

The Insolvency Act 1986

Administrator's progress report

Name of Company Delta Leisure Group Limited	Company number 05969142
In the High Court Of Justice (full name of court)	For court use only 5877 of 2015

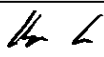
(a) Insert full name(s) and address(es) of administrators

We (a) Stephen Paul Grant and Louise Mary Brittain both of
Wilkins Kennedy LLP
Bridge House
London Bridge
London
SE1 9QR

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

(b) Insert date

From (b) 18 September 2015	To (b) 17 March 2016
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Signed 
Joint Administrator

Dated 14/4/16

Contact Details:

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

Wilkins Kennedy LLP
Bridge House
London Bridge
London
SE1 9QR

Tel 0207 234 3468

... have completed and signed this form please send it to the Registrar of Companies at

House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

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COMPANIES HOUSE

**Delta Leisure Group Limited – In Administration
("the Company")**

**Progress Report to Creditors
Pursuant to Rule 2.47 of the Insolvency Rules 1986
For The Period 18 September 2015 to 17 March 2016**

Wilkins Kennedy LLP
Bridge House
London Bridge
London
SE1 9QR

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Delta Leisure Group Limited – In Administration
Progress Report to Creditors
Period. 18 September 2015 to 17 March 2016

1. Introduction

I was appointed as Administrator of the Company, to act jointly with my partner Louise Mary Brittain on 18 September 2015 upon the directors filing a notice of appointment of an Administrator at the High Court of Justice in accordance with Paragraph 22 of Schedule B1 of the Insolvency Act 1986. The appointment permitted the Joint Administrators to take any actions required either jointly or alone, and I have been the Administrator primarily involved in dealing with the Company's affairs. I am writing to provide my progress report to creditors in accordance with Rule 2.47 of the Insolvency Rules 1986.

On the same date, Louise Mary Brittain and I were also appointed as Joint Administrators of the Company's wholly owned subsidiaries:

- Delta Music Merchandising Limited ("DMM")
- Delta Home Entertainment Limited ("DHE")
- Delta Digital Sales Limited ("DDS")
- N & M Promotions Limited ("NMP")

The group of companies is referred to as "the Group" and "the Companies" throughout this report.

My full report is provided below and should be read in conjunction with my proposals dated 13 November 2015. My proposals contain full details of the circumstances leading to my appointment and information provided in respect of the 'pre-pack' sale of the Company's business and assets pursuant to Statement of Insolvency Practice 16. A summary of the information contained in this progress report is provided below:

- A 'pre-pack' sale of the Group's assets was completed on 21 September 2015 to Vivat Direct Limited ("VDL") and Simply Media TV Limited ("SMTV"). The total funds received of £342,500.00 have been apportioned between the Companies in addition to the apportioned legal costs associated with the sale. Of this, £42,500.00 was due to DMM in respect of an agreement reached in respect of a previously agreed sale of DMM's assets.
- The credit balance of the Company's accounts with Coutts Bank Plc has been realised in full.
- A charge was registered against each of the Companies by Shawbrook Bank Limited ("Shawbrook") which provided fixed and floating charges over the Group's assets on a cross guarantee basis. Shawbrook have been paid in full under their fixed and floating charges. The Company, DMM and DDS have subrogated claims in the Administrations of DHE and NMP in relation to the payments made to Shawbrook under the cross guarantee and in relation to the direct liabilities of DHE and NMP. It has been possible to make a payment from DHE and NMP in relation to these subrogated claims but these payments were made outside of the reporting period and so are not shown on the receipts and payments account at Appendix II. There will be a further payment upon receipt of sufficient book debt recoveries in the Administration of DHE.
- The Company's employees were made redundant on the day of my appointment and I have liaised with the employees and Redundancy Payments Office ("RPO") to ensure that their claims were processed and paid up to the statutory limits. On present information it is considered likely that there will be sufficient funds available to declare a dividend to the employees and RPO in respect of their preferential claims in the Administration.
- A license to occupy the Company's premises was granted to VDL from 29 September 2015 to 19 October 2015.
- The Company's chattel assets including motor vehicles, plant and machinery, fixtures and fittings and furniture and equipment have been realised with no further realisations expected in this respect.
- Insurance and rates refunds have been received.
- Various book debt receipts have been received directly to the Administration bank account. No further debtor receipts are expected in this case.
- It is expected that there will be sufficient funds available to declare a dividend to the preferential and unsecured creditors in this case.
- The Administration will be converted to a Creditors Voluntary Liquidation as soon as possible in order to arrange for the dividend to be paid.

