

## The Insolvency Act 1986

## Statement of administrator's proposals

2.17B

Name of Company Powerhouse Golf Limited	Company number 07233549
In the High Court of Justice Chancery Division, Manchester District Registry (full name of court)	Court case number 3028 of 2015

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

I/We (a) Philip Francis Duffy of Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW and Benjamin John Wiles of Duff & Phelps Ltd, The Shard, 32 London Bridge Street, London, SE1 9SG

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

\* Delete as appropriate

(b) Insert date

(b) 19 November 2015

Signed

Philip Duffy  
Joint Administrator

Dated

19 November 2015

## 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

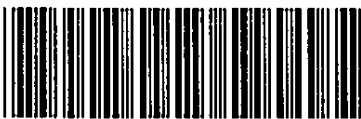
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When completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff



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# **Report to Creditors**

19 November 2015

## **Powerhouse Golf Limited (In Administration)**

Joint Administrators' Report to Creditors and Statement of Proposals  
for the period from 1 October 2015 to 19 November 2015  
Pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986

**Duff & Phelps Ltd.  
The Chancery  
58 Spring Gardens  
Manchester  
M2 1EW**

## Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Agents or Winterhill	Winterhill Asset Management Limited, independent agents who were instructed to value and sell the assets of the Company
the Appointment Date	1 October 2015, being the date of appointment of the Joint Administrators
the Bank or NatWest	National Westminster Bank Plc, with whom the Company banked and the holder of a prior ranking fixed and floating charge over the Company's assets
BLM	Business Lite Memo
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Company	Powerhouse Golf Limited (In Administration) (Company Number 07233549)
DBIS	The Department for Business, Innovation and Skills
DGUK	Direct Golf UK Limited (In Administration)
the Director	John Andrew, the sole director of the Company
DLA	DLA Piper UK LLP, independent solicitors who were instructed to assist the Joint Administrators
Duff & Phelps	Duff & Phelps Ltd
EC Regulation	EC Regulation on Insolvency Proceedings 2000
The Group	Powerhouse Golf Limited, Direct Golf UK Limited and John Letters Golf Limited (all in Administration)
HMRC	HM Revenue and Customs
JLG	John Letters Golf Limited (In Administration)
the Joint Administrators	Philip Duffy and Benjamin Wiles of Duff & Phelps Ltd The Chancery, 58 Spring Gardens, Manchester, M2 1EW and The Shard, 32 London Bridge Street, London, SE1 9SG respectively
MI	Management Information
NOI	Notice of Intention to appoint Administrators
Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential creditors

the Purchaser	Direct Golf Retail Limited (formerly SDI Sports Limited), the purchaser of the business and certain assets of DGUK and JLG
ROT	Retention of Title
RPS	Redundancy Payments Service
the Rules	The Insolvency Rules 1986 (as amended)
SDR	Sportsdirect.com Retail Limited, the holder of a fixed and floating charge over the Company assets
the Secured Creditors	Natwest and SDR
SIP 13	Statement of Insolvency Practice 13 – Industry best practice for Insolvency Practitioners in relation to the acquisition of assets of insolvent companies by Directors
SIP 16	Statement of Insolvency Practice 16 – Industry best practice for Insolvency Practitioners in relation to the requirement for disclosure of information with respect to a 'Pre-Packaged' sale of business and/or assets of the Company
SOA	Statement of Affairs, documentation to be supplied by the Director outlining the Company's financial position as at the Appointment Date
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006

## **Contents**

- 1 Introduction
- 2 Background
- 3 Events Leading up to the Administration
- 4 Purpose of the Administration
- 5 Progress of the Administration to Date
- 6 Statement of Affairs
- 7 Statement of Pre-Administration Costs
- 8 Joint Administrators' Costs
- 9 Dividend Prospects / Prescribed Part
- 10 EC Regulation
- 11 Creditors' Meeting
- 12 End of the Administration
- 13 Joint Administrators' Proposals
- 14 Other Matters

## **Appendices**

- 1 Statutory and Financial Information
- 2 Receipts and Payments Account
- 3 Schedule of Creditors and Estimated Statement of Financial Position
- 4 Analysis of Time Charged and Expenses Incurred
- 5 Fee Estimate
- 6 Estimated Expenses of the Administration
- 7 Fees Narrative
- 8 Form 2 21B Creditor's Request for a Meeting
- 9 Proof of Debt Form

## **1. Introduction**

- 1 1 The Joint Administrators were appointed on the Appointment Date by SDR, the holder of a qualifying floating charge under Paragraph 14 of Schedule B1 to the Act
- 1 2 The Court Reference is The High Court of Justice, Chancery Division, Manchester District Registry no 3028 of 2015
- 1 3 In accordance with Paragraph 100(2) of Schedule B1 to the Act the functions of the Joint Administrators may be exercised by either of the Joint Administrators
- 1 4 This report sets out the circumstances leading up to the appointment of the Joint Administrators and the steps taken by them to date

## **2. Background**

- 2 1 Statutory information on the Company and a summary of its financial history is included at Appendix 1
- 2 2 The Company was incorporated on 23 April 2010 and was historically a dormant company until September 2014 when it was used as an investment vehicle for a transaction that saw SDR provide a £10m working capital facility to the Company in return for a 25% minority stake John Andrew held the remaining 75% equity share
- 2 3 The Company became the parent of the Group and the sole shareholder of DGUK and JLG
- 2 4 DGUK is the primary trading entity and was incorporated in December 1999, originally trading from one store in Huddersfield, West Yorkshire In previous years operations had expanded to 20 retail stores, as well as diversifying its trade through its own website and well-known online retail platforms
- 2 5 JLG was incorporated in June 2006 and its principal activity is that of a licensor of intellectual property, primarily to DGUK In addition, this company operates four driving ranges, which include golf teaching academies
- 2 6 John Andrew was the founder of the Group who held the role of Chairman, overseeing the general running of the Group John Andrew was the director of the Company at the Appointment Date
- 2 7 Historically DGUK appeared to trade profitably and through the early 2000's grew the store portfolio On the basis of the trading results for the period ended 30 September 2014, SDR invested £2.25m into the Group as part of the aforementioned £10m working capital facility that would see the Group become the leading Golf retailer in the UK
- 2 8 The investment from SDR was introduced via the Company as the investment vehicle, which granted SDR a debenture on 4 September 2014 which granted fixed and floating charges over the assets of the Company in exchange for the finance facilities provided to the Group
- 2 9 NatWest held a first ranking debenture and cross guarantee security over all the individual companies within the Group and provided current accounts, a term loan, credit cards and a bond to DGUK as part of the banking facilities As detailed later in this report, it is understood that NatWest set off cash balances held by DGUK extinguishing its principal indebtedness in full prior to the appointment of Administrators over any of the Group companies, including the Company

