

AM10

Notice of administrator's progress report



Companies House

FRIDAY



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A19

26/04/2024

#9

COMPANIES HOUSE

1	Company details	
Company number	0 3 1 6 0 1 4 5	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	WRFC Trading Limited t/a Worcester Warriors	
2	Administrator's name	
Full forename(s)	Julie	
Surname	Palmer	
3	Administrator's address	
Building name/number	Units 1-3 Hilltop Business Park	
Street	Devizes Road	
Post town	Salisbury	
County/Region	Wiltshire	
Postcode	S P 3 4 U F	
Country		
4	Administrator's name ①	
Full forename(s)	Andrew	① Other administrator Use this section to tell us about another administrator.
Surname	Hook	
5	Administrator's address ②	
Building name/number	Units 1-3 Hilltop Business Park	② Other administrator Use this section to tell us about another administrator.
Street	Devizes Road	
Post town	Salisbury	
County/Region	Wiltshire	
Postcode	S P 3 4 U F	
Country		



AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 2	^d 7	^m 0	^m 9	^y 2	^y 0	^y 2	^y 3
To date	^d 2	^d 6	^m 0	^m 3	^y 2	^y 0	^y 2	^y 4

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 2	^d 3	^m 0	^m 4	^y 2	^y 0	^y 2	^y 4
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AM10

Notice of administrator's progress report



Presenter information

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

Contact name	Anne-Marie Harding
Company name	Begbies Traynor (Central) LLP
Address	Units 1-3 Hilltop Business Park Devizes Road
Post town	Salisbury
County/Region	Wiltshire
Postcode	S P 3 4 U F
Country	
DX	salisbury@btguk.com
Telephone	01722 435190



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. ❶
Attach this to the relevant form. ❶
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

❶ 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
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Julian

Surname Pitts

3 Insolvency practitioner's address

Building name/number Floor 2

Street 10 Wellington Place

Post town Leeds

County/Region

Postcode L S 1 4 A P

Country



WRFC Trading Limited t/a Worcester Warriors
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 27/09/2023 To 26/03/2024 £	From 27/09/2022 To 26/03/2024 £
POST APPOINTMENT SALES		
Sales	8,058.33	177,247.75
	<u>8,058.33</u>	<u>177,247.75</u>
PURCHASES		
Stock	NIL	15,900.93
	<u>NIL</u>	<u>(15,900.93)</u>
OTHER DIRECT COSTS		
Direct Labour	NIL	139,438.67
Direct Expenses	NIL	3,518.21
	<u>NIL</u>	<u>(142,956.88)</u>
TRADING EXPENDITURE		
Utilities	NIL	107,183.29
Hire of Equipment	NIL	3,088.54
Sundry Expenses	NIL	11,553.75
Merchant Services Fee	NIL	9,837.04
Suppliers	NIL	10,342.35
Float Cash	NIL	650.00
Commission	NIL	924.00
	<u>NIL</u>	<u>(143,578.97)</u>
TRADING SURPLUS/(DEFICIT)	<u>8,058.33</u>	<u>(125,189.03)</u>



