

# AM10

## Notice of administrator's progress report



Companies House

WEDNESDAY



\*A67LW0ZL\*

A28

31/05/2017

#57

COMPANIES HOUSE

### 1 Company details

Company number 0 5 3 6 5 7 7 8

Company name in full Thornton Sports Limited

→ Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Joanne Louise

Surname Hammond

### 3 Administrator's address

Building name/number Kendal House

Street 41 Scotland Street

Post town Sheffield

County/Region

Postcode S 3 7 B S

Country

### 4 Administrator's name ①

Full forename(s) Claire Elizabeth

Surname Dowson

① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Kendal House

Street 41 Scotland Street

Post town Sheffield

County/Region

Postcode S 3 7 B S

Country

② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

|           |                |                |                |                |                |                |                |                |
|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| From date | <sup>d</sup> 0 | <sup>d</sup> 4 | <sup>m</sup> 1 | <sup>m</sup> 1 | <sup>y</sup> 2 | <sup>y</sup> 0 | <sup>y</sup> 1 | <sup>y</sup> 6 |
| To date   | <sup>d</sup> 1 | <sup>d</sup> 8 | <sup>m</sup> 0 | <sup>m</sup> 4 | <sup>y</sup> 2 | <sup>y</sup> 0 | <sup>y</sup> 1 | <sup>y</sup> 7 |

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

*Olaf Hammend*

X

Signature date

|                |                |                |                |                |                |                |                |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <sup>d</sup> 3 | <sup>d</sup> 0 | <sup>m</sup> 0 | <sup>m</sup> 5 | <sup>y</sup> 2 | <sup>y</sup> 0 | <sup>y</sup> 1 | <sup>y</sup> 7 |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|

# AM10

## Notice of administrator's progress report



### Presenter information

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

|               |                                    |
|---------------|------------------------------------|
| Contact name  | Kirsty Kinneavy                    |
| Company name  | Begbies Traynor (SY) LLP           |
| Address       | Kendal House<br>41 Scotland Street |
| Post town     | Sheffield                          |
| County/Region |                                    |
| Postcode      | S 3 7 B S                          |
| Country       |                                    |
| DX            |                                    |
| Telephone     | 0114 2755033                       |



### 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

**Thornton Sports Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

| Statement<br>of Affairs<br>£ |                                      | From 04/11/2016<br>To 18/04/2017<br>£ | From 04/05/2016<br>To 18/04/2017<br>£ |
|------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|
|                              | <b>ASSET REALISATIONS</b>            |                                       |                                       |
| Uncertain                    | Inter Company Loans                  | NIL                                   | NIL                                   |
|                              | Trading Name & Domain                | NIL                                   | 5,000.00                              |
| Uncertain                    | Book debts - Inter Company           | NIL                                   | NIL                                   |
| 150,000.00                   | Book Debts                           | NIL                                   | 3,696.00                              |
| 3,002.00                     | VAT Refund                           | NIL                                   | NIL                                   |
| 993.00                       | Cash at Bank                         | NIL                                   | 834.28                                |
|                              | Insurance Refund                     | 8,116.53                              | 8,116.53                              |
|                              |                                      | <u>8,116.53</u>                       | <u>17,646.81</u>                      |
|                              | <b>COST OF REALISATIONS</b>          |                                       |                                       |
|                              | Specific Bond                        | NIL                                   | 210.00                                |
|                              | Statement of Affairs Fee             | NIL                                   | 500.00                                |
|                              | Office Holders Fees                  |                                       |                                       |
|                              | Pre Appointment Fees                 | NIL                                   | 2,484.00                              |
|                              | Post Appointment Fees                | 9,966.00                              | 12,131.02                             |
|                              | Disbursements                        |                                       |                                       |
|                              | Motor                                | NIL                                   | 36.90                                 |
|                              | Postage                              | 14.84                                 | 41.87                                 |
|                              | Agents Fees                          |                                       |                                       |
|                              | Post Appointment Fees                | NIL                                   | 500.00                                |
|                              | Legal Fees                           |                                       |                                       |
|                              | Pre Appointment Fees                 | NIL                                   | 814.50                                |
|                              | Pre Appointment Disbs                | NIL                                   | 50.00                                 |
|                              | Statutory Advertising                | NIL                                   | 147.48                                |
|                              | Employee Advice                      | 300.00                                | 300.00                                |
|                              | Bank Charges                         | NIL                                   | 20.30                                 |
|                              |                                      | <u>(10,280.84)</u>                    | <u>(17,236.07)</u>                    |
|                              | <b>UNSECURED CREDITORS</b>           |                                       |                                       |
| (242,520.00)                 | Trade & Expense Creditors            | NIL                                   | NIL                                   |
| (1,507.00)                   | HM Revenue & Customs - PAYE/NIC      | NIL                                   | NIL                                   |
| (3,255,382.00)               | Thornton Contracts - Inter Company L | NIL                                   | NIL                                   |
| (86,042.00)                  | G.T.C. Sports - Inter Company Loan   | NIL                                   | NIL                                   |
|                              |                                      | <u>NIL</u>                            | <u>NIL</u>                            |
|                              | <b>DISTRIBUTIONS</b>                 |                                       |                                       |
| (190,600.00)                 | Ordinary Shareholders                | NIL                                   | NIL                                   |
|                              |                                      | <u>NIL</u>                            | <u>NIL</u>                            |
| <u>(3,622,056.00)</u>        |                                      | <u>(2,164.31)</u>                     | <u>410.74</u>                         |
|                              | <b>REPRESENTED BY</b>                |                                       |                                       |
|                              | Bank Balance                         |                                       | 14.57                                 |
|                              | VAT Control Account                  |                                       | 396.17                                |
|                              |                                      |                                       | <u>410.74</u>                         |