Statutory information concerning the Company is attached at Appendix I

2 Purpose and progress of the Administration

The Joint Administrators must perform their functions with the objective of

- a) rescuing the company as a going concern, or
- b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
- c) realising property in order to make a distribution to one or more secured or preferential creditors

As previously advised, I did not consider that objective (a) could be achieved and I therefore sought to achieve objective (b) by way of the 'pre-pack' sale of the Group's business and assets. Further details of my reasoning for this decision and the alternatives considered are contained in my proposals dated 13 November 2015.

Term of Administration

The insolvency legislation has set a 12 month maximum duration for administrations, unless the duration is extended by the court or the creditors. I do not expect that the term of the Administration will require extending and I anticipate the Administration will be converted to a Creditors Voluntary Liquidation within the next 6 month period.

Proposals

My detailed proposals as Administrator were submitted to creditors on 13 November 2015 and the proposals were approved by a meeting by correspondence on 1 December 2015 without modification.

Actions Following Appointment

I decided that it was not appropriate to continue the business of the Company and that an immediate sale of the Group's assets was the best way to achieve the objective of the Administration. As a result, on 21 September 2015, I sold certain assets of the Group to VDL and SMTV with funds received in full on completion. Details regarding the apportionment of the asset sale funds between the Companies are provided further below in this report.

As there were negotiations for the sales which were conducted prior to the appointment of the Joint Administrators, details of the negotiations and sale were sent to creditors with the notice of appointment as required by SIP 16. A further copy of this information was appended to my proposals dated 13 November 2016.

Assistance to Administrator

As previously advised, I made arrangements with two former employees to bring the Group's accounting records up to date for the purposes of ensuring that the information in relation to the Group's debtor ledger is accurate. This work included raising a number of additional invoices and credit notes which has reduced the number of queries that the Joint Administrators have had to deal with when collecting the balances owed and has minimised the prospects of there being any bad debts in the Administration. This work also assisted in ensuring that the electronic records of the Company were secured and that the information was sufficiently updated to provide a more accurate summary of the Group's financial position.

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Employees

Upon my appointment, the Company's employees were notified that their employment was terminated effective immediately and assistance was provided in enabling the employees to submit their claims to the Redundancy Payments Office

License to Occupy

A license to occupy the Company's trading premises at 1 Newtons Court, Crossways Business Park, Dartford, Kent, DA2 6QL was granted to VDL from 29 September 2015 to 19 October 2015 to enable them time to clear the stock purchased by them from the premises

The license provided for the premises rent and associated costs to be paid to the Joint Administrators in advance to then be forwarded to Standard Life Investments ("the Landlord") I received an apportioned payment for the period of £10,137.96 plus VAT From this, a payment has been made to the Landlord of £8,054 79 plus VAT In addition, utility payments have been paid in respect of electricity and water rates totalling £625 58 A service charge is payable for the period of occupation under the license The final calculation of this charge has now been received and will be paid shortly

Funds of £1,749 10 are currently held on trust in this respect Any surplus funds held after payment of the relevant fees will be returned to VDL and should further funds be required, these are due to be paid under an indemnity clause included in the license to occupy

3 Receipts and payments account

My receipts and payments account for the period from 18 September 2015 to 17 March 2016 is attached at Appendix II The Administration bank account is held with Metro Bank Plc, is confirmed as being interest bearing and has been reconciled to the bank statements

You will note that the receipts and payment account also includes a separate statement in respect of the fixed charge receipts and payment subject to the fixed charge

The balance of the account as at 17 March 2016 is £168,123 72

You will note that the receipts and payments account further includes an account in respect of the license to occupy funds which whilst held in the Administration bank account, do not form part of the Administration funds

4. Asset realisations

As previously advised, certain assets of the Group were sold as follows

	Simply Media TV Limited	Vivat Direct Limited
Intellectual Property	£100,000 00	-
Stock	-	£200,000 00
"FTN" Stock	-	£42,500 00
Total	£100,000 00	£242,500.00