WRFC Trading Limited t/a Worcester Warriors
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 27/09/2023 To 26/03/2024 £	From 27/09/2022 To 26/03/2024 £
Uncertain	SECURED ASSETS		
	P Share & Fixed Interest Stocks	NIL	9,814,016.02
	Bank Interest	NIL	12.95
		NIL	9,814,028.97
	COSTS OF REALISATION		
	Legal Fees - BCLP	NIL	14,000.00
		NIL	(14,000.00)
(16,134,720.40)	SECURED CREDITORS		
	English Sports Council	NIL	9,791,216.02
		NIL	(9,791,216.02)
	ASSET REALISATIONS		
	Bank Interest Gross	5,462.41	11,476.75
	Benefit of Adopted Contracts	NIL	1.00
364,745.60	Book Debts	908.81	47,269.07
135,756.06	Cash at Bank	NIL	135,756.05
	Company Records	NIL	1.00
	Cube International - WWWL	NIL	8,800.01
Uncertain	Goodwill	NIL	816,997.00
	Insurance Claim	NIL	66,490.71
	Intellectual Property	NIL	1.00
4,400.00	IT Equipment	NIL	NIL
Uncertain	Leasehold Property	NIL	NIL
Uncertain	Other Debtors	NIL	NIL
9,610.00	Petty Cash	NIL	9,610.00
48,200.00	Plant, Machinery, Fittings and Equipm	NIL	1,233,000.00
NIL	Prepayments	NIL	NIL
Uncertain	PRL Payment	NIL	499,846.83
	Rent	NIL	600.00
1,300.00	Stock	NIL	4,938.75
	Sundry Refunds	3,369.61	4,169.61
	Third Party Funds	(12,573.82)	NIL
	Trading Surplus/(Deficit)	8,058.33	(125,189.03)
	Utilities Refund	NIL	7.00
		5,225.34	2,713,775.75
	COST OF REALISATIONS		
	Accountant's Fees	9,450.00	9,450.00
	Administrators' Expenses	24,282.11	24,282.11
	Administrators' Fees	1,300,000.00	1,300,000.00
	Agent's Fees & Disb - Eddisons	15,000.00	15,000.00
	Atlas deductions	NIL	(3,046.80)
	Bank Charges	NIL	15.00
	Director Liability - Insurance Extension	NIL	6,855.00
	Insurance of Assets	9,428.50	9,428.50
	IT Services	NIL	60,289.11
	Legal Disbursements - BCLP	NIL	514.00
	Legal Fees - BCLP	250,000.00	600,000.00
	Non Trading - Direct Costs	NIL	16,391.67
	Other Property Expenses	NIL	1,358.17
	Pension Agent - Evolve IS Ltd	NIL	150.00
	Postage	3,603.28	3,603.28
	Rent	NIL	70,335.62
	Specific Bond	1,080.00	1,080.00



WRFC Trading Limited t/a Worcester Warriors
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 27/09/2023 To 26/03/2024 £	From 27/09/2022 To 26/03/2024 £
	Statutory Advertising	NIL
	Transaction Fees	94.10
		237.80
		(1,612,843.89)
		(2,116,037.56)
	SECONDARY PREFERENTIAL CREDITORS	
(2,187,493.27)	HMRC	NIL
		NIL
	UNSECURED CREDITORS	
(488,717.12)	Banks/Institutions	NIL
(1,789.40)	Customer Deposits	NIL
(2,085,900.00)	Directors / Connected Entities	NIL
(12,306.25)	Pre Sale Ticket Holders	NIL
(386,775.03)	Season Ticket Holders	NIL
(2,855,481.67)	Trade Creditors	NIL
		NIL
	DISTRIBUTIONS	
(5,182,839.00)	Ordinary Shareholder C	NIL
(13,541,667.00)	Ordinary Shareholders A	NIL
(2,529,167.00)	Ordinary Shareholders B	NIL
		NIL
		NIL
(44,842,844.48)		
		(1,607,618.55)
		606,551.14
	REPRESENTED BY	
	Barclays Fixed Current Account	6,038.32
	Barclays Floating Current Acc NIB	220,644.72
	Barclays Trading account	73,445.00
	Suspense Account	(160.00)
	Vat Payable	(133,081.35)
	Vat Receivable	439,664.45
		606,551.14



Julie Anne Palmer, Julian Nigel Richard Pitts and Andrew Hook were appointed as joint administrators of the Company on 27 September 2022

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

WRFC Trading Limited t/a Worcester Warriors (In Administration)