*Joanne Louise Hammond*

Joanne Louise Hammond

Joint Administrator

30 May 2017 09:05

Joanne Louise Hammond and John Russell were appointed joint administrators on 4 May 2016

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

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## **Thornton Sports Limited (In Administration)**

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Progress report of the joint administrators

Period: 4 November 2016 to 18 April 2017

FRIDAY



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12/05/2017

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COMPANIES HOUSE

### **Important Notice**

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

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## **Contents**

- ☐ Interpretation
- ☐ Statutory information
- ☐ Details of appointment of administrators
- ☐ Progress during the period
- ☐ Estimated outcome for creditors
- ☐ Remuneration and disbursements
- ☐ Expenses
- ☐ Assets that remain to be realised and work that remains to be done
- ☐ Other relevant information
- ☐ Creditors' rights
- ☐ Conclusion
- ☐ Appendices
  - 1. Account of receipts and payments
  - 2. Time costs and disbursements
  - 3. Statement of administrators' expenses

# 1. INTERPRETATION

| <b><u>Expression</u></b>                    | <b><u>Meaning</u></b>  |
|---|--|
| "the Company"                               | Thornton Sports Limited (In Administration)  |
| "the administration"                        | The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 4 May 2016   |
| "the administrators" "we" "our" and "us"    | Joanne Louise Hammond of Begbies Traynor (SY) LLP, Kendal House, 41 Scotland Street, Sheffield, S3 7BS, Sheffield.North@Begbies-Traynor.com and<br>John Russell of Begbies Traynor (SY) LLP, Kendal House, 41 Scotland Street, Sheffield, S3 7BS   |
| "the Act"                                   | The Insolvency Act 1986 (as amended)   |
| "the Rules"                                 | The Insolvency (England and Wales) Rules 2016 (as amended)   |
| "secured creditor" and "unsecured creditor" | Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)  |
| "security"                                  | (i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and<br>(ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act) |
| "preferential creditor"                     | Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986   |

# 2. STATUTORY INFORMATION

|                            |   |
|----------------------------|---|
| Name of Company            | Thornton Sports Limited                             |
| Trading name(s):           | Thornton Sports Limited                             |
| Date of Incorporation:     | 15 February 2005                                    |
| Company registered number: | 05365778  |
| Company registered office: | Kendal House, 41 Scotland Street, Sheffield, S3 7BS |

# 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

|                              |  |
|------------------------------|--|
| Names of the administrators: | Joanne Louise Hammond, a Licensed Insolvency Practitioner of |
|------------------------------|--|