- 2 10 The September 2014 Group statutory accounts were prepared and signed off on 29 May 2015 by John Andrew in his capacity as the Director following an external audit in May 2015. These accounts were filed at Companies House on 1 July 2015 and showed a retained profit after tax of c£107k for the Group.
- 2 11 The trading results reported by the Group for the period to February 2015 were also strong and SDR advanced a further £1.5m from the facility in February 2015 to fund continued growth including the opening of the Southampton retail store within DGUK.
- 2 12 In May 2015 the former finance director left the business, which coincided with the completion of the 2014 year-end audit, and the external auditors were also engaged to prepare the April 2015 management accounts for DGUK in his absence. During this process substantial accounting errors were found that ultimately resulted in a restatement of the September 2014 audited Group statutory accounts to a loss of c£4.7m. In addition the April 2015 MI profit was restated down by a further £1.4m.

### **3 Events Leading up to the Administration**

- 3 1 As a result of the losses detailed above that had accumulated, accounts with several key trade creditors had become overdue within DGUK. In addition DGUK had accumulated a liability of approximately £1.5m with HMRC in relation to VAT and PAYE.
- 3 2 The external auditors and the management team met with SDR to discuss the impact of the restatement in light of its existing investment in the Group. This issue is subject to an ongoing review and no further details can be provided at this point.
- 3 3 Despite a number of meetings regarding the position of the Group and ongoing trading performance, SDR were unable to obtain the financial information and explanations they required to have sufficient comfort to advance further monies to the Group whilst it remained under the control of the former management team.
- 3 4 Philip Duffy Duff & Phelps was first contacted by SDR in respect of this matter during the week commencing 14 September 2015. Members of the Duff & Phelps team were engaged to assist SDR in its financial review and met with the former directors and the external accountants over the weekend of the 19 September 2015.
- 3 5 On 21 September 2015, the former directors filed a Notice of Intention to appoint Administrators over DGUK only in Court and this was subsequently served on NatWest on 23 September 2015 in its capacity as the qualifying floating chargeholder. SDR were also notified of the NOI on the 23 September 2015, by the proposed Administrators who were not from Duff & Phelps.
- 3 6 SDR formed the opinion that pending investigation and review of the financial position, their position as major creditor of the Company and ultimately the Group would not be served by an immediate formal insolvency appointment over the DGUK the principal trading entity. Therefore SDR extended the engagement to include formal restructuring advice and concluded that the only way to protect their investment would be to appoint their own Administrators over the Company.
- 3 7 A NOI over the Company was filed in Court on 28 September 2015 and following the expiry of 2 business days an out of hours appointment of Philip Duffy and Benjamin Wiles both of Duff & Phelps as Joint Administrators of the Company was completed on Thursday 1 October 2015 by SDR the holder of a qualifying floating charge.
- 3 9 The Joint Administrators considered the position prior to accepting the appointment and having regard to the Insolvency Practitioners Association's ethical guidelines, considered that there were no circumstances preventing them from accepting the appointment.

#### **4. Purpose of the Administration**

4 1 The purpose of an Administration is to achieve one of the following hierarchical objectives

- Rescuing the Company as a going concern, or
- 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
- Realising property in order to make a distribution to one or more secured or preferential creditors

4 2 In accordance with Paragraph 49(2) of Schedule B1 to the Act the Joint Administrators note the following

- The first objective will not be achieved as there are insufficient funds and assets available to enable the Company to be rescued as a going concern
- The second objective may not be achievable as there is no evidence to suggest that it is likely that a better result for the Company's creditors as a whole will be achieved than if the Company was wound up
- It was originally anticipated that the value of the investments in DGUK and JLG would be maximised through a solvent rescue of the companies, and the removal of the incumbent management team by the Company. However, the lack of key financial and operational information in the Group has meant that SDR has been unable to increase its exposure and a solvent solution has not been possible
- The Joint Administrators will therefore seek to achieve the third purpose of Administration, in making a distribution to SDR in its capacity as secured creditor

4 3 The Joint Administrators' proposals for achieving the purpose of the Administration are set out in the remainder of this report

#### **5. Progress of the Administration to Date**

5 1 The manner in which the affairs and business of the Company have been managed, since the appointment of Joint Administrators and will continue to be managed and financed are set out below

##### **Sale of Investments**

5 2 Immediately following the appointment of the Joint Administrators and in order to protect DGUK from an imminent Administration appointment, a board resolution was passed by the Company as sole shareholder to appoint Declan McKelvey as director of both DGUK and JLG and remove the former directors of these companies immediately. This action was challenged by the former directors but was subsequently validated by the Court on 13 October 2015

5 3 Due to the working capital deficit of the Group, Duff & Phelps were formally engaged by DGUK and JLG on 1 October 2015 to provide ongoing advice, including general restructuring advice and insolvency planning for the Group in the event a solvent restructure was not possible



- 5 4 In their capacity as Joint Administrators of the Company, Philip Duffy and Benjamin Wiles commenced a marketing exercise of the existing shareholding of DGUK and JLG with a view to achieving a potential sale of these shares, being the Company's principal assets. Given the financial position of both DGUK and JLG, the appointed director consented to the release of available information to assist with a prospective sale.
- 5 5 On the commencement of this marketing exercise it was necessary to make an application to the High Court to obtain an injunction against the former directors of the Group excluding them from the management of the business to allow the appointed director full access to the Group staff, records and systems to conduct his duties. The application was successful and an interim injunction was obtained on 5 October 2015.
- 5 6 A BLM containing high level financial information surrounding the Group's trading performance and available assets was circulated on Tuesday 6 October 2015 to over 1,000 contacts taken from the Duff & Phelps database which included a specific target list of potential purchasers.
- 5 7 It became clear as the marketing exercise progressed that a sale of the shares in DGUK and JLG would not be possible and due to the financial position of DGUK, a formal appointment of Administrators would be required, in order to protect the assets of DGUK.
- 5 8 A formal appointment of Administrators over DGUK would have ultimately crystallised an intercompany loan of £1.2m with JLG, which JLG would have been unable to settle when demanded, rendering it insolvent. It was therefore also considered necessary for JLG to enter into a formal insolvency process.
- 5 9 In this time SDR had considered their options, including further investment to the Group, however in light of the existing creditor pressure, together with the absence of key financial and operational information for the Group, established that they were unable to increase their exposure.
- 5 10 Philip Duffy and Benjamin Wiles were appointed Joint Administrators of both DGUK and JLG on 16 October 2015 and 19 October 2015 respectively. Following these appointments, no realisations are anticipated from the shareholdings in DGUK and JLG.