The sale consideration was subject to VAT

Following my investigations into the proportion of the asset sale funds due to each of the Companies, the funds have been apportioned between the Companies as follows

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Asset	DLG	DMM	DHE	DDS	NMP
Intellectual Property	£66,664 66	£1 00	£1 00	£33,332 34	£1 00
Stock	£177,700 00	-	£22,300 00	-	-
"FTN Stock"	-	£42,500 00	-	-	-
Total	£244,364 66	£42,501 00	£22,301.00	£33,332 34	£1 00

Full details regarding the asset sale were provided in my previous reports to creditors

No further realisations will be received in this respect

Intercompany Trading Balances

As previously advised, there are a number of intercompany balances between the Group companies and these will be investigated as part of the claims review process

Book Debts

The Company's book debts were subject to a factoring agreement with Shawbrook. Further details regarding Shawbrook's security is provided below. As Shawbrook were paid in full at the date of my appointment, the remaining outstanding book debts were no longer subject to the factoring agreement. The Company had no factored book debts outstanding at the date of Administration.

Other book debts of £9,892 95 have however been received, £9,421 95 of which were received as part of the cash at bank funds. No further receipts are expected in this respect.

Plant & Machinery

The Company had plant and machinery comprising of a forklift truck and various other items which have been sold by Williams & Partners ("W&P"), a firm of independent valuation and sales agents specialising in insolvent cases, for £1,000 00 plus VAT. The funds have been received to the Administration bank account and no further realisations are expected in this respect.

Fixtures & Fittings

W&P negotiated the sale of a number of items of racking previously installed at the Company's warehouse premises. I previously advised that a sale has been agreed in the sum of £3,000 00 plus VAT but unfortunately that sale did not proceed. A subsequent offer of £1,500 00 plus VAT was received and accepted. The funds have been received to the Administration bank account and no further realisations are expected in this respect.

Motor Vehicles

The Company had an interest in two motor vehicles. W&P confirmed that one vehicle was not subject to finance but had no realisable value due to the age and condition of the vehicle. The other vehicle was subject to a lease agreement with ING Finance Limited but was anticipated to have a surplus sale value realisable for the benefit of the Administration. £500 00 plus VAT was subsequently realised in this respect and the funds have been received to the Administration bank account. No further realisations are expected in this respect.

Furniture & Equipment

The Company's furniture and equipment was sold by W&P in the sum of £1,116 67 plus VAT. The funds have been received to the Administration bank account and no further realisations are expected in this respect.

Insurance and Rates Refunds

Refunds in the sums of £125 00 and £9,441 75 have been received from Axa Insurance UK Plc and Darford Borough Council respectively. No further refunds of prepaid accounts are expected to be received.

Cash at Bank

The Company held accounts with Coutts & Co. Funds of £15,790 32 have been received in respect of the credit balances held. No further realisations are expected in this respect. Of this, £9,421 95 was identified as being received in respect of book debts received following the date of my appointment and has been reallocated as such. Total cash at bank funds received therefore total £6,368 37. No further realisations are expected in this respect.

Subrogated Claim re Secured Creditor

A subrogated claim has arisen as a result of the payments made to the secured creditor under the Cross Guarantee (referred to earlier in this report). The Company's claim totals £111,499 53, of which £96,540 16 has been received to date (outside of this reporting period). A further balancing payment of £14,959 37 is due to be received from DHE when sufficient funds become available.

Future Realisations

There are no further realisations expected in this case with the exception of the balancing subrogated claim and bank interest which continues to accrue.

5 Creditors' claims and dividend prospects

Secured Creditors

The following charges are registered at Companies House and were showing as outstanding immediately prior to my appointment.

Name of chargeholder	Type of charge	Date created	Date registered
Centric SPV1 Limited ("Shawbrook")	Fixed and Floating	30 September 2014	6 October 2014

The charge relates to the book debts factored by Shawbrook and all Group companies were subject to the charge with an all companies cross guarantee ("the Cross Guarantee").

As part of the sales agreements, deeds of release were required to be provided by Shawbrook for completion to take place as they held fixed and floating charges over the assets to be sold. In order to secure these deeds, it was agreed that payment in full of any outstanding liability in any would be made to Shawbrook from the sale consideration.

As previously advised, as at the date of sale of assets, Shawbrook had a total liability of £222,999 92 including termination fees. Of this, the Company has made a direct payment to Shawbrook of £4,358 79, all of which was paid under Shawbrook's fixed charge security.