Begbies Traynor (SY) LLP, Kendal House, 41 Scotland Street, Sheffield, S3 7BS, Sheffield.North@Begbies-Traynor.com and John Russell, a Licensed Insolvency Practitioner of Begbies Traynor (SY) LLP, Kendal House, 41 Scotland Street, Sheffield, S3 7BS

|   |  |
|---|--|
| Date of administrators' appointment:        | 4 May 2016   |
| Date of administrators' resignation:        | Not applicable   |
| Court:                                      | High Court, Leeds District Registry  |
| Court Case Number:                          | 409 of 2016  |
| Person(s) making appointment / application: | The Company's directors passed a board resolution approving the appointment of the Administrators.   |
| Acts of the administrators:                 | The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time. |
| EC Regulation on Insolvency Proceedings:    | The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.   |
| Extensions of the administration period     | There have been no previous extensions to the administration period.   |

## 4. PROGRESS DURING THE PERIOD

### Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 4 November 2016 to 18 April 2017.

#### Receipts

- 4.1 The Company operated numerous Life Policies Schemes and Pension Schemes. Upon closure of these schemes refunds were issued to the estate. A sum of £7,672.13 was received from Aviva Life & Pensions UK Ltd and £444.40 from Aegon.

#### Payments

- 4.2 We have drawn remuneration of £9,966.00 in accordance with our original fee estimate and approval obtained. Details of the resolution obtained can be found in section 6 of this report.
- 4.3 UK Employment Law Consultants ("UKELC") were instructed to provide employee advice and agree the Company's pension scheme. UKELC have been paid £300.00 for their services.

## Other Matters

- 4.4 As previously advised, Leslie Keats was instructed to collect the Company debts. During the period of this report no realisations have been achieved.

Leslie Keats have advised that best case scenario future realisations will be in the region of £35,000.00 and worse case scenario no further realisations will be achieved.

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

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

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only. Our previous reports contain details of the work undertaken since our appointment.

#### General case administration and planning

We have incurred time periodically reviewing the case to establish what work remains outstanding. Regular compliance checks have been carried out on our file to ensure that we are complying with the Insolvency Rules.

Time has also been incurred reviewing our original fee estimate and estimated expenses to ensure we do not exceed this.

There is no financial benefit to the creditors however, the works is required in order to allow the Joint Administrators to carry out their role effectively.

#### Compliance with the Insolvency Act, Rules and best practice

We have incurred time producing the progress report to the Company's creditors and shareholders, this provides details of the work undertaken.

We are required to have a bond in place to protect the monies realised in the Administration. We have periodically reviewed this bond to ensure that the cover is adequate.

Time has also been incurred carrying out daily banking duties and ensuring that regular reconciliations of the account are being carried out.

The above works is thought to be beneficial to creditors as it allows us to effectively manage realisations and provide creditors with information in regards to the Administration.

#### Realisation of assets

We have incurred a minimal amount of time reviewing the debtor reports produced by Leslie Keats to establish what further realisations are likely to be achieved.

We believe it is financially beneficial to effectively manage the realisation of assets.

## 5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

### **Preferential creditors**

A distribution to the preferential creditors is wholly dependant on whether or not further realisations can be achieved from the Company's contractual debts.

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

Details of how the prescribed part for unsecured creditors is calculated were provided in our statement of proposals.

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

### **Unsecured creditors**

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

### **Effect of administration on limitation periods under the Limitation Act 1980**

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

## 6. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors passed by correspondence, on the basis of our remuneration be fixed under Rule 2.106 of the Rules by a combination of the statutory bases for fixing remuneration. We propose to charge a fixed fee of £15,000 to cover the cost of complying with our statutory and regulatory duties together with a fee equating to 20% of realisations achieved in respect of the Company's contract debts.

We are also authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our time costs for the period from 4 November 2016 to 18 April 2017 amount to £5,489.00 which represents 31.3 hours at an average rate of £175.37 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 2:

- ☐ Time Costs Analysis for the period 4 November 2016 to 18 April 2017
- ☐ Begbies Traynor (SY) LLP's charging policy

### Time Costs Analysis

In addition to the time costs information disclosed at Appendix 2 for the period of this report, a cumulative Time Costs Analysis for the period from 4 May 2016 to 3 November 2016 is also attached at Appendix 2.