Progress report of the joint administrators

Period: 27 September 2023 to 26 March 2024

Important Notice

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

Contents

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

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"Act"	The Insolvency Act 1986 (as amended)
"Appointment date"	27 September 2022
"Atlas"	Atlas Worcester Warriors Rugby Club Limited (company number 14324369), a company incorporated in England and Wales whose registered office is Unit 14 Elgar Business Centre, Moseley Road, Hallow, Worcester, Worcestershire, WR2 6NJ
"BCLP"	Bryan Cave Leighton Paisner LLP
"Club"	The Worcester Warriors Rugby Club business operated by the Company at the Appointment Date
"DCMS"	The Department for Culture, Media and Sport (formerly known as Department for Digital, Culture Media and Sport)
"Directors"	The directors of the Company from time to time
"Invested Units"	The "invested units" and "accruing units" in Premier Rugby Limited formerly by the Company pursuant to a license, services and commercial rights agreement between, among others, the Company and Premier Rugby Limited
"MQ Property"	MQ Property Co Limited (company number 11472994), a company incorporated in England and Wales whose registered office is at Offices 8 & 9 Burrough Court, Burrough on The Hill, Melton, Mowbray, Leicestershire, LE14 2QS
"Preferential creditor"	Any creditor of the Company whose claim is preferential by operation of sections 386 and 386 and Schedule 6 to the Act
"Proposals"	The administrators' statement of proposals dated 18 November 2022
"PRL"	Premier Rugby League, which is mostly comprised of (1) PRL Investor Limited and (2) Premier Rugby Limited
"P Shares"	The "P Ordinary shares" in the capital of PRL Investor Limited formerly owned by the Company.
"Reporting Period"	The period from 27 September 2023 to 26 March 2024
"RFU"	Rugby Football Union
"Sale Agreement"	The sale agreement between the administrators, the Company and Atlas in respect of the Company's business and assets dated 01 February 2023 (as amended and/or varied from time to time)
"Secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (being as defined in section 248(1)(a) of the Act)
"Security"	i. In relation to England and Wales, any mortgage, charge, lien, or other security; and

- ii. In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off)

(being as defined in section 248(1)(b) of the Act

"Sixways"	Sixways Stadium Limited (company number 14173683), a company incorporated in England and Wales whose registered office is Sixways Stadium, Warriors Way, Hindlip Worcester Warriors, Worcester, England, WR3 8ZE
"the administration"	The administration of the Company under Schedule B1 to the Insolvency Act 1986 on 27 September 2022
"the administrators" "we" "our" and "us"	<p>Julie Anne Palmer of Begbies Traynor (Central) LLP, Units 1-3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF</p> <p>Julian Nigel Richard Pitts of Begbies Traynor (Central) LLP, 4F Toronto Square, Leeds, LS1 2HJ</p> <p>Andrew Hook of Begbies Traynor (Central) LLP, Units 1-3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF</p>
"the Company"	WRFC Trading Limited (In administration)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"WSL"	Worcester Sport Limited (company number 11217381), a company incorporated in England and Wales whose registered office is at Sixways Stadium Warriors Way, Hindlip, Worcester, England, WR3 8ZE

2. STATUTORY INFORMATION

Name of Company	WRFC Trading Limited trading as Worcester Warriors (In Administration)
Trading name:	Worcester Warriors Rugby Club and Sixways Stadium
Date of Incorporation:	15 February 1996
Company registered number:	03160145
Company registered office:	Units 1 to 3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	<p>Julie Anne Palmer, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Units 1-3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF</p> <p>Julian Nigel Richard Pitts, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 4F Toronto Square, Leeds, LS1 2HJ</p>
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Andrew Hook, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 1-3 Hilltop Business Park, Devizes Road, Salisbury, Wiltshire, SP3 4UF

Date of administrators' appointment:	27 September 2022
Date of administrators' resignation:	N/A
Court:	High Court of Justice, Business and Property Courts of England and Wales
Court Case Number:	CR-2022-003292
Person making appointment / application:	The English Sports Council of 21 Bloomsbury Street, London, WC1B 3HF acting as agent and trustee for DCMS on the request of the Directors of the Company
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time
Type of Proceedings:	The proceedings will be "centre of main interest" ("COMI") proceedings
Extensions of the administration period	The administration period was extended with the consent of creditors for a period of 12 months to 26 September 2024