Shawbrook have received payment in full and therefore have no ongoing liability or claim in the Administration.

Subrogated Claims

The majority of the liability owed to Shawbrook related to funds advanced on DHE debts and as such, the payments made from realisations of the other Companies' assets, under the Cross Guarantee has created a subrogated claim in each of the other Administrations.

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The Company's subrogated claim in the Administration of DHE is £111,499.53. Funds totalling £96,540.16 have been received against this claim, however this was received outside of the period of this report and as such is not reflected on the receipts and payments account at Appendix II. The outstanding balance is expected to be received in full but there are insufficient funds available in the Administration of DHE at present.

Prescribed Part

Section 176A (1)(a) of the Insolvency Act 1986 requires that, if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors.

As Shawbrook do not have any claim in the Administration and no payments have been made under the floating charge in this case, the provisions of Section 176A do not apply. As a result, details of this section have only been provided in brief, should you require further information on this provision, please contact this office.

Preferential Creditors

Following the abolition of Crown preference, the only creditors whose claims are classed as preferential are employees in respect of arrears of wages, holiday pay and unpaid pension contributions (up to certain statutory limits) and the Redundancy Payments Office ("RPO") for payments made from the National Insurance Fund in this respect.

Employees were requested to submit details of their claim directly to the Redundancy Payments Office ("RPO"). Claims are continuing to be adjudicated by the RPO who will have a subrogated claim in respect of payments made to the employees on the Company's behalf. A formal claim has been requested from the RPO but has not yet been received. Employees may have a balancing preferential claim in the Administration which will be calculated when it is known what monies have been paid to them by the RPO.

It is estimated that preferential claims will be paid in full although the timing of the dividend is not yet known as this will depend on the receipt of the RPO's claim which will likely only be received once they have made payment to the employees in respect of all elements of their claims against the Company.

Unsecured Creditors

As Joint Administrator, I do not have a duty to review or agree the claims of unsecured creditors or the power to declare and pay a dividend without first obtaining a court order to do so.

To date I have received 34 claims totalling £855,878.51. This sum does not take into account any balancing employee claims which have not yet been calculated. This compares to the list taken from the Company's books and records which estimated total claims (excluding employees) of £734,602.72. 74 potential creditors identified have not yet submitted details of their claims.

I believe that there may be sufficient funds to declare a dividend to unsecured creditors and it is therefore intended that the Company will be placed into Creditors Voluntary Liquidation within the next 6 months and the dividend will be dealt with by the subsequently appointed Liquidator(s). I am not in a position to estimate the timing or quantum of any such dividend at this time.

Any creditor who has not yet submitted their claim is requested to complete the proof of debt form attached at Appendix V and return it to me, along with any supporting documentation, so that I may register your claim.

6. Investigations

I 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, taking account of the public interest,

potential recoveries, the funds likely to be available to fund an investigation, and the costs involved I considered in particular transactions which took place at the time of and immediately prior to the Company ceasing to trade

There were no matters that justified further investigation in the circumstances of this appointment

Within six months of my appointment, I was required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company I confirm that my report has been submitted and that the contents of the report are, and will remain confidential

7 Expenditure

Pre-Administration Remuneration and Expenses

The Board of the Company instructed me to assist them in placing the Company into Administration on 7 September 2015 They agreed that I should be paid my pre-appointment fees and expenses on a time cost basis Full details including a breakdown analysis of my pre appointment time costs was attached to my previous report

My pre appointment time costs in this case amounted to £12,889 50 which represents 43 70 hours work at an average charge out rate of £294 95 I have drawn these fees in full from the case funds held

In addition to my own time costs, the following expenses were incurred and have been paid in full

Agent / professional advisor	Nature of work	Fee arrangement	Amount Apportioned to the Company
Squire Patton Boggs (UK) LLP	Pre-appointment assistance in negotiating the sales of assets and preparation of the sales agreements	Time costs – £18,245 00 plus VAT	£16,770 17 plus VAT
AMB Law	Preparation of and filing of a notice of intention and notice of Administration	Time costs & disbursements – £2,948 00 plus VAT	£736 20 plus VAT