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only.

We have realised the following assets in relation to which approval has been obtained that a percentage of the sums realised be taken as remuneration:

| Description of asset | Value of assets realised in period of this progress report | Total value of assets realised since appointment | % remuneration agreed | Total fees drawn to date | Fees not drawn to date |
|----------------------|--|--|-----------------------|--------------------------|------------------------|
| Book debts           | NIL  | £3,696.00  | 20%                   | £739.20                  | NIL                    |

We have drawn the sum of £11,391.82 against the set fee of £15,000.00 that has been approved.

### Disbursements

To 18 April 2017, we have also drawn disbursements in the sum of £14.84.

### Why have subcontractors been used?

The choice of advisers and agents was based on the Joint Administrators knowledge of the professional advisers experience and known ability to perform the type of work to be undertaken and also taking into account the complexity and nature of the assignment and the basis of their fee arrangements.

### Category 2 Disbursements

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been drawn during the period of this report in accordance with the approval obtained are as follows:

| Other amounts paid or payable to the office holder's firm |          |
|---|----------|
| Type and purpose  | Amount £ |
| Postage   | 14.84    |
| TOTAL   | 14.84    |

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2015' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides) Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

## 7. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. A cumulative statement of expenses also appears at Appendix 3 which details the expenses incurred since the date of our appointment.

### **Expenses actually incurred compared to those that were anticipated**

Creditors will recall that we estimated that the expenses of the administration would total £13,358.00. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

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

We will continue to monitor potential further realisations in respect of the Company's book debts and if realisations are sufficient a distribution will be made to the preferential creditors.

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

### General case administration and planning

We will be required to undertake periodic reviews of the case, generally maintain the case file and update the case strategy to ensure that the case is being progressed appropriately.

Effective case management and planning benefits creditors generally as it ensures that the administration is progressed in a strategic matter. It also ensures that our duties are carried out correctly and effectively, with realisations being achieved as quickly as possible.

### Compliance with the Insolvency Act, Rules and best practice

The Insolvency Act, Rules and best practice require us to undertake various activities during the course of the Administration. This will include providing the creditors with a six month progress report and upon the end of the Administration producing a final report.

We will continue to periodically review the bond to ensure the cover in place is adequate.

Whilst creditors will not directly benefit from the production of the reports, they will benefit from the information that they receive.

### Realisation of assets

We will continue to incur time liaising with Leslie Keats in relation to the collection of debts.

We believe that effectively managing the realisation of assets will maximise realisations achieved.

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

Time will be incurred dealing with creditor queries and correspondence as and when received in a timely manner.

If further realisations are achieved in respect of the Company's book debts then a distribution will be made to the preferential creditors. Time will be incurred reviewing and agreeing the Redundancy Payments Office's claim prior to making the distribution.

The work recorded on this category will only be financially beneficial if a distribution can be made to the Company's creditors.

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

We will continue to incur time preparing and submitting post appointment VAT returns and Corporation Tax returns.

Time will also be incurred reviewing the resolutions forms received in respect of the deemed consent on the extension of the Administration.

There is no financial benefit to this work but it is required in order for us to carry out our role.

**How much will this further work cost?**

It is anticipated that future works will cost £3,608.00.

**Expenses**

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors on 1 December 2016 which included all of the expenses that we anticipate that we will incur throughout the administration.

## 9. OTHER RELEVANT INFORMATION

**Report on Directors conduct**

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Energy and Industrial Strategy on the conduct of the directors. We have complied with our duties in this respect.

**Connected party transactions**

There have been no connected party transactions during the period of this report.

**Proposed exit route from administration**

The exit from Administration will be dependent upon whether or not funds become available from the collection of the contract debts for the Company's unsecured creditors.

In circumstances where we are of the opinion that a distribution will be made to the unsecured creditors of the Company then our proposed exit route will be via creditors voluntary liquidation.

However, in the event that we determine that special circumstances apply in this matter and it would therefore be more cost effective to the Company's creditors to make an application to court to facilitate a distribution of funds within the Administration we will do so. This would only incur in circumstances where we consider that there are no matters for a liquidator to investigate which fall outside of the scope of the Administrators' powers.

