Contract
 - Instruction to BBL to provide advice as to the validity of the third party claim to the income derived from the Football Club Contract
 - Liaising with the third party to seek funding of the claim

Statutory

- Statutory form preparation
- Dealing with statutory issues required under the Insolvency Act 1986, the Insolvency Rules 1986 and the Statements of Insolvency Practice,
- Filing documents with the Registrar of Companies and Court.
- Reporting to the members, creditors, employees and other stakeholders

Investigations

- Review and storage of books and records
- Conduct investigations into suspicious transactions
- Review books and records to identify any transactions or actions an Administrator may take against a third party in order to recover funds for the benefit of creditors
- Transcribing bank statements for analysis in excel format
- Analysis of financial records
- Review of directors questionnaires
- Completion of internal investigation checklists
- Completion and submission of D Report to the Department for Business, Innovation and Skills
- Correspondence with the Department for Business, Innovation and Skills
- Liaising with AG's liquidator regarding server searches

Trading

- Day one attendance at site
- Liaising with employees
- Briefing staff and dealing with staff redundancies
- Site close down

Comments on narrative

Some of the above work (administration and planning, creditors, investigations and statutory matters) do not give direct financial benefit to the creditors, but the Administrators have to undertake it in order to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that they must follow.

Prospective disclosure:

- What work will be done
 - Continue to seek funding for a claim in respect of the Football Club Contract
 - Recover sums due to the Company, where possible
 - Should funds allow, issue a notice for a first and final distribution to preferential creditors calling for preferential creditors to lodge their claims with this office. The Administrators' staff will then adjudicate on the proofs of debt and whether to admit them for dividend purposes
 - Should funds allow, issue a notice for a first and final distribution to unsecured creditors calling for unsecured creditors to lodge their claims with this office. The Administrators' staff will then adjudicate on the proofs of debt and whether to admit them for dividend purposes
 - Submit VAT returns to HM Revenue & Customs
 - Continued administration and planning tasks, including, but not limited to, periodic case reviews and internal compliance matters
 - Cashiering matters
 - Preparing the case for closure and seeking clearances, where applicable, and
 - Statutory requirements including reporting to creditors and filing documentation with Companies House.
- Why it is necessary
 - The above matters are required to recover sums due to the Company (in respect of VAT)
 - Increase the possibility of distributions to creditors
 - Where applicable, return sums to different creditor classes, and
 - Ensure good compliance and governance of the case, whilst also complying with the Administrators' statutory obligations.
- How much it will cost (both fees and expenses)
 - It is considered that further time costs of £30,000 will be incurred (not including time adjudicating on secured or unsecured creditors' claims and paying a distribution to the same), plus expenses of £750.
- "Whether it is anticipated that the work will provide a financial benefit to creditors and if so what anticipated benefit (or if the work provides no direct financial benefit, but is required by statute)"
 - Certain of the above matters are considered to potentially result in recovery of funds for the benefit of the Company's estate. The above matters will potentially see the return of funds to preferential creditors (and potentially other creditor classes). However, certain of the tasks (i.e. administration and planning, creditors, investigations and statutory matters) are not considered to result in a financial benefit but are required under statute.

Retrospective disclosure:

- What work has been done
 - Drafted and issued progress reports to creditors
 - Drafted and issued extension progress reports to creditors and Court
 - Prepared applications to Court for extensions to the period of Administration
 - Liaised with solicitors in respect of Court applications
 - Liaised with the director regarding investigation matters
 - Conducted investigations into the Company's affairs
 - Reported on the directors conduct to the Department for Business, Energy and Industrial Strategy
 - Recovered debtor sums due to the Company
 - Liaised with the director regarding sums due to the Company
 - Recovered funds held at the Company's pre-appointment bankers
 - Negotiated, in tandem with the Administrators' solicitors, a settlement in respect of trust talent funds held at bank
 - Negotiated, in tandem with the Administrators' solicitors, a settlement in respect of boxing debtor funds held at bank
 - Liaised with the liquidators of group entities in foreign jurisdictions
 - Liaised with solicitors regarding a claim against the football club in respect of termination of the Football Club Contract
 - Liaised with the Purchaser regarding termination of the Football Club Contract
 - Sought funding to issue a claim in respect of the Football Club Contract
 - Liaised with a third party purporting to have an interest in the income from the Football Club Contract
 - Instructed agents to assist with the valuation and sale of certain assets of the Company to the Purchaser
 - Completed a sale of certain assets to the Purchaser
 - Recovered sums for the Company's fixtures and fittings
 - Arranged sale of certain of the Company's IT equipment
 - Recovered an insurance refund due to the Company
 - Instructed accountants to prepare and file the Company's post appointment tax returns
 - Corresponded with creditors, where necessary
 - Continued administration and planning tasks, including, but not limited to, periodic case reviews and internal compliance matters,
 - Cashiering matters, and
 - Statutory requirements including reporting to creditors and filing documentation with Companies House.
- Why it was necessary
 - Certain of the above matters saw the recovery of funds to the Company's estate or sought to recover sums for the benefit of the estate
 - Ensured good compliance and governance of the case, whilst also complying with the Administrators' statutory obligations.
- How much it has cost (both fees and expenses)
 - The above has resulted in time costs of £296,812 and expenses of £1,686.
- "Whether the work has provided a financial benefit to creditors and if so what benefit (or if the work provided no direct financial benefit, but is required by statute)"
 - Certain of the above matters have resulted in or sought to recover funds for the benefit of the Company's estate. The recoveries made may allow for a return of funds to preferential creditors and depending on future recoveries may result in a return to other classes of creditors. However, certain of the tasks (i.e. administration and planning, creditors, investigations and statutory matters) are not considered to result in a financial benefit but are required under statute.