Joint Administrators' Remuneration

I proposed that my fees be charged by reference to the time properly spent by me and my staff in dealing with matters relating to the Administration Time is to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken Information about current charge out rates and the units of time in which work done is recorded is set out in Appendix IV I also proposed that I be permitted to charge what are known as Category 2 expenses Information about Category 2 expenses is also set out in Appendix IV

The basis of my remuneration and expenses was approved at a meeting held by correspondence on 1 December 2015 A detailed analysis of my total time costs for the period since my appointment on 18 September 2015 to 17 March 2016 are provided at Appendix III along with a further analysis of my total time costs for the period since my last report on 13 November 2015 to 17 March 2016

Since my appointment, I have incurred total time costs of £35,510 50 which represents 165 40 hours work at an average charge out rate of £214 69 Of this £9,599 00 which represents 42 60 hours work at an average charge out rate of £224 39 was incurred in the period since my proposals were issued

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The full balance of these costs remains outstanding and will be drawn from the funds in the Administration prior to the declaration of dividends

A description of the routine work undertaken in the Administration is set out at Appendix IV. In addition to the routine work, I have spent additional time as follows

- Finalising negotiations of the sale of the Group's assets with VDL and SMTV and finalising the sale agreements
- Investigating, calculating and apportioning the asset sale receipts and associated costs between the companies
- Preparing the initial notice to creditors regarding my appointment including the report in respect of the 'pre-pack' per the disclosure required under Statement of Insolvency Practice 16
- Pursuing the completion of the statement of affairs including liaising with the Group's former IT providers to arrange temporary access to the Group's servers
- Performing reconciliations of the book debts receipts received from Shawbrook and the subsequent transfer of funds to the correct Companies
- Liaising with the chattel agents in respect of the sale of the Company's chattel assets and obtaining confirmation of which of the Companies owned which asset. Subsequently receiving and apportioning the funds received and fees charged accordingly
- Calculating the Company's subrogated claims following payment to Shawbrook from the assets sale funds and arranging payment of the same
- Investigating the position of the Company's pension scheme and submission of the statutory forms required in this respect
- Assisting the employees in submitting their claims to the RPO and the associated provision of information to the RPO
- The granting of the license to occupy to VDL and associated work in respect of being released from the Company's lease obligations including calculation and payment of the various utility costs and service charge
- Reviewing the Company's bank statements to identify any post appointment credits received in respect of book debts and making the relevant postings on the receipts and payments account
- The instruction of CAPA to conduct a review of the Company's business rates

Please go to www.r3.org.uk/index.cfm?page=1210 for the "Creditors Guide to Administrators' Fees" if you require further information relating to Administrators' remuneration. Please refer to the version entitled 'Effective from November 2011 to September 2015'. A hard copy is available free of charge upon request to my office.

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Joint 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 permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Joint Administrators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

Joint Administrators' Expenses

The following expenses have been incurred but have not yet been paid

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Category 1	Assistance to Administrators	£259 90
	Insurance of Assets	£517 28
	Travel – Bridge Tolls	£10 00
	Sustenance	£3 00
	Mail Re-Direction Fee	£160 00
	Statutory Advertising	£28 40
	Specific Bond	£320 00
	Courier Fee	£51 45
	Postage	£72 28
	Travel - Mileage	£32 58
Category 2	Stationery	£20 85

£1,475 74

In addition to the above, statutory advertising costs of £28 40 plus VAT have been incurred. It has come to my attention that these fees have been paid from the funds held in the Company's account and I will be making arrangements for the other Companies to reimburse the Company in this respect.

Professional Fees

The following agents or professional advisors have been utilised in this matter to date

Agent / professional advisor	Nature of work	Fee arrangement
Squire Patton Boggs (UK) LLP	Post appointment assistance in final negotiations, finalising the sale agreements and effecting completion	Time costs – £20,316 00 plus VAT Disbursements - £300 83 plus VAT - Outstanding*
Williams and Partners	Chattel Agents – sale of assets	Commission – 10% plus VAT - £911 67 - Paid in Full*
Williams and Partners	Chattel Agents – Debt Collection	Commission – 15% plus VAT - £1,125 00 - Paid in Full*
Williams and Partners	Chattel Agents – on site assistance re clearance of premises, queries regarding retention of title claims and collection of books and records	Time costs - £720 00 plus VAT & Disbursements of £2,189 20 - Paid in Full*
ISG Technology Limited	Assistance in relocating the Group's computer server offsite and arranging remote access to the information held	Time costs – £2,185 00 plus VAT - Outstanding*
Coyle Whyte Devine	Debt Collection	Commission – 6% plus VAT - Confirmation of collections to date and fees requested
CAPA	Business Rates Audit	Commission – 20% plus VAT - None payable