In circumstances where we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors our proposed exit route will be via the dissolution of the Company.

## 10. CREDITORS' RIGHTS

### **Right to request further information**

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

### **Right to make an application to court**

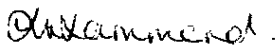
Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court)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

## 11. CONCLUSION

The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, the administrator's term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months.

In order to ensure that the objective of the administration is achieved and that we have fully discharged our duties as administrators, it is necessary to extend the period of the administration. Accordingly we now seek creditors' consent via the deemed consent procedure to extend the period of the administration for 12 months.

We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner.



**Joanne Louise Hammond**  
Joint Administrator

Dated: 18 April 2017

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 4 November 2016 to 18 April 2017

**Thornton Sports Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

| Statement<br>of Affairs<br>£ |                                      | From 04/11/2016<br>To 18/04/2017<br>£ | From 04/05/2016<br>To 18/04/2017<br>£ |
|------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|
|                              | <b>ASSET REALISATIONS</b>            |                                       |                                       |
| Uncertain                    | Inter Company Loans                  | NIL                                   | NIL                                   |
|                              | Trading Name & Domain                | NIL                                   | 5,000.00                              |
| Uncertain                    | Book debts - Inter Company           | NIL                                   | NIL                                   |
| 150,000.00                   | Book Debts                           | NIL                                   | 3,696.00                              |
| 3,002.00                     | VAT Refund                           | NIL                                   | NIL                                   |
| 993.00                       | Cash at Bank                         | NIL                                   | 834.28                                |
|                              | Insurance Refund                     | 8,116.53                              | 8,116.53                              |
|                              |                                      | <u>8,116.53</u>                       | <u>17,646.81</u>                      |
|                              | <b>COST OF REALISATIONS</b>          |                                       |                                       |
|                              | Specific Bond                        | NIL                                   | 210.00                                |
|                              | Statement of Affairs Fee             | NIL                                   | 500.00                                |
|                              | Office Holders Fees                  |                                       |                                       |
|                              | Pre Appointment Fees                 | NIL                                   | 2,484.00                              |
|                              | Post Appointment Fees                | 9,966.00                              | 12,131.02                             |
|                              | Disbursements                        |                                       |                                       |
|                              | Motor                                | NIL                                   | 36.90                                 |
|                              | Postage                              | 14.84                                 | 41.87                                 |
|                              | Agents Fees                          |                                       |                                       |
|                              | Post Appointment Fees                | NIL                                   | 500.00                                |
|                              | Legal Fees                           |                                       |                                       |
|                              | Pre Appointment Fees                 | NIL                                   | 814.50                                |
|                              | Pre Appointment Disbs                | NIL                                   | 50.00                                 |
|                              | Statutory Advertising                | NIL                                   | 147.48                                |
|                              | Employee Advice                      | 300.00                                | 300.00                                |
|                              | Bank Charges                         | NIL                                   | 20.30                                 |
|                              |                                      | <u>(10,280.84)</u>                    | <u>(17,236.07)</u>                    |
|                              | <b>UNSECURED CREDITORS</b>           |                                       |                                       |
| (242,520.00)                 | Trade & Expense Creditors            | NIL                                   | NIL                                   |
| (1,507.00)                   | HM Revenue & Customs - PAYE/NIC      | NIL                                   | NIL                                   |
| (3,255,382.00)               | Thornton Contracts - Inter Company L | NIL                                   | NIL                                   |
| (86,042.00)                  | G.T.C. Sports - Inter Company Loan   | NIL                                   | NIL                                   |
|                              |                                      | <u>NIL</u>                            | <u>NIL</u>                            |
|                              | <b>DISTRIBUTIONS</b>                 |                                       |                                       |
| (190,600.00)                 | Ordinary Shareholders                | NIL                                   | NIL                                   |
|                              |                                      | <u>NIL</u>                            | <u>NIL</u>                            |
| <u>(3,622,056.00)</u>        |                                      | <u>(2,164.31)</u>                     | <u>410.74</u>                         |
|                              | <b>REPRESENTED BY</b>                |                                       |                                       |
|                              | Bank Balance                         |                                       | 14.57                                 |
|                              | VAT Control Account                  |                                       | 396.17                                |
|                              |                                      |                                       | <u>410.74</u>                         |

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## **TIME COSTS AND DISBURSEMENTS**

- a. Begbies Traynor (SY) LLP's charging policy;
- b. Time Costs Analysis for the period from 4 November 2016 to 18 April 2017 and;
- c. Cumulative Time Costs Analysis for the period from 4 May 2016 to 18 April 2017

## **BEGBIES TRAYNOR CHARGING POLICY**

### **INTRODUCTION**

This note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance<sup>1</sup> indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### **EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval).

- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile
- Printing and photocopying
- Stationery

### **BEGBIES TRAYNOR CHARGE-OUT RATES**

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Sheffield office as at the date of this report are as follows:

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<sup>1</sup> Ibid 1

| <b>Grade of staff</b> | <b>Charge-out rate (£ per hour)<br/>1 May 2011 –<br/>until further notice</b> |
|-----------------------|---|
| Partner               | 395   |
| Director              | 345   |
| Senior Manager        | 310   |
| Manager               | 265   |
| Assistant Manager     | 205   |
| Senior Administrator  | 175   |
| Administrator         | 135   |
| Trainee Administrator | 110   |
| Support               | 110   |

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

SIP9 Thornton Sports Ltd - Administration - 91TH537.ADM : Time Costs Analysis From 04/11/2016 To 18/04/2017

| Staff Grade  | Consultant/Partner | Director | Senior Manager | Manager | Assistant Manager | Admin    | Job Pattern | Support | Total Hours | Time Cost £ | Average Hourly Rate £ |
|--|--------------------|----------|----------------|---------|-------------------|----------|-------------|---------|-------------|-------------|-----------------------|
| General Case Administration and Planning   |                    | 1.4      |                |         |                   | 0.3      |             |         | 1.7         | 523.50      | 307.94                |
| Administration   |                    | 0.7      |                |         | 0.6               | 2.1      |             | 0.2     | 3.6         | 677.00      | 178.16                |
| Total for General Case Administration and Planning:  |                    | 2.1      |                |         | 0.6               | 2.4      |             | 0.2     | 5.3         | 1,200.50    | 218.27                |
| Compliance with the Insolvency Act, Rules and best practice  |                    |          |                |         |                   |          |             |         |             |             | 0.00                  |
| Appointment  |                    |          |                |         |                   |          |             |         |             |             |                       |
| Banking and Bonding  |                    | 0.7      |                |         | 0.2               | 2.5      |             | 7.5     | 10.9        | 1,439.00    | 132.02                |
| Case Closure   |                    |          |                |         |                   |          |             |         |             |             | 0.00                  |
| Statutory reporting and statement of affairs   |                    | 3.0      |                |         | 4.0               | 6.9      |             | 0.2     | 14.1        | 2,678.50    | 188.96                |
| Total for Compliance with the Insolvency Act, Rules and best practice:                               |                    | 3.7      |                |         | 4.2               | 9.4      |             | 7.7     | 25.0        | 4,117.50    | 164.70                |
| Investigations   |                    |          |                |         |                   |          |             |         |             |             | 0.00                  |
| CDDA and investigations  |                    |          |                |         |                   |          |             |         |             |             |                       |
| Total for Investigations:  |                    |          |                |         |                   |          |             |         |             |             | 0.00                  |
| Realisation of assets  |                    |          |                |         |                   |          |             |         |             |             | 0.00                  |
| Debt collection  |                    | 0.3      |                |         |                   | 0.3      |             |         | 0.6         | 144.00      | 240.00                |
| Property, business and asset sales   |                    |          |                |         |                   | 0.2      |             |         | 0.2         | 27.00       | 135.00                |
| Retention of Third/Party assets  |                    |          |                |         |                   |          |             |         |             |             | 0.00                  |
| Total for Realisation of assets:   |                    | 0.3      |                |         |                   | 0.5      |             |         | 0.8         | 171.00      | 213.75                |
| Trading  |                    |          |                |         |                   |          |             |         |             |             | 0.00                  |
| Trading  |                    |          |                |         |                   |          |             |         |             |             | 0.00                  |
| Total for Trading:   |                    |          |                |         |                   |          |             |         |             |             | 0.00                  |
| Dealing with all creditors claims (including employees), correspondence and distributions            |                    |          |                |         |                   |          |             |         |             |             | 0.00                  |
| Secured  |                    |          |                |         |                   |          |             |         |             |             | 0.00                  |
| Others   |                    |          |                |         |                   |          |             |         |             |             | 0.00                  |
| Creditors committee  |                    |          |                |         |                   |          |             |         |             |             | 0.00                  |
| Total for Dealing with all creditors claims (including employees), correspondence and distributions: |                    |          |                |         |                   |          |             |         |             |             | 0.00                  |
| Other matters which includes meetings, tax, litigation, pensions and travel                          |                    |          |                |         |                   |          |             |         |             |             | 0.00                  |
| Meetings   |                    |          |                |         |                   |          |             |         |             |             | 0.00                  |
| Other  |                    |          |                |         |                   |          |             |         |             |             | 0.00                  |
| Tax  |                    |          |                |         |                   |          |             |         |             |             | 0.00                  |
| Litigation   |                    |          |                |         |                   |          |             |         |             |             | 0.00                  |
| Total for Other matters:   |                    |          |                |         |                   |          |             |         |             |             | 0.00                  |
| Total hours by staff grade:  |                    | 6.1      |                |         | 5.0               | 12.3     |             | 7.9     | 31.3        |             |                       |
| Total time cost by staff grade:  |                    | 2,104.50 |                |         | 875.00            | 1,660.50 |             | 849.50  |             | 5,489.50    |                       |
| Average hourly rate £:   | 0.00               | 345.00   | 0.00           | 0.00    | 175.00            | 135.00   | 9.00        | 107.47  |             |             | 175.37                |
| Total fees drawn to date £:  |                    |          |                |         |                   |          |             |         |             | 9,969.00    |                       |