#### **Intercompany Loan**

- 5 11 As detailed in section 2 of this report, the Company advanced funds of c£3.75m arising from the SDR investment, by way of an intercompany loan to DGUK.
- 5 12 This loan is unsecured and will rank as a non-preferential claim in the Administration of DGUK. There may be sufficient funds available in the Administration estate of DGUK to enable a distribution to unsecured creditors and, in turn, the Company. However, the prospect and quantum of a dividend from within this Administration is wholly dependent on the ongoing asset realisations and investigations.
- 5 13 An update on the prospect of a dividend being received will be provided to creditors in the Joint Administrators' next progress report.

#### **Tax Losses**

- 5 14 The financial records of the Group suggest that there may be tax losses available from Group trading that can be realised.
- 5 15 The Joint Administrators will look to instruct tax specialists to assist in assessing this position accordingly and provide an update to creditors in their next progress report.

### **Contribution to Costs**

- 5 16 A contribution towards the costs of the Administration has been received from SDR totalling £12,840
- 5 17 Such funds have been utilised maintaining access and operation of certain key IT infrastructure. The Joint Administrators have sought approval from the creditors of DGUK and JLG to have an expense of £8,883 plus VAT to be paid as a pre-appointment expense in these Administrations.
- 5 18 Please note that this contribution does not form an asset of the Administration estate and will be repaid to SDR once received from the above Administrations.

### **Investigations**

- 5 19 The Joint Administrators' investigations into the Company's affairs are currently ongoing.
- 5 20 The Joint Administrators have a statutory obligation to file a report with DBIS regarding the conduct of the directors that held office in the three years prior to the Administration. This report must be filed within six months from the Appointment Date and the content of this report is confidential.
- 5 21 The Joint Administrators also have a duty to investigate antecedent transactions which include
- Transactions at an Undervalue, Section 238 of the Act,
  - Preferences, Section 239 of the Act, and
  - Transactions to Defraud Creditors, Section 423 of the Act
- 5 22 During our preliminary investigations there are a number of Group transactions that on the face of it may require detailed investigations. Additional information is required to understand the true nature of these transactions. The Joint Administrators are currently collating all the information. Additional details cannot be disclosed at this stage to avoid prejudicing any potential recovery.

### **Receipts and Payments**

- 5 23 A Receipts and Payments account is provided at Appendix 2 and is self explanatory.

## **6. Statement of Affairs**

- 6 1 In accordance with Paragraph 47 of Schedule B1 to the Act the Joint Administrators have requested that the Director provides a SOA. To date a SOA has not been received, however, it is understood that this is in the process of being completed.
- 6 2 In the absence of a SOA the Joint Administrators attach a schedule of creditors' names and addresses and an estimated statement of financial position at Appendix 3 in accordance with Rule 2.33(2) of the Rules.
- 6 3 Some creditor amounts shown may differ from the actual amounts owed. This does not affect their claim.

## **7. Statement of Pre-Administration Costs**

- 7 1 Pre-Administration costs are defined in the Rules as fees, charges and expenses incurred by the Administrators or their firm, or another person qualified to act as an insolvency practitioner, before the Company entered Administration but with a view to its doing so.

- 7 2 Duff & Phelps have incurred pre-Administration time costs of £9,681 plus VAT. A breakdown of the time costs and disbursements incurred are provided at Appendix 4
- 7 3 The majority of this time relates to reviewing the Company's financial position, agreeing a strategy when it became clear that an appointment of Administrators over the Company would be required. In addition, time has been spent liaising with SDR and NatWest in their capacity as Secured Creditors and corresponding with DLA regarding legal assistance in connection with the proposed Administration
- 7 4 DLA have incurred time costs of £45,400 plus disbursements of £1,854 plus VAT in dealing with the pre-appointment formalities of the Administration. Such costs have been incurred providing advice and drafting and filing in Court the appropriate documentation required to effect new memorandums of association across the Group, assisting the Company to resolve that the directors of DGUK and JLG be removed from office, a replacement officer being appointed as director of DGUK and JLG and effecting the appointment of the Joint Administrators over the Company

Duff & Phelps pre administration fees	£9,681 plus VAT
DLA Legal Fees	£45,400 plus VAT
DLA Disbursements	£1,854 plus VAT
<b>TOTAL unpaid pre administration costs</b>	<b>£56,935 plus VAT</b>

- 7 5 The Joint Administrators confirm that payment of the unpaid pre-Administration costs, as an expense of the Administration, is subject to approval under Rule 2.67A of the Rules, and not part of the proposals subject to approval under Paragraph 53 of Schedule B1 to the Act

## **8. Joint Administrators' Costs**

### **Estimated Fees and Expenses**

- 8 1 It is proposed that the Joint Administrators' fee basis is based on time costs
- 8 2 The time costs already charged since appointment are analysed at Appendix 4. Time is charged in six minute units. Time costs incurred to date total £15,006
- 8 3 The amount expected to be drawn in fees for the period of 1 October 2015 to 31 March 2016 by the Administrators is shown in Appendix 5 - Fee Estimate. The total amount estimated is £76,905 indicated effectively acts as a cap on the level of fees to be drawn by the Administrators for this period
- 8 4 The Administrators estimate the expenses of the Administration to total about £114,821 (as shown in Appendix 6 Estimated Expense Schedule). This Schedule illustrates the estimated expenses for the whole of the Administration and is for information purposes only. No approval is required by creditors. This Estimate may change over the course of the Administration but creditors will be informed of any variations with associated reasons in the annual Progress Reports
- 8 5 Expenses have already been incurred in the Administration by DLA who has incurred £57,000 in litigation costs plus disbursements of £22,000 plus VAT, relating to proceedings in Court regarding the challenge of the actions of the Company in the revision of the memorandums of association, removal of directors, replacement directors being appointed and the injunction against the former directors. It was necessary for DLA to incur the above costs in order to protect the Group's position, its assets and, ultimately, the position of creditors

- 8 6 Also attached at Appendix 7 is the Fees Narrative, a summary of key issues, to assist creditors in understanding the strategy of the Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors. Further details of assets and liabilities and the estimated return to creditors, if any, are in the body of this report.
- 8 7 Information regarding the fees and disbursements of administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at <http://www.duffandphelps.com/uk-restructuring/creditor-guides> (click on the document 'Administration (appointment from 1 October 2015)'). Should you require a copy, please contact this office.

