

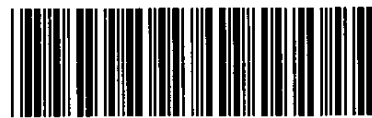
AM10

Notice of administrator's progress report



Companies House

TUESDAY



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08/10/2019

#110

COMPANIES HOUSE

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1 Company details

Company number 1 0 3 0 0 4 2 4

Company name in full Daytona Bidco Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals

2 Administrator's name

Full forename(s) Mark Granville

Surname Firmin

3 Administrator's address

Building name/number Suite 3 Regency House

Street 91 Western Road

Post town Brighton

County/Region

Postcode B N 1 2 N W

Country United Kingdom

4 Administrator's name ①

Full forename(s) Richard Dixon

Surname Fleming

① Other administrator

Use this section to tell us about
another administrator

5 Administrator's address ②

Building name/number Suite 3 Regency House

Street 91 Western Road

Post town Brighton

County/Region

Postcode B N 1 2 N W

Country United Kingdom

② Other administrator

Use this section to tell us about
another administrator

AM10

Notice of administrator's progress report

6

Period of progress report

From date	d 1	d 0	m 0	m 3	y 2	y 0	y 1	y 9
To date	d 0	d 9	m 0	m 9	y 2	y 0	y 1	y 9

7

Progress report

☒ I attach a copy of the progress report

8

Sign and date

Administrator's
signature

Signature

X



X

Signature date

d 0	d 8	m 1	m 0	y 2	y 0	y 1	y 9
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**Presenter information**

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

Contact name **Alex Godfrey**

Company name **Alvarez & Marsal Europe LLP**

Address **Suite 3 Regency House**

91 Western Road

Post town **Brighton**

County/Region

Postcode **B N 1 2 N W**

Country **United Kingdom**

DX

Telephone **020 7715 5200**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ¹
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

¹ You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Richard James
Surname Beard

3 Insolvency practitioner's address

Building name/number Suite 3 Regency House
Street 91 Western Road
Post town Brighton
County/Region
Postcode B N 1 2 N W
Country United Kingdom

DAYTONA BIDCO LIMITED (IN ADMINISTRATION)

Joint Administrators' second progress report for the period 10 March 2019 to 9 September 2019

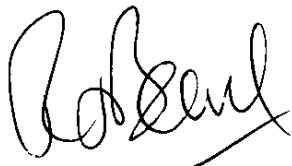
8 October 2019

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1 Executive summary

- This progress report covers the period from 10 March 2019 to 9 September 2019 for Daytona Bidco Limited (in administration) ("the Company").
- The Company's main asset is an intercompany receivable of £84.8 million due from JD Classics Holdings Limited (in administration) ("JDCHL"). As there are unlikely to be any floating charge realisations in the JDCHL estate, we do not anticipate that the Company will recover any value from this inter-company receivable (refer to section 2 – Progress to date).
- There have been no realisations in the Company in the period covered by this report.
- Any future recoveries by the Company are likely to be in relation to legal claims, although the potential outcomes in this regard are uncertain.
- Net realisations from the Company's assets are likely to be insufficient to enable the Secured Lenders to be repaid in full (refer to section 3 – Dividend prospects).
- We are not aware of any preferential claims against the Company (refer to section 3 – Dividend prospects).
- Returns to unsecured creditors are dependent upon the outcome of litigation and potential claims, which are currently uncertain (refer to section 3 – Dividend prospects).
- The secured creditors of the Company granted a 12-month extension to the period of the administration on 23 April 2019, to allow ongoing legal disputes to be progressed and other outstanding matters to be finalised. The administration has been extended to 9 September 2020.
- Please note that you should read this progress report in conjunction with our first progress report and proposals which were issued to the Company's creditors and are available on request from the Joint Administrators. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Richard Beard

Joint Administrator

2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our previous progress report.

2.1 Strategy and progress to date

The Secured Lenders agreed to provide funding of £250,000 to the Company to support the administration strategy.

The Company's main asset is an inter-company receivable of £84.8 million due from JDCHL. As there are unlikely to be any floating charge realisations in the JDCHL estate, we do not anticipate that the Company will recover any value from this inter-company receivable.

Our strategy is to continue to pursue recoveries from litigation against various parties, including in relation to the claim brought by the Company against Mr Derek Hood, prior to our appointment. Litigation claims are the only likely source of recoveries for the Company, however the prospect of recoveries from litigation remains uncertain.

2.2 Asset realisations

There have been no realisations by the Company in the period of this report. The only receipts in the period of this report relate to bank interest received (refer to the receipts & payment account in Appendix A2 for details).

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (A2 Appendix).

The only material costs paid in the period are legal fees of £51,526 incurred in relation to legal disputes with third parties.

2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (A3 Appendix).

The only expense which has been incurred in the period but has not yet been paid is the Joint Administrators' time costs of £30,659. See section 4.1 further details in relation to the Joint Administrators' remuneration.