*These fees have been apportioned between the Companies. The amounts attributable to the Company are as follows

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Squire Patton Boggs (UK) LLP	£10,203 37
Williams and Partners – Commission	£411 67
Williams and Partners – Debt Comm	-
Williams and Partners – Time Costs	£2,072 44
ISG Technology Limited	£437 00

The outstanding payments to Squire Patton Boggs (UK) LLP and ISG Technology will be made shortly

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

8 Conclusion of the Administrations

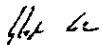
The Administration will remain open until the following matters have been dealt with

- The balance of the subrogated claim has been received from DHE
- The preferential creditors have been calculated and a dividend declared and paid

Once these matters have been finalised, I will file the relevant paperwork to convert the Administration to a Creditors Voluntary Liquidation, during which, the following matters will be dealt with

- The review, agreement and payment of a dividend to the unsecured creditors

Should you require any further information relating to the administration of the Companies please do not hesitate to contact Chloe Edges of this office



Stephen Paul Grant
Joint Administrator

Company Information.

Company name	Delta Leisure Group Limited
Previous name	-
Trading style	-
Company registration number	05969142
Date of incorporation	17 October 2006
Current registered office	Bridge House, London Bridge, London, SE1 9QR
Former registered office and trading address	1 Newtons Court, Crossways Business Park, Dartford, Kent, DA2 6QL
Principal trading activity	Holding company and home entertainment manufacturing activities

Appointment Details:

Date of appointment	18 September 2015
Appointment made by	The Directors
Court name and reference	High Court Of Justice No 5877 of 2015
Administrators' appointed	Stephen Paul Grant (IP No 008929) and Louise Mary Brittain (IP No 09000)

Officers of the Company

Directors		Appointed	Resigned
	Mr Laurence Adams	17 October 2006	-
	Mr Lee Harmer	1 February 2014	-
	Mr Howard Winetroube	18 July 2014	-
Company Secretary	Mrs Jacqueline Adams	1 September 2009	-
Shareholding	The Company's authorised share capital is 100 Ordinary shares of £1 00 each and 49,900 Ordinary A Shares of £0 25 each which have been issued and are held as follows		
		Shares at £1 00	Shares at £0 25
	Mr Laurence Adams	90	39,910
	Mrs Jacqueline Adams	10	9,990

Charges

Name of chargeholder	Type of charge	Date created	Date registered
Centric SPV1 Limited	Fixed and Floating	30 September 2014	6 October 2014

Group Structure

Subsidiaries	Date Incorporated	Status
Delta Music Merchandising Limited	29 April 1994	In Administration
Delta Home Entertainment Limited	30 April 1982	In Administration
Delta Digital Sales Limited	27 August 2009	In Administration
N & M Promotions Limited (formerly Delta Music Limited)	23 December 1992	In Administration

Delta Leisure Group Limited – In Administration
Joint Administrators' Abstract of Receipts & Payments

From 18 September 2015 to 17 March 2016

S of A	Funds held on trust for the Landlord	18/09/15 To 11/11/15 £	12/11/15 To 17/03/16 £	Total £
	£		£	£
	RECEIPTS			
-	Rent - VDL	10,137 96	-	10,137 96
-	VAT Payable	2,027 59	-	2,027 59
-		12,165,55	-	12,165 55
	PAYMENTS			
	Landlord	-	8,054 79	8,054 79
	Utility Payments	-	-	625 58
	Service Charge	-	-	-
	VAT Receivable	-	1,736 07	1,736 07
		-	10,416 45	10,416 45
	CASH IN HAND (Interest Bearing)	12,165,88	-10,416 45	1,749 10