## **9. Dividend Prospects / Prescribed Part**

### **Secured Creditors**

#### **NatWest**

- 9 1 In consideration for monies advanced under a loan and overdraft facility to DGUK, the Company granted NatWest a debenture dated 4 September 2014, which confers fixed and floating charges over the assets of the Company as part of the cross guarantee security that the Group granted to the Bank.
- 9 2 It is understood that NatWest's outstanding Group indebtedness was discharged in full prior to the appointment of the Joint Administrators, following the offset of credit balances held in the DGUK's bank accounts.
- 9 3 However, NatWest are currently retaining £100,000 in respect of contingent liabilities including a Duty Deferment Bond, due to DGUK, whilst they consider any remaining indebtedness under this facility. The Joint Administrators will continue to liaise with NatWest to establish any outstanding liability under this bond and the recovery of the residual balance for the Administration estate of DGUK.

#### **SDR**

- 9 4 In consideration for the monies advanced under a loan agreement, the Company granted SDR a debenture dated 4 September 2014, which confers fixed and floating charges over the assets of the Company.
- 9 5 As detailed at section 2 of this report, SDR advanced monies to the Company totalling £3.75m to fund the ongoing trade of the Group.
- 9 6 The prospect of a dividend being made available to SDR is dependent on the outcome of the Administration of DGUK and a non-preferential dividend being received by the Company in respect of the intercompany loan. The ability to pay such a dividend is also dependent on the outcome of the tax investigations.
- 9 7 At present, the quantum of any distributions to be made to SDR under its security is uncertain.

### **Preferential Creditors**

- 9 8 The Company did not have any employees. Accordingly, no preferential claims are expected to be received in the Administration.

### **Prescribed Part**

- 9 9 The Prescribed Part is calculated as a percentage of net property, as follows -

Net property less than £10,000	50% unless the Joint Administrators consider that the costs of making a distribution to the non-preferential creditors would be disproportionate to the benefits
Net property greater than £10,000	50% up to £10,000 plus 20% thereafter to a maximum of £600,000

- 9 10 Whilst the Company granted both SDR and NatWest floating charges over the Company's assets on 4 September 2014, the Company does not have any known non-preferential creditors. The Prescribed Part Provisions would therefore not apply.

- 9 11 However, in the event that the Joint Administrators are notified of non-preferential claims, it is not anticipated that SDR will be repaid in full under their floating charge security, at which point the Prescribed Part would apply. This position will continue to be monitored.

### **Non-Preferential Creditors**

- 9 12 According to the available records of the Company, there are no non-preferential creditors in this instance.

## **10. EC Regulation**

- 10 1 It is the Joint Administrators' opinion that the EC Regulation applies and these proceedings are main proceedings as defined in Article 3 of the EC Regulation. The centre of main interest of the Company is in England.

## **11 Creditors' Meeting**

- 11 1 In accordance with Paragraph 52(1) of Schedule B1 to the Act, a creditors' meeting will not be convened as the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part (if any), and neither of the first two objectives described in paragraph 4.1 above can be achieved for the reasons already summarised in paragraph 4.2.

- 11 2 However, the Joint Administrators shall summon an initial creditors' meeting, if requested to by the creditors of the Company, whose debts amount to at least 10% of the total debts of the Company, using the prescribed form 2.21B, attached at Appendix 8, within 8 business days from the day these proposals are sent out.

- 11 3 Creditors are reminded that the costs of any meeting called shall be paid for by them and that a deposit will be required for this purpose. These costs may be ordered to be paid as an expense of the Administration if the meeting so resolves.

## **12. End of the Administration**

- 12 1 The options available to the Joint Administrators for the exit from the Administration are as follows
- Compulsory Liquidation
  - Creditors' Voluntary Liquidation
  - Company Voluntary Arrangement
  - Dissolution of Company
- 12 2 In this instance, as there are no known non-preferential creditors, it is not expected that the Company will exit Administration into Compulsory or Creditors' Voluntary Liquidation. In the event that the Joint Administrators were to be notified of a non-preferential claim, were a distribution possible, such a distribution would only likely be payable from the Prescribed Part, as it is not anticipated SDR will be repaid in full from their floating charge security. Therefore Creditors' Voluntary Liquidation would also be inappropriate in this instance.
- 12 3 As such, it is considered likely that the Company will be moved to dissolution or a Company Voluntary Arrangement, subject to the realisations available from the Administration of DGUK and the intercompany loan.
- 12 4 You will note from the proposals section below that the Joint Administrators have left the choice of exit route from Administration open so that an alternative strategy can be adopted, should this prove more appropriate at the time.

## **13. Joint Administrators' Proposals**

- 13 1 The Joint Administrators propose the following
- 13 1 1 That the Joint Administrators continue the Administration to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect.
- 13 1 2 That the Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration.
- 13 1 3 That the Joint Administrators, once all outstanding matters have been satisfactorily completed, take the necessary steps to give notice under Paragraph 84 of Schedule B1 of the Act to the Registrar of Companies to the effect that the Company has no remaining property which might permit a distribution to its creditors, at which stage the Administration will cease.
- 13 1 4 That the Joint Administrators, should non-preferential claims be lodged in the Administration and they consider that there are funds available to be distributed to the such creditors (other than under the Prescribed Part) take the necessary steps to put the Company into either Creditors' Voluntary Liquidation or into Compulsory Liquidation as they deem appropriate. It is proposed that the Joint Administrators, currently Philip Duffy and Benjamin Wiles of Duff & Phelps would act as Joint Liquidators should the Company be placed into Creditors' Voluntary Liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Act and Rule 2.117A of the Rules creditors may nominate a different person as the proposed Liquidator, provided the nomination is received at this office prior to the approval of these proposals. In the absence of such nomination, the Joint Administrators will be appointed Joint Liquidators and in accordance with Section 231 of

the Act, any act required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them