3 Dividend prospects

3.1 Secured creditors

The Secured Lenders have submitted a claim in the administration for £76.2 million in respect of their secured indebtedness.

Any distribution to the Secured Lenders from the Company will be limited to any recoveries from legal claims.

Net realisations from the Company's assets are likely to be insufficient to enable the Secured Lenders to be repaid in full

3.2 Preferential creditors

We are not aware of any preferential claims against the Company.

3.3 Unsecured creditors

Based on current estimates, it is unlikely that there will be a dividend to unsecured creditors of the Company. However, if there are recoveries from legal claims, a distribution to unsecured creditors may be possible.

4 Joint Administrators' remuneration and disbursements

4.1 Joint Administrators' remuneration and disbursements

During the previous reporting period, the Company's secured creditors approved our fees estimate of £250,000, as provided in our proposals..

4.1.1 Time costs

During the period from the date of our appointment to 9 September 2019, we have incurred time costs of £131,489. These represent 303 hours at an average rate of £434 per hour.

4.1.2 Remuneration

During the period, we have not drawn any remuneration.

4.1.3 Disbursements

During the period, we have not incurred any disbursements.

4.1.4 Additional information

We have attached at A4 Appendix an analysis of the time spent, the charge-out rates for each grade of staff for the period from our appointment to 9 September 2019. We have also attached our charging and disbursements policy.

5 Future strategy

5.1 Future conduct of the administration

We will continue to manage the affairs of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- Continuing, where appropriate, to pursue recoveries from ongoing litigation and other legal claims;
- Attending to all statutory requirements,
- Finalising the Company's tax affairs; and
- Undertaking procedures to exit the administration.

5.2 Extension of the administration

The duration of the administration is restricted to 12 months from the date of commencement unless it is extended with the permission of the creditors or the Court.

During the period the Company's secured creditors granted a 12-month extension to the period of the administration.

The administration is currently due to end on 9 September 2020.

5.3 Discharge from liability

The Company's secured creditors granted approval that we be discharged from liability in respect of any actions as Joint Administrators upon filing our final receipts and payments account with the Registrar of Companies.

5.4 Future reporting

We will provide a further progress report within one month of 9 March 2020 or earlier if the administration has been completed prior to the that time

A1 Appendix – Statutory information

Company information	
Company name	Daytona Bidco Limited
Date of incorporation	28 July 2016
Company registration number	10300424
Present registered office	Suite 3 Regency House, 91 Western Road, Brighton, East Sussex, BN1 2NW
Administration information	
Administration appointment	The administration appointment granted in the High Court of Justice, case number CR-2018-007531
Appointor	The directors of Daytona Bidco Limited
Date of appointment	10 September 2018
Joint Administrators	Richard Dixon Fleming, Mark Granville Firmin and Richard James Beard, all of Alvarez & Marsal Europe LLP
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current Administration expiry date	9 September 2020

A2 Appendix – Joint Administrators' receipts and payments account

Statement of Affairs £	From 10/03/2019 To 09/09/2019 £	From 10/09/2018 To 09/09/2019 £
ASSET REALISATIONS		
Secured Lender Loan	NIL	100,000.00
	NIL	100,000.00
OTHER REALISATIONS		
Bank Interest Gross	23.20	46.47
	23.20	46.47
COST OF REALISATIONS		
Bank Charges	0.80	0.80
Irrecoverable VAT	774.00	836.00
Legal Fees	51,525.76	51,835.76
Other Property Expenses	NIL	11.00
Re-Direction of Mail	NIL	2,470.00
Specific Bond	NIL	200.01
Statutory Advertising	NIL	71.15
	(52,300.56)	(55,424.72)
	(52,277.36)	44,621.75
REPRESENTED BY		
Bank 2 Current - Floating		35,076.38
Vat Receivable		9,545.37
		44,621.75

A3 Appendix – Schedule of expenses

A3.1 Schedule of expenses

A summary of expenses incurred during the period of this report is set out below.

Schedule of expenses			
Expense	Incurred and paid in the period (£)	Incurred in the period and not yet paid (£)	Total
Bank charges	0.80	-	0.80
Irrecoverable VAT	774.00	-	774.00
Legal fees	4,314.76	-	4,314.76
Joint Administrators' remuneration	-	30,658.65	30,658.65
Total	52,300.56	30,658.65	82,959.21

A3.2 Requests for further information and right to challenge our remuneration and expenses

A3.1.1 Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

A3.1.2 Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Daytona Bidco Limited (in administration), at Alvarez & Marsal Europe LLP, at Suite 3 Regency House, 91 Western Road, Brighton, East Sussex, BN1 2NW.