SIP9 Thornton Sports Ltd - Administration - 91TH537.ADM : Time Costs Analysis From 04/05/2016 To 18/04/2017

| Staff Grade  | Consultant (P) | Director  | Sr. Mgr | Mgr    | Asst Mgr | Sr Admin | Admin    | Jr Admin | Support  | Total Hours | Time Cost £ | Average hourly rate £ |
|--|----------------|-----------|---------|--------|----------|----------|----------|----------|----------|-------------|-------------|-----------------------|
| General Case Administration and Planning   | 2.6            | 2.0       |         |        |          |          |          | 3.0      |          | 7.6         | 2,122.00    | 279.21                |
| Case planning  |                |           |         |        |          |          |          |          |          |             |             |                       |
| Administration   | 12.1           | 16.5      |         | 0.1    |          | 0.6      | 10.1     |          | 1.1      | 40.7        | 12,069.00   | 296.51                |
| Total for General Case Administration and Planning   | 14.7           | 18.5      |         | 0.1    |          | 0.6      | 13.1     |          | 1.3      | 48.3        | 14,190.00   | 293.79                |
| Compliance with the Insolvency Act, Rules and best practice  |                |           |         |        |          |          |          |          | 2.7      | 2.7         | 182.00      | 60.00                 |
| Appointment  |                |           |         |        |          |          |          |          |          |             |             |                       |
| Banking and Bonding  |                | 2.1       |         |        |          | 0.2      | 3.3      |          | 15.7     | 21.3        | 2,832.00    | 137.65                |
| Case Closure   |                |           |         |        |          |          |          |          |          |             |             | 0.00                  |
| Statutory reporting and statement of affairs   | 1.6            | 12.2      |         | 1.7    |          | 4.0      | 10.8     |          | 1.5      | 32.0        | 7,619.50    | 238.08                |
| Total for Compliance with the Insolvency Act, Rules and best practice                                | 1.6            | 14.3      |         | 1.7    |          | 4.2      | 14.1     |          | 19.9     | 56.9        | 10,712.50   | 191.29                |
| Investigations   | 0.3            | 2.9       |         | 0.2    |          |          | 0.4      |          |          | 3.6         | 1,228.00    | 322.63                |
| CDDA and Investigations  |                |           |         |        |          |          |          |          |          |             |             |                       |
| Total for Investigations:  | 0.3            | 2.9       |         | 0.2    |          |          | 0.4      |          |          | 3.6         | 1,228.00    | 322.63                |
| Realisation of assets  |                |           |         |        |          |          |          |          |          |             |             |                       |
| Debt collection  |                | 7.2       |         |        |          |          | 0.3      |          |          | 7.5         | 2,504.50    | 336.60                |
| Property, business and asset sales   |                |           |         |        |          |          |          |          |          |             |             |                       |
| Retention of Title/Third party assets  |                | 3.3       |         |        |          |          | 0.7      |          |          | 4.0         | 1,233.00    | 308.25                |
| Total for Realisation of assets:   |                | 10.5      |         |        |          |          | 1.1      |          |          | 11          | 148.50      | 135.00                |
| Trading  |                |           |         |        |          |          |          |          |          |             |             |                       |
| Trading  |                |           |         |        |          |          | 2.1      |          |          | 12.8        | 3,908.00    | 310.00                |