- 13 1 5 That the Joint Administrators, should they consider it appropriate, be able to propose a Company Voluntary Arrangement for the Company to exit the Administration. It is proposed that the Joint Administrators, currently Philip Duffy and Benjamin Wiles of Duff & Phelps would act as Joint Supervisors of the prospective Company Voluntary Arrangement.
- 13 1 6 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing.
- 13 1 7 Where a Creditors' Committee is not established, that the Joint Administrators' remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration.
- 13 1 8 Where a Creditors' Committee is not established, that the Joint Administrators' Fee Estimate in the total sum of £76,905 to 31 March 2016 is approved.
- 13 1 9 Where a Creditors' Committee is not established, that the Joint Administrators be authorised to draw their company's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements").
- 13 2 Pursuant to Rule 2 33(5) of the Rules, the proposals in paragraphs 13 1 1 to 13 1 5 above shall be deemed to be approved by the creditors on the expiry of the period in which a meeting can be requisitioned by creditors in the manner described in paragraph 11 2 above, provided that no meeting has been so requisitioned.
- 13 3 The Joint Administrators will be seeking the following specific resolutions from the Secured Creditors:
- 13 3 1 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing.
- 13 3 2 That the Joint Administrators' remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration.
- 13 3 3 That the Joint Administrators' Fee Estimate in the total sum of £76,905 to 31 March 2016 is approved.
- 13 3 4 That the unpaid Pre Administration Costs totalling £56,935 plus VAT as detailed in the Joint Administrators' statement of pre-administration costs is approved for payment as an expense of the Administration.

Supplier	Cost
Duff & Phelps pre administration fees	£9,681 plus VAT
DLA Legal Fees	£45,400 plus VAT
DLA Disbursements	£1,854 plus VAT
<b>TOTAL unpaid pre administration costs</b>	<b>£56,935 plus VAT</b>

- 13 3 5 Where a Creditors' Committee is not established, that the Joint Administrators be authorised to draw their company's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements").

13 3 6 That the Joint Administrators be instructed to vote on the following resolutions in connection with a meeting of creditors of DGUK to be held by correspondence on 27 November 2015

- 1 That the Joint Administrators' proposals as circulated are accepted
- 2 That a Creditors' Committee be established
- 3 That the unpaid pre-Administration costs of £204,233 plus VAT, as detailed in the Joint Administrators statement of pre-Administration costs and in the table below is approved for payment as an expense of the Administration

Supplier	Cost £
Duff & Phelps pre administration fees	£33,336 plus VAT
Duff & Phelps Category 1 disbursements	£120 plus VAT
Duff & Phelps Category 2 disbursements	£322 plus VAT
Winterhill Asset Fees	£13,000 plus VAT
Winterhill Asset Disbursements	£600 plus VAT
DLA Piper Legal Fees	£57,923 plus VAT
DLA Piper Legal Disbursements	£1,000 plus VAT
Ansarada	£500 plus VAT
MAPS Security	£14,209 plus VAT
Begbies Traynor	£25,079 plus VAT
Declan McKelvey	£9,800 plus VAT
Pinsent Masons LLP	£7,184 plus VAT
IBS International	£34,930 plus VAT
Powerhouse Golf Limited (in Administration)	£6,230 plus VAT
<b>Total unpaid pre-administration costs</b>	<b>£204,233 plus VAT</b>

**14. Other Matters**

- 14 1 If any creditor has any information concerning the Company's affairs that they would like to bring to the Joint Administrators' attention, then they would be pleased to hear from them
- 14 2 If you require further information or assistance, please do not hesitate to contact Chris Lawton of this office



**Philip Duffy**  
Joint Administrator

Encs

The affairs business and property of the Company are being managed by the Joint Administrators, Philip Duffy and Benjamin Wiles, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association.



## **Appendix 1**

### **Statutory and Financial Information**

**Statutory Information**

<b>Date of Incorporation</b>	23 April 2010
<b>Registered Number</b>	07233549
<b>Company Director(s)</b>	John Andrew
<b>Company Secretary</b>	Elizabeth Hibbard
<b>Shareholders</b>	John Andrew – 75 Ordinary £1 Shares (75%) SDI Golf Limited – 25 Ordinary £1 Shares (25%)
<b>Trading Address</b>	Union Mills Bankwell Road Milnsbridge Huddersfield HD3 4LU
<b>Registered Office</b>	<b>Current:</b> The Chancery 58 Spring Gardens Manchester M2 1EW  <b>Former:</b> Union Mills Bankwell Road Milnsbridge Huddersfield HD3 4LU
<b>Any Other Trading Names</b>	None

## Financial Information

### Balance Sheet

		As at 30 Sept 2014 (Audited)		As at 30 April 2014 (Dormant)
<b>Fixed Assets</b>	£	35,687	£	-
<b>Current Assets</b>				
Debtors	£	2,219,221	£	-
Cash at Bank and in Hand	£	-	£	1
	£	2,219,221	£	1
<b>Current Liabilities</b>				
Accruals and Deferred Income	£	(9,808)	£	-
<b>Net Current Assets</b>	£	2,209,413	£	1
<b>Total Assets less Current Liabilities</b>	£	2,245,100	£	1
Long Term Liabilities	£	(2,250,000)	£	-
<b>Total Assets less Total Liabilities</b>	£	(4,900)	£	1
<b>Capital and Reserves</b>				
Share Capital	£	100	£	1
Profit and Loss Account	£	(5,000)	£	1
	£	(4,900)	£	1

## Group Profit and Loss

		<b>Year Ended 30 Sept 2014 (Revised)</b>	<b>Year Ended 30 Sept 2013 (Comparative)</b>
<b>Turnover</b>	£	<b>21,395,624</b>	£ <b>24,709,901</b>
<b>Costs of Sales</b>	£	<b>(13,094,890)</b>	£ <b>(15,885,689)</b>
<b>EBITDA</b>	£	<b>8,300,734</b>	£ <b>8,854,212</b>
Distribution Costs	£	(297,272)	£ (342,407)
Administrative Expenses	£	(7,802,657)	£ (8,096,522)
Other Operating Income	£	49,807	£ 187,822
<b>Operating Profit/(Loss)</b>	£	<b>250,612</b>	£ <b>603,105</b>
Interest	£	(68,799)	£ (61,676)
<b>Profit/(Loss) Before Tax</b>	£	<b>181,813</b>	£ <b>541,429</b>
Corporation Tax	£	(74,937)	£ (89,186)
<b>Retained Profit/(Loss) for the Year</b>	£	<b>106,876</b>	£ <b>452,243</b>