A4 Appendix – Joint Administrators' charging and disbursement policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT and pensions from A&M in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditor's Guide to Joint Administrators' Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/what-we-do/publications/professional/fees/administrators-fees>

If you are unable to access this guide and would like a copy, please contact INS_DBL@alvarezandmarsal.com or write to us at Daytona Bidco Limited (in administration), Suite 3 Regency House, 91 Western Road, Brighton, BN1 2NW.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (£) for: Restructuring	
Grade	£/hour from 10 September 2018
Managing Director	675
Senior Director	635
Director	595
Assistant Director	535
Senior Associate	455
Associate	335
Analyst	225
Support	165

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by A&M Restructuring include mileage at a rate of 45p per mile. When carrying an A&M passenger, no additional cost per passenger will be charged.

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements are to be approved in the same manner as our remuneration.

We have not incurred any disbursements from 10 March 2019 to 9 September 2019

Joint Administrators' time and cost summary in accordance with SIP 9

Refer to the table below for a detailed breakdown of the Joint Administrators' time and cost summary in accordance with SIP 9.

Daytona Bidco Limited (in administration) Time costs for the period 10 March 2019 to 9 September 2019			
Classification of work function	Total hours	Total time costs (£)	Average hourly rate (£)
Engagement control	11.6	3,006	259
Proposals, remuneration and reporting	47.3	18,768	397
Correspondence and statutory filing	0.5	338	675
Investigations	5.0	2,504	504
Costs of realisation	0.3	101	335
Tax	9.1	5,580	613
Cashiering	0.8	364	455
Totals	74.6	30,659	411
Brought forward time (appointment date to SIP 9 period start date)	228.6	100,830	441
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	74.6	30,659	411
Totals	303.2	131,489	434

Narrative description of work proposed to be undertaken

Administrators are required to carry out certain tasks in nearly every insolvency assignment, namely administrative duties and dealing with the Company's creditors. Whilst these tasks are required by statute or regulatory guidance or are necessary for the orderly conduct of the proceedings, they do not necessarily produce any direct financial benefit for creditors, but nonetheless still have to be undertaken. This includes the categories identified below

- engagement control & strategy;
- appointment & risk;
- reports & decision making;
- elements of correspondence & statutory filing,
- investigations;
- tax compliance; and,
- cashiering.

Investigations undertaken may result in financial benefit for the creditors, however the quantum of this benefit is unknown at this stage.

SIP 9 narrative

Engagement control	<ul style="list-style-type: none">- Monitoring and reviewing the administration strategy- Briefing our staff on the administration strategy and matters in relation to various work-streams- Reviewing and authorising junior staff correspondence and other work- Dealing with queries arising during the appointment- Reviewing matters affecting the outcome of the administration- Liaising with legal advisers regarding the various instructions, including agreeing terms of engagement (and interim funding agreements)- Complying with internal filing and information recording practices, including documenting strategy decisions
Proposals, remuneration and reporting	<ul style="list-style-type: none">- Preparing statutory receipts and payments accounts- Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9- Monitoring the fees estimate- Monitoring the expenses estimate- Seeking approval of the fee and expense estimates from the relevant parties
Correspondence and statutory filing	<ul style="list-style-type: none">- Renewing bonding and complying with statutory requirements- Ensuring compliance with all statutory obligations within the relevant timescales- Providing written and oral updates to the Secured Lenders regarding the progress of the administration and case strategy- Drafting and publishing our progress reports- Dealing with creditor queries
Investigations	<ul style="list-style-type: none">- Management and review of company books & records database
Costs of realisation	<ul style="list-style-type: none">- Arranging payment of legal costs in a timely manner
Tax	<ul style="list-style-type: none">- Submitting the Company's pre-appointment corporation tax and VAT returns- Working on tax returns relating to the periods affected by the administration- Dealing with post appointment tax compliance
Cashiering	<ul style="list-style-type: none">- Reconciling post-appointment bank accounts to internal systems- Ensuring compliance with appropriate risk management procedures in respect of receipts and payments

A5 Appendix – Glossary

Any references in these proposals to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

Defined Terms	Definition
A&M	Alvarez & Marsal Europe LLP
Company	Daytona Bidco Limited (in administration)
Court	The High Court of England and Wales
JDCHL	JD Classics Holdings Limited (in administration)
Joint Administrators/we/our/us	Richard James Beard, Mark Granville Firmin and Richard Dixon Fleming
Secured Lenders	Lloyds Bank Plc and HPS Investment Partners LLC

A6 Appendix – Notice: About this progress report

This progress report been prepared by Richard Dixon Fleming, Mark Granville Firmin and Richard James Beard, the Joint Administrators of Daytona Bidco Limited ('the Company'), solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

This progress report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the same group.

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

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

Richard Dixon Fleming, Mark Granville Firmin and Richard James Beard are authorised to act as insolvency practitioners by the ICAEW.

We are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agent for the Company without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Alvarez & Marsal Europe LLP does not assume any responsibility and will not accept any liability to any person in respect of this progress report or the conduct of the administration.