APPENDIX IV

ADMINISTRATORS' TIME COSTS SUMMARY

Reporting Period

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration & Planning									
Case planning / monitoring	-	-	1.20	446.50	1.50	292.50	2.70	739.00	273.70
Cashiering	0.10	51.00	0.30	102.00	3.80	759.00	4.20	912.00	217.14
General administration	-	-	2.00	680.00	1.80	459.00	3.80	1,139.00	299.74
	0.10	51.00	3.50	1,228.50	7.10	1,510.50	10.70	2,790.00	260.75
Creditors									
Unsecured	1.50	765.00	0.80	305.00	0.30	58.50	2.60	1,128.50	434.04
	1.50	765.00	0.80	305.00	0.30	58.50	2.60	1,128.50	434.04
Investigations									
General investigation	-	-	0.60	204.00	-	-	0.60	204.00	340.00
	-	-	0.60	204.00	-	-	0.60	204.00	340.00
Realisation of Assets									
Book debts	-	-	1.40	481.50	-	-	1.40	481.50	343.93
Sale of business / assets	3.50	1,785.00	7.20	2,574.50	-	-	10.70	4,359.50	407.43
Other assets	-	-	7.50	2,660.00	-	-	7.50	2,660.00	354.67
	3.50	1,785.00	16.10	5,716.00	-	-	19.60	7,501.00	382.70
Statutory									
Statutory paperwork / form completion	-	-	-	-	6.00	1,530.00	6.00	1,530.00	255.00
Reporting to creditors	-	-	5.30	1,824.00	-	-	5.30	1,824.00	344.15
	-	-	5.30	1,824.00	6.00	1,530.00	11.30	3,354.00	296.81
Total hours and cost	5.10	2,601.00	26.30	9,277.50	13.40	3,099.00	44.80	14,977.50	334.32

Cumulative

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration & Planning									
Case planning / monitoring	-	-	26.50	9,110.50	40.60	7,458.00	67.10	16,568.50	246.92
Cashiering	0.10	51.00	11.70	3,780.00	31.50	5,789.50	43.30	9,620.50	222.18
General administration	7.30	3,577.00	53.00	18,183.00	116.45	23,428.25	176.75	45,188.25	255.66
	7.40	3,628.00	91.20	31,073.50	188.55	36,675.75	287.15	71,377.25	248.57
Creditors									
Secured	-	-	-	-	1.40	343.00	1.40	343.00	245.00
Preferential	-	-	-	-	2.20	775.00	2.20	775.00	125.00
Unsecured	17.10	5,959.00	19.90	6,677.50	43.90	6,597.50	75.90	19,234.00	253.41
Employees	-	-	1.80	543.00	24.10	3,600.50	25.90	4,143.50	159.98
Creditors committee	-	-	0.70	227.50	-	-	0.70	227.50	375.00
	12.10	5,959.00	22.40	7,448.00	71.60	10,816.00	106.10	24,223.00	228.30
Investigations									
General investigation	-	-	9.40	3,547.00	6.20	1,099.00	15.60	4,646.00	297.82
D returns	-	-	0.80	260.00	9.10	1,497.50	9.90	1,757.50	177.53
Other investigation	5.70	2,817.00	18.00	6,197.50	3.80	751.00	27.50	9,765.50	355.11
	5.70	2,817.00	28.20	10,004.50	19.10	3,347.50	53.00	16,169.00	305.08
Realisation of Assets									
Book debts	8.90	4,439.00	10.40	3,763.50	52.50	8,218.50	71.80	16,421.00	228.70
Sale of business / assets	49.70	24,441.00	78.00	28,171.00	29.70	6,757.50	157.40	59,369.50	377.19
Property - freehold and leasehold	11.60	5,684.00	89.30	34,376.00	4.80	1,032.00	105.70	41,092.00	388.76
Retention of title	-	-	-	-	-	-	-	-	-
Other assets	7.40	3,626.00	39.80	13,913.00	4.70	911.50	51.90	18,450.50	355.50
	77.60	38,190.00	217.50	80,223.50	91.70	16,919.50	386.80	135,333.00	349.88
Statutory									
Statutory paperwork / form completion	0.50	245.00	7.30	2,427.50	59.40	8,967.00	67.20	11,639.50	173.21
Filing documents with CH / Court	-	-	-	-	1.40	247.00	1.40	247.00	176.43
Reporting to creditors	4.90	2,401.00	47.20	15,679.00	40.50	9,318.50	92.60	27,398.50	295.88
	5.40	2,646.00	54.50	18,106.50	101.30	18,532.50	161.20	39,285.00	243.70
Trading									
Day one matters	-	-	7.50	2,437.50	15.00	2,775.00	22.50	5,212.50	231.67
Close down	-	-	7.50	2,437.50	15.00	2,775.00	22.50	5,212.50	231.67
	-	-	15.00	4,875.00	30.00	5,550.00	45.00	10,425.00	231.67
Total hours and cost	108.20	53,240.00	428.80	151,731.00	502.25	91,841.25	1,039.25	296,812.25	285.60

Please note that due to an administrative error £511 of time costs was not recorded in the previous period but has been added to the cumulative total to correct the previous omission.