Please note, an individual profit and loss account for the Company has not been made available to the Joint Administrators, although, the Company was a non-trading holding entity

**Appendix 2**

**Receipts and Payments Account**

**Powerhouse Golf Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**  
**To 19/11/2015**

<b>S of A £</b>	<b>£</b>	<b>£</b>
SECURED ASSETS		
Investments - DGUK & JLG	<u>NIL</u>	NIL
ASSET REALISATIONS		
DGUK - Unsecured Dividend	NIL	
Tax Loss Consideration	NIL	
Sports Direct com contribution	<u>12,840 00</u>	12,840 00
COST OF REALISATIONS		
IT Costs	8,883 06	
Irrecoverable VAT	1,776 61	
Bank Charges	<u>23 00</u>	(10,682 67)
FLOATING CHARGE CREDITORS		
National Westminster Bank Plc	NIL	
Sportsdirect com Retail Limited	<u>NIL</u>	NIL
UNSECURED CREDITORS		
Trade & Expense Creditors	<u>NIL</u>	NIL
DISTRIBUTIONS		
Ordinary Shareholders	<u>NIL</u>	NIL
		<u><u><b>2,157.33</b></u></u>
REPRESENTED BY		
Floating/main current account		2,157 33
		<u><u><b>2,157.33</b></u></u>

Note:

### **Appendix 3**

#### **Schedule of Creditors and Estimated Statement of Financial Position**

Insolvency Act 1986

Powerhouse Golf Limited  
Estimated Statement of Financial Position as at 1 October 2015

	Book Value £	Estimated to Realise £	£
<b>ASSETS</b>			
Investments - DGUK & JLG	35,687 00	NIL	
DGUK - Unsecured Dividend	3,750,000 00		Uncertain
Tax Loss Consideration	Uncertain		Uncertain
			<u>NIL</u>
<b>LIABILITIES</b>			
<b>PREFERENTIAL CREDITORS -</b>			
			<u>NIL</u>
			NIL
<b>DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003</b>			
<b>OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS</b>			
			<u>NIL</u>
			NIL
Estimated prescribed part of net property where applicable (to carry forward)			<u>NIL</u>
			NIL
<b>DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003</b>			
National Westminster Bank Plc		Uncertain	
Sportsdirect com Retail Limited		3,750,000 00	
			<u>3,750,000 00</u>
			<u>(3,750,000 00)</u>
Estimated prescribed part of net property where applicable (brought down)			<u>NIL</u>
			NIL
<b>Unsecured non-preferential claims (excluding any shortfall to floating charge holders)</b>			
Trade & Expense Creditors		<u>NIL</u>	
			<u>NIL</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F C's post 14 September 2003)			NIL
Shortfall in respect of F C's post 14 September 2003 (brought down)			<u>3,750,000 00</u>
			<u>(3,750,000 00)</u>
<b>Issued and called up capital</b>			
Ordinary Shareholders		100 00	
			<u>100 00</u>
<b>TOTAL SURPLUS/(DEFICIENCY)</b>			<u>(3,750,100 00)</u>



Name	Address 1	Address 2	Address 3	Address 4	Claim £
Sportsdirect com Retail Limited	Unit A Brook Park East	Mansfield	Nottinghamshire	NG20 8RY	3,750,000 00
National Westminster Bank Plc	1 Victoria Place	Holbeck	Leeds	LS11 5AN	Unknown
Total					3,750,000 00

## **Appendix 4**

### **Analysis of Time Charged and Expenses Incurred**

## 64207 POWERHOUSE GOLF LIMITED

## ANALYSIS OF TIME COSTS FOR THE PERIOD 23/09/2015 to 01/10/2015

ADP-Admin - Pre Appt

Classification of Work Function	Hours					Total Hours	Time Cost	Avg Hourly Rate
	Partner	Manager	Senior	Assistant	Support			
<b>Administration and Planning</b>								
Dealing with notice of intention to appoint	0 00	0 00	0 00	1 50	0 00	1 50	315 00	210 00
IPS set up & maintenance	0 00	3 00	0 00	0 00	0 00	3 00	1,005 00	335 00
Strategy planning & control	5 10	15 75	0 00	0 00	0 00	20 85	8,361 25	401 02
<b>Total Hours</b>	<b>5 10</b>	<b>18 75</b>	<b>0 00</b>	<b>1 50</b>	<b>0 00</b>	<b>25 35</b>		<b>381 90</b>
<b>Total Fees Claimed</b>	<b>2,455 00</b>	<b>6,911 25</b>	<b>0 00</b>	<b>315 00</b>	<b>0 00</b>		<b>9,681 25</b>	

**POWERHOUSE GOLF LIMITED**

**ANALYSIS OF TIME COSTS FOR THE PERIOD 01/10/2015 to 18/11/2015**

ADM-Admin - Post Appt

Classification of Work Function	Hours					Total Hours	Time Cost	Avg Hourly Rate
	Partner	Manager	Senior	Assistant	Support			
<b>Administration and Planning</b>								
Case review and Case Diary management	1 50	0 80	0 00	1 50	0 00	3 80	1,378 00	362 63
Cashiering & accounting	0 00	0 00	0 80	0 00	0 00	0 80	282 00	327 50
Statutory matters (Meetings & Reports & Notices)	0 00	2 20	0 00	9 25	0 00	11 45	2,679 50	234 02
Strategy planning & control	0 00	24 20	0 00	1 00	0 00	25 20	8,257 00	367 34
Insurance	0 00	0 00	0 00	0 50	0 00	0 50	105 00	210 00
<b>Creditors</b>								
Communications with Creditors/Employees	1 00	0 50	0 00	0 00	0 00	1 50	637 50	425 00
Secured Creditors	0 00	0 00	0 00	0 00	0 00	2 50	937 50	375 00
<b>Investigations</b>								
CDDA & Reports & communications	0 00	2 00	0 00	0 00	0 00	2 00	750 00	375 00
<b>Total Hours</b>	<b>2 50</b>	<b>32 20</b>	<b>0 80</b>	<b>12 25</b>	<b>0 00</b>	<b>47 75</b>		<b>335 21</b>
<b>Total Fees Claimed</b>	<b>1,245 00</b>	<b>11,927 00</b>	<b>262 00</b>	<b>2,572 50</b>	<b>0 00</b>		<b>15,006 50</b>	