| Total for Trading:   |                |           |         |        |          |          |          |          |          |             |             | 0.00                  |
| Dealing with all creditors claims (including employees), correspondence and distributions            |                |           |         |        |          |          |          |          |          |             |             | 0.00                  |
| Secured  |                |           |         |        |          |          |          |          |          |             |             | 0.00                  |
| Others   |                | 1.3       |         | 0.1    |          | 12.4     | 3.0      |          | 0.4      | 17.2        | 3,094.00    | 179.86                |
| Creditors committee  |                |           |         |        |          |          |          |          |          |             |             | 0.00                  |
| Total for Dealing with all creditors claims (including employees), correspondence and distributions: |                | 1.3       |         | 0.1    |          | 12.4     | 3.0      |          | 0.4      | 17.2        | 3,094.00    | 179.86                |
| Meetings   |                |           |         |        |          |          |          |          |          |             |             | 0.00                  |
| Other matters which includes meetings, tax, litigation, pensions and travel                          |                |           |         |        |          |          |          |          |          |             |             | 0.00                  |
| Other  |                | 1.2       |         |        |          | 9.9      | 0.7      |          |          | 11.8        | 2,241.00    | 189.92                |
| Tax  |                |           |         |        |          |          | 0.4      |          |          | 0.4         | 84.00       | 135.00                |
| Litigation   |                |           |         |        |          |          |          |          |          |             |             | 0.00                  |
| Total for Other matters:   |                | 1.2       |         |        |          | 9.9      | 1.1      |          |          | 12.2        | 2,265.00    | 186.11                |
| Total hours by staff grade:  | 18.8           | 49.7      |         | 2.1    |          | 27.3     | 33.8     |          | 21.4     | 150.1       |             |                       |
| Total time cost by staff grade:  | 6,638.00       | 18,801.80 |         | 558.50 |          | 4,777.50 | 4,593.00 |          | 2,089.00 |             | 35,433.50   |                       |
| Average hourly rate £:   | 353.00         | 343.00    | 0.00    | 265.00 | 0.00     | 173.09   | 133.00   | 0.00     | 97.62    |             |             | 236.00                |
| Total fees drawn to date £:  |                |           |         |        |          |          |          |          |          |             | 12,131.02   |                       |

## STATEMENT OF ADMINISTRATORS' EXPENSES

| Type of expense  | Name of party with whom expense incurred | Amount incurred<br>£ | Amount discharged<br>£ | Balance (to be discharged)<br>£ |
|--|--|----------------------|------------------------|---------------------------------|
| Expenses incurred with entities not within the Begbies Traynor Group |  |                      |                        |                                 |
| Employee Advice  | UKELC                                    | 300.00               | 300.00                 | 0.00                            |

## CUMULATIVE STATEMENT OF EXPENSES

| Type of expense              | Name of party with whom expense incurred | Amount incurred<br>£ |
|------------------------------|--|----------------------|
| Agent's fees                 | Eddisons Commercial                      | 500.00               |
| Legal Fees and Disbursements | DLA Piper UK LLP                         | 864.50               |
| Statutory advertising        | TMP (UK) Ltd                             | 147.48               |
| Bond                         | Willis                                   | 210.00               |
| Employee Advice              | UKELC                                    | 300.00               |