S of A	Assets subject to a fixed charge	18/09/15 To 11/11/15 £	12/11/15 To 17/03/16 £	Total £
	£		£	£
	RECEIPTS			
-	Intellectual Property	-	66,664 66	66,664 66
-	Secured Creditor - Cross Guarantee*	-	-	-
-	VAT Payable	-	13,332 93	13,332 93
-		-	79,997 59	79,997 59
	PAYMENTS			
	Secured Creditor - Direct Deduction	-	4,358 76	4,358 76
	Secured Creditor - Cross Guarantee*	-	111,499 53	111,499 53
	Legal Fees re Asset Sale	-	16,770 17	16,770 17
	VAT Receivable	-	3,354 03	3,354 03
		-	135,982 49	135,982 49
	CASH IN HAND (Interest Bearing)	-	-55,982 49	-55,982 49

* Funds totalling £111,499 53 have been paid out by the Company to the Secured Creditor under the Cross Guarantee. This sum is due to be offset by way of payments made under the Company's subrogated claim against DHE. A payment of £67,025 95 has been received in this respect but as the payment was made after 17 March 2016, it is not reflected in the above receipts and payments account. A further payment of £14,959 37 is due to be received from DHE in this respect.

S of A	Assets subject to a floating charge	18/09/15 To 11/11/15 £	12/11/15 To 17/03/16 £	Total £
	RECEIPTS			
	Book Debts	-	9,892 95	9,892 95
	Cash at Bank	15,790 32	-9,421 95	6,368 37
	Plant & Machinery	-	1,000 00	1,000 00
	Fixtures & Fittings	-	1,500 00	1,500 00
	Motor Vehicles	-	500 00	500 00
	Stock	-	177,700 00	177,700 00
	Furniture & Equipment	-	1,116 67	1,116 67
	Insurance Refund	-	125 00	125 00
	Rates Refund	-	9,441 75	9,441 75
	Bank Interest Gross	-	34 48	34 48
	VAT Payable	-	36,363 33	36,363 33
		15,790 32	288,252 23	24,042 55
	PAYMENTS			
	Utility Payments	-	214 93	214 93
	Office Holders Fees - Pre Appointment	-	12,889 50	12,889 50
	Agents/Valuers Fees	-	2,484 11	2,484 11
	Legal Fees	-	736 20	736 20
	Statutory Advertising	-	142 00	142 00
	Vat Receivable	-	5,216 29	5,216 29
		-	21,683 03	21,683 03
	CASH IN HAND (Interest Bearing)	15,790 32	206,569 20	222,359 52

As advised in the proposal report, a number of sums were posted to this Company's account whilst the correct apportionment between the Group was established. These receipts and payments have now been allocated to the correct company within the Group and as such the position shown above is the actual position following these adjustments.

Schedule of Time Costs

Reporting Period 13 November 2015 to 17 March 2016

Classification Of work function	HOURS					£ Time Cost	£ Average hourly rate
	Partner	Manager	Other senior Professionals	Assistants & support staff	Total Hours		
Administration & planning	1 00	3 80	1 80	1 30	7 90	2,077 00	262 91
Cashiering & Accounting	0 50			3 10	3 60	523 00	145 28
Realisation of assets		2 50	5 80	0 50	8 80	1,961 00	222 84
Trading							
Investigations		0 60	3 70	0 10	4 40	917 50	208 52
Creditors		0 40	3 60	3 40	7 40	1,366 00	184 59
Statutory Matters	1 40	5 00	3 10	1 00	10 50	2,714 50	258 52
Case Specific Matters							
Total hours	2 90	12 30	18 00	9 40	42 60	9,559 00	224 39
Total fees drawn (£)						-	

Whole Administration Period 18 September 2015 to 17 March 2016

Classification Of work function	HOURS					£ Time Cost	£ Average hourly rate
	Partner	Manager	Other senior Professionals	Assistants & support staff	Total Hours		
Administration & planning	3 90	10 70	8 30	21 90	44 80	8,570 00	191 29
Cashiering & Accounting	0 50			4 00	4 50	625 00	138 89
Realisation of assets	1 70	18 60	5 20	2 40	27 90	7,724 50	276 86
Trading							
Investigations		5 00	4 10	0 10	9 20	2,315 50	251 68
Creditors	4 50	5 10	9 60	21 80	41 00	6,767 50	165 06
Statutory Matters	2 90	15 70	18 40	1 00	38 00	9,508 00	250 21
Case Specific Matters							
Total hours	13.50	55 10	45 60	51 20	165 40	35,510 50	214 69
Total fees drawn (£)						-	