**Appendix 5**

**Fee Estimate**

## Fees Estimate

### Powerhouse Golf Limited

From 1 Oct 2015 To 31 Mar 2016

Administration - Post Appointment (New)							
Classification of Work Function	Hours				Total Hours	Time Cost	Avg. Hourly
	Partner	Manager	Senior	Assistant	Support		
Admin & Planning							
Case review and Case Diary management	4 00	7 00	0 00	5 00	0 00	6,630 00	414 38
Cashiering & accounting	0 00	2 00	3 00	5 00	0 00	2,965 00	296 50
Dealings with Directors and Management	4 00	10 00	0 00	4 00	0 00	7,840 00	435 56
Statutory matters (Meetings, Reports and Notices	4 00	10 00	0 00	15 00	0 00	10,370 00	357 59
Strategy planning & control	5 00	25 00	0 00	1 00	0 00	14,880 00	480 00
Creditors							
Secured Creditors	2 00	10 00	0 00	10 00	0 00	8,160 00	370 91
Investigations							
CDDA, reports & Communication	2 00	8 00	0 00	15 00	0 00	8,350 00	334 00
Financial review and investigations (S238/239 etc	6 00	10 00	0 00	15 00	0 00	11,430 00	368 71
Realisation of assets							
Book debts	1 00	4 00	0 00	4 00	0 00	3,370 00	374 44
Pre-Appointment Tax Reclaims	1 00	4 00	0 00	2 00	0 00	2,910 00	415 71
Total Hours	29.00	90.00	3.00	76.00	0.00		
Total Estimated Fees	15,370.00	43,200.00	855.00	17,480.00	0.00	76,905.00	

## **Appendix 6**

### **Estimated Expenses of the Administration**

## APPENDIX 6

**Powerhouse Golf Limited (In Administration)**  
**Administrators' Estimated Expenses for Whole Period of Administration**

<b>Notes</b>	<b>Company (if already instructed)</b>	<b>Activity</b>	<b>Date of Fee Basis Instruction</b>	<b>Anticipated Total Costs</b>
1	<b>Professional Advisors</b>			<b>£</b>
2	DLA Piper UK LLP	Solicitors Assistance with investigations	01-Oct-15 Time costs	87,000 00
2	DLA Piper UK LLP	Disbursements	01-Oct-15 Costs incurred	22,000 00
3	Accountants	Corporation Tax/VAT advice and returns	not yet instructed Time costs	5,000 00
	<b>Total professional advisor costs</b>			<b>114,000 00</b>
	<b>Disbursements</b>			
4	<b>Category 1</b>			
5		Statutory advertising		84 60
6		Bond premium		225 00
7		Land Registry fees		11 00
8		Storage		500 00
	<b>Total Category 1 disbursements</b>			<b>820 60</b>
9	<b>Category 2</b>			
	None			
	<b>Total Category 2 disbursements</b>			<b>0 00</b>
10	<b>Total Estimated Expenses</b>			<b>TOTAL <u>£114,820 60</u></b>



#### Notes to Estimated Expenses Schedule

- 1 The Joint Administrators' choice of professional advisors will be based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and the basis of their fee
- 2 Legal fees and disbursements are anticipated to be incurred in assisting the Joint Administrators with their investigations into the Company's affairs, the resultant asset realisations and ad hoc legal advice. This estimate includes legal expenses already incurred of £57,000 plus VAT and disbursements of £22,000 plus VAT
- 3 Accountants will be instructed to complete a review of the Company's tax position within the last three years to understand any terminal loss relief claim and advice on the utilisation of losses
- 4 **Category 1 disbursements** are payments to independent third parties where there is specific expenditure directly referable to the Administration
- 5 Statutory advertising in the London Gazette is required under the insolvency legislation
- 6 This is a statutory requirement and cost based on the value of assets
- 7 Land Registry searches are required to confirm details of premises (ownership, holding, charges, plans, leases etc and extent of property ownership)
- 8 Books and records of the Company will be stored off site with an external provider for at least the duration of the Administration plus one year. In addition, it is a statutory requirement that books and records of the Administrator must be kept for 6 years after the conclusion of the Administration
- 9 **Category 2 disbursements** are costs that are directly referable to the Administration but not to a payment to an independent third party
- 10 **The total anticipated expenses is an estimate based on information at the commencement of the appointment. The estimate should therefore be treated with caution as matters are likely to change over the life of the Administration**

The above costs exclude VAT

## **Appendix 7**

### **Fees Narrative**

## **Powerhouse Golf Limited - in Administration**

Philip Francis Duffy and Benjamin John Wiles appointed on 1 October 2015

Administration commenced on 1 October 2015

### **Introduction**

The following information is provided to creditors to enable them to consider and approve the Joint Administrators' remuneration. It is a summary of key issues, to assist creditors in understanding the Administration strategy, the associated costs and expenses of the related activities and the financial benefit to creditors.

This document should be read in conjunction with the Joint Administrators' Proposals which provides further details of the assets, liabilities and estimated return to creditors, if any. Particular reference is made to the Appendices entitled 'Analysis of Time Charged and Expenses Incurred', 'Fee Estimate' and 'Estimated Expenses of the Administration'.

### **Estimated Fees and Expenses**

The Joint Administrators propose that their fees will be based on the time costs properly incurred.

#### *Time Costs Incurred to Date*

To date, the Joint Administrators have incurred time costs of £15,006 as detailed at Appendix 4. In accordance with SIP 9, the Joint Administrators comment on the key areas where time costs have been incurred to date as follows:

Time costs of £2,680 have been spent in dealing with Statutory Matters (meetings, reports and notices). This represents time spent drafting, reviewing and circulating the statutory letters and other notices that are required as part of an Administration, as well as drafting this proposal report to creditors.

Time costs of £8,257 have been incurred under the heading strategy, planning and control, in particular the logistics surrounding the Administration of the other Group companies, including corresponding with the SDR with regard to the proposed strategy, in its capacity as secured and appointing creditor.

A total of £4,069 has been spent in other areas of the case, including corresponding with the Secured Creditors, preparing internal case reviews as required by the Joint Administrators' regulatory bodies and general accounting and cashing requirements for the case.

#### *Estimated Fees and Other Expenses*

The Joint Administrators have also provided creditors with an estimate of the fees expected to be incurred and paid in the first six months from the Appointment Date. This estimate is shown in Appendix 5 and incorporates the time costs that have been incurred to date. The estimate is provided for the first six months of the Administration only due to the complexities of the case and additional investigation work that is required in this instance for both the Company and connected transactions across the Group. The Joint Administrators will provide an update on the estimate in their first progress report to creditors which will be circulated before 31 March 2016.