4. PROGRESS DURING THE PERIOD

BACKGROUND

In addition to our appointment as administrators of the Company, we have also accepted the following related appointments:

- a) On 27 September 2022, we were appointed by DCMS as fixed charge receivers of the land and fixtures known as Sixways Stadium (owned by Sixways).
- b) On 05 October 2022, we were appointed by DCMS as fixed charge receiver over the shares in MQ Property (owned by WSL).

This report is being provided in connection with the administration of the Company and should be ready in conjunction with the administrators' Proposals and previous progress reports. Separate reports will be provided to the relevant stakeholders in respect of our appointments as receivers over Sixways and WSL.

We, as administrators of the Company, act as offices of the court and are subject to various statutory duties which are clearly defined in the Act. One of our primary duties is to maximise returns to the Company's creditors. In practice, this means that we are required to obtain the best price reasonably obtainable for the assets.



RECEIPTS AND PAYMENTS

Attached at Appendix 1 is our abstract of receipts and payments for the Reporting Period.

Trading Receipts & Payments

Receipts

As disclosed in our previous progress report, we decided to trade the Company's business to maintain the value of the goodwill. The reasons for this decision are set out in our previous progress reports. During the Reporting Period, we have collected outstanding sales invoices of £8,058.33.

Payments

No payments as regards trading were made in the Reporting Period.

Non-Trading Receipts & Payments

Receipts

The following has been realised during the Reporting Period:

- **Bank interest:** Bank interest of £5,462.41 has accrued to the administrators' floating charge bank account during the Reporting Period.
- **Trade debtors:** During the reporting we have recovered trade debtors of £908.81.
- **Third Party Funds:** Rent is payable by MQ Property to Worcester Capital Investments Limited in respect of the use of certain land where football pitches are situated and which the Company occupied. Under the terms of the licence to occupy, Atlas is responsible for rental payments.

Following the sale of the business and assets to Atlas, Atlas continued to use the process data quickly ("PDQ") machines which directed credit and debit card sale proceeds to the administration bank account. These third-party funds were held by us as administrators and £12,573.82 was paid directly to Worcester Capital Investments as regards part payment for the rent that was due during the Reporting Period.

- **Sundry refunds:** During the Reporting Period a refund of £3,369.61 was received in regard to monies which were held in reserve by one of the Company's merchant providers.

Payments

The following payments have been made during the Reporting Period:

- **Accountant's Fees:** £9,450.00 has been paid to Barnes Roffe LLP for advice and assistance including, but not necessarily limited to, the preparation of non-statutory accounts and associated tax computations, collation and review of information, liaising with the Company's previous auditors and reviewing information regarding intercompany balances and other investigation matters. Of this fee, £6,000.00 was incurred prior to the Reporting Period and £3,450.00 was incurred during the Reporting Period.
- **Administrators' expenses:** £24,282.11 has been paid. A full breakdown of which is provided at Appendix 3 of this report.
- **Administrators' fees:** £1,300,000.00 have been drawn in accordance with approval obtained from the relevant body of creditors.

- **Agent's fees:** £15,000.00 was paid to Eddisons Commercial Ltd ("Eddisons") in relation to their fixed fee for valuing the Company's assets..
- **Insurance:** A total of £9,428.50 was paid to Eddisons Insurance Services Limited ("EIS") as regards insurance costs for the period 29 September 2022 to 02 May 2023.
- **Legal fees:** A portion of BCLP's time costs for legal advice provided during the administration and work carried out in relation to the sale of business and assets of £250,000.00 has been paid.
- **Postage costs:** £3,603.28 has been paid.
- **Statutory bordereau:** £1,080.00 has been paid.