APPENDIX IV

**CURRENT CHARGE OUT RATES AND TIME CHARGING, DISBURSEMENT, ETHICS AND
COMPLAINTS POLICIES**

CURRENT CHARGE OUT RATES AND TIME CHARGING, DISBURSEMENT, ETHICS AND COMPLAINTS POLICIES

Explanation of office-holders time charging policy

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the charge out rates detailed on the previous page are applicable to this appointment exclusive of VAT. Rates are normally reviewed on an annual basis and adjustments made accordingly where deemed appropriate. Time is recorded in 6 minute units by each staff member working on the case. A description of the routine work undertaken which time will be recorded for is detailed as follows:

1 Administration and planning

- Preparing documentation and dealing with the formalities of appointment
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details
- Reviewing the ongoing progression of case files
- Arranging the collection and storage of Company records
- Ensuring an appropriate case bordereau is in place
- Case planning and administration

2 Investigations

- Review of the Company's books and records
- Preparation of returns / reports pursuant to the Company's Directors Disqualification Act 1986
- Conduct investigations into any suspicious transactions
- Reviewing the books and records to identify any transactions or actions that the officeholder may take in order to recover funds for the benefit of creditors

3 Realisation of assets

- Identifying, securing and obtaining sufficient insurance in respect of Company assets
- Dealing with any retention of title or other third party claims
- Debt collection functions
- Negotiating and completing property, business and asset sales

4 Cashiering

- Managing case bank accounts
- Maintaining case cash books

5 Trading

- Management of trading operations
- Maintaining and preparing accounting records for the period of trading
- Dealing with ongoing employee issues

6 Creditors

- Dealing with creditor correspondence and telephone conversations
- Maintaining creditor information and claims (including those submitted by secured creditors, employees and other preferential creditors)

7 Statutory

- Statutory notifications and advertising
- Convening and holding meetings of members and creditors where appropriate
- Preparing reports to members and creditors
- Filing of statutory documents with the Registrar of Companies and/or the court

CURRENT CHARGE OUT RATES AND TIME CHARGING, DISBURSEMENT, ETHICS AND COMPLAINTS POLICIES

Explanation of office-holders disbursement recovery policy

SIP 9 also requires that the office holder provide a statement of the officeholder's policy in relation to the recharging of disbursements. SIP 9 defines disbursements as either Category 1 or Category 2 disbursements, further details of which are below

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage

Category 2 disbursements will generally comprise costs which, whilst being in the nature of expenses or disbursements, include elements of shared or allocated costs

Charging and disbursement recovery policy

Category 1 disbursements are recoverable without approval, and will be recovered by the office holder as they are incurred

Category 2 disbursements do require approval, and should be identified and subject to approval by those responsible for approving remuneration. SIP 9 provides that, the office holder may make a separate charge for expenses in this category, provided that -

- such expenses are of an incidental nature and are directly incurred on the case, and there is a reasonable method of calculation and allocation, it will be persuasive evidence of reasonableness, if the resultant charge to creditors is in line with the cost of external provision, and
- the basis of the proposed charge is disclosed and is authorised by those responsible for approving his remuneration

Payments to outside parties in which the officeholder or his firm or any associate (as defined by Section 435 of the Insolvency Act 1986) has an interest should be treated as category 2 disbursements

The following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision

Photocopying	5p per sheet
Mileage	45p per mile (40p per mile prior to 6 April 2011)
Meeting Room	£50

Category 2 disbursements are recovered by the office holder in accordance with the above guidance

Insolvency Code of Ethics

Insolvency Practitioners are bound by the Insolvency Code of Ethics issued by their recognised professional body when carrying out all professional work relating to an insolvency appointment. Full details of the code are available at the following internet link <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/ethics-code>

Complaints procedure

Details of our complaints procedure are available on our website using the following link <http://www.wilkinskennedy.com/services/wk-restructuring-recovery/insolvency/complaints-procedure>

DELTA LEISURE GROUP LIMITED - IN ADMINISTRATION

Date of Administration 18 September 2015

1	Name of creditor (If a company please also give company registration number)	
2	Address of creditor for correspondence	
2a	Email address of creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into Administration	
4	Details of any documents by reference to which the debt can be substantiated (Note Please attach)	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7	Particulars of any security held, the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	
For Administrators' Use only		
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Administrator		Administrator