The Administrators estimate the expenses of the Administration to total about £114,821 (as shown in Appendix 6 Estimated Expenses of the Administration). This Appendix illustrates the estimated expenses for the whole of the Administration and is for information purposes (not for approval by any class of creditor). This Estimate may change over the course of the Administration but creditors will be informed of any variations with associated reasons in the annual Progress Reports.

The Secured Creditors are therefore asked to approve the fee basis (time costs) as part of the proposals detailed at paragraph 13.17 in section 13 of the report and also the Fee Estimate in the total sum of £76,905 for the period 1 October 2015 to 31 March 2016. The assumptions surrounding the estimates of these time costs have been discussed in more detail below.

## **Estimated Return to Creditors**

On present information it is likely that there will be sufficient asset realisations to enable a distribution to SDR under the floating charge element of its security, the quantum and timing of any distribution is wholly dependent on the outcome of the future asset realisations, the deduction of the associated costs of the Administration and subject to NatWest confirming a nil liability under its prior ranking security, although any liability is expected to be called upon in the first instance under DGUK

Based upon present information from the available Company records, no preferential or non-preferential claims are expected to be received in the Administration, however, this position will continue to be monitored by the Joint Administrators

## **Strategy**

### *Asset Realisations*

The remaining assets and the strategy for realising the remaining assets are detailed at paragraph (5 11 to 5 15) of the report. The Joint Administrators must realise these assets in line with their statutory duties to all classes of creditors

The main assets that remain to be realised are as follows,

- *Intercompany Debt - £3 75m (as discussed in sections 5 11 to 5 13 of the report)*
- *Tax Losses – value undisclosed (as discussed in section 5 14 to 5 15 of the report)*

A total of 9 hours are expected to be incurred in dealing with the realisation of the intercompany debt. Whilst the majority of this time is allocated to senior levels of staff, the benefit from the realisations in this regard is expected to outweigh the cost incurred. However, due to the nature of this asset, it is not possible to estimate the benefit to the Administration estate.

A total of 7 hours is expected to be incurred dealing with "Pre-appointment Tax Reclaims" representing the time to be spent liaising with the appointed accountants and SDR regarding the Group's tax losses in the periods prior to the Appointment Date.

On present information it is estimated that the Administrators' time costs in realising assets will be £6,280 (inclusive of time costs incurred to date). Expected realisations are detailed within the noted sections of the Proposals, however additional clarity cannot be provided surrounding the final recoveries on the intercompany debt, as the Joint Administrators do not have full visibility as to the prospect or quantum of a dividend from the Administration of DGUK until the asset realisations of that Administration are complete, the Joint Administrators believe that a surplus to the Administration estate will be generated when considering time and other costs directly attributable to the realisation of these assets.

### *Investigations*

It is a statutory requirement that the Administrators provide a report to the DBIS on the conduct of the directors in their management of the Company to determine their unfitness to act in such a role. All directors who held office in the previous three years will be reported on. This will entail a broad level of investigation to ensure that best practice standards are met and the Fee Estimate reflects this standard. If the DBIS then instigates Directors Disqualification proceedings, further time may be expended in providing supporting documents, witness statements etc. Such investigation may or may not lead to further asset recovery so creditors should not assume that this activity will provide a monetary benefit to the Administration estate.

Due to the restatement of the FY14 Group accounts, the complexity of its financial affairs and transactions with other Group companies, it is necessary to carry out a further detailed forensic review of both the financial and non-financial records of the Group to determine any further avenues of asset realisations. These investigations will include interviews with key persons who the Joint Administrators believe may have additional information that is relevant to the investigations.

The time estimated to be spent specifically assessing the directors' conduct is currently estimated at £8,350 with the assessment of financial and other information for the reasons noted above estimated at a cost of £11,430. The quantity and quality of the information available is uncertain as is the number and length of the interview process and the interaction with legal advisors and other agents. Should circumstances prove more difficult it is likely that the Fee Estimate may need to increase at the date of the next reporting milestone (being the six month period from 1 April 2016) creditors will be consulted as appropriate. Due to the complexity of the investigations and the poor quality financial information available, more experienced staff are conducting the review and liaising with solicitors to take the matter to conclusion.

Full details of the investigations to be conducted cannot be disclosed at this stage in order to avoid prejudicing any potential recovery or action in this regard.

#### *Statutory Compliance*

An Administrator is highly regulated, and is required to conform to insolvency legislation, industry Best Practice policies (Statements of Insolvency Practice) and relevant case law. Consequently, Administrators are obliged to undertake many activities that do not provide a direct financial benefit to creditors. Such matters will include, but are not restricted to: Anti Money Laundering, Bribery Act and Ethical considerations and checks, statutory advertising, regular reporting to creditors including fee agreement procedures, obtaining and securing company books and records, pension review and liaison with the Pension Protection Fund, Companies House filing, completion and release of insolvency bond and various Treasury functions. Time costs are estimated at £42,685 in the above areas.

Invariably, additional time will also be required to deal with specific creditor claims and review of claims, a total of £8,160 has been estimated as being spent in this area.

Please note that all the above estimates incorporate the time that has already been incurred to date in this matter.

**Appendix 8**

**Form 2.21B Creditor's Request for a Meeting**

## Rule 2.37

## Creditor's request for a meeting

Name of Company

Powerhouse Golf Limited

Company number

07233549

In the High Court of Justice

Manchester District Registry, Chancery Division

Court case number

3028 of 2015

(a) Insert full name and address of the creditor making the request

I (a)

(b) Insert full name and address of registered office of the company

request a meeting of the creditors of Powerhouse Golf Limited

(b) Registered Office

The Chancery  
58 Spring Gardens  
Manchester  
M2 1EW

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and address(es) of creditors concurring with the request (if any) and their claims in the administration if the Requesting creditor's claim is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of concurrence

(e) Insert details of the purpose of the meeting

The purpose of the meeting is (e)

Signed

---

Dated

---

**Appendix 9**

**Proof of Debt Form**



**Proof of Debt – General Form**

<b>Powerhouse Golf Limited (In Administration)</b>		
Date of Administration 01/10/2015		
1	Name of creditor (If a company please also give company registration number)	
2	For correspondence Address of creditor	
	Contact telephone number of creditor	
	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 There is no need to attach them now but the Administrator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting)	
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)	
<b>For Administrators' Use only</b>		
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Administrator		Administrator