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

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

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2. There is an analysis for the Reporting Period and also an analysis of time spent on the case since the appointment date.

The details below relate to the work undertaken in the Reporting Period only. Our previous reports contain details of the work undertaken in the previous reporting period.

General case administration and planning

During the Reporting Period, we have continued to carry out regular reviews of the case and have held frequent strategy meetings with our instructed solicitors, engaged with various stakeholders including DCMS, dealt with routine correspondence and emails, maintained physical and electronic records, maintained the administrators' bank account and filed relevant correspondence. We have also carried out reviews of the administrators' insurance bond and of our ethics and anti-money laundering procedure.

Specific administrative and planning work carried out also included:

- Meeting with and regularly updating DCMS as regards the progress of the sale of the business and assets;
- Responding to media enquiries or requests; and
- Holding meetings with BCLP to discuss strategy.

The majority of the above work derived no direct financial benefit for creditors. However, the Insolvency Profession is a highly regulated industry, and we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Compliance with the Act, Rules and best practice

During the Reporting Period, we have continued to meet our statutory reporting requirements as follows:

- Preparing and circulating our interim progress report on the administration for the prior reporting period 27 March 2023 to 26 September 2023;
- Filing Form AM10 with the Registrar of Companies in accordance with statutory obligations;



- Maintaining the administrators' bank accounts, including monthly bank reconciliations and the processing of receipts;
- Reviewing the adequacy of the administrators' statutory bordereau; and
- Continuing to review and ensure compliance with ethical and anti-money laundering requirements and procedures.

The above work derived no financial benefit for creditors. Such work is, however, required to be carried out by the administrators in compliance with statutory requirements as set out in the Act and Rules, as well as additional requirements from other Recognised Professional Bodies.

Investigations

As detailed in our previous progress report, we are required to investigate the Company's affairs to enable a confidential report to be submitted to the Insolvency Service on the directors' conduct. Furthermore, this would assist with identifying whether there are any potential claims against the Directors or any other parties which may result in further realisations to the administration.

To not prejudice our position as regards any potential claims that may be brought, we are not disclosing any detailed information at this stage. Full details will however be provided to creditors when the administrators consider it appropriate to do so.

During the reporting period, work was carried out in relation to our investigations is as follows:

- Liaising with the Company's former auditors.
- Liaising with the Company's former bank account provider regarding the Company's bank statements.

Our investigations are ongoing and may result in additional asset realisations. Creditors will be provided with further update in our next report.

Realisation of assets

The below work has been carried out for the benefit of creditors as a whole. We have already made a significant fixed charge distribution to DCMS as the Company's secured creditor. Furthermore, we have a duty to realise the Company's assets where it is commercial for us to do so.

Sale of the Company's Business and Assets

As previously reported, and on 01 February 2023, the administrators exchanged sale contracts with Atlas to sell the majority of the Company's business and assets. On that same day, the administrators granted a license to occupy the trading premises (i.e. Sixways Stadium) to Atlas, the terms of which require Atlas to pay all ongoing trading costs and expenses.

On completion of the sale to Atlas on 02 May 2023, Atlas paid us the sum of £1,550,000.00 (being the amount due on completion of £2,050,000.00 less £500,000.00 already held as a non-refundable deposit). The sale consideration has been apportioned as follows:

Plant, Machinery, Fittings & Equipment	£1,233,000.00
Benefit of Adopted Contracts	£ 1.00
Intellectual Property	£ 1.00
Company records	£ 1.00
Goodwill and intellectual property	£ 816,997.00
Total	£2,050,000.00

We had previously agreed with Atlas that the deferred consideration of £1million would be payable within two years of completion. However, following commercial negotiations with Atlas, they agreed to bring forward the date for payment of the deferred consideration to 09 October 2023. As a result of the deferred consideration not being satisfied, we entered into discussions with Atlas about payment proposals. These discussions are ongoing.

When interested parties have contacted us about the position we have requested proof of funding from them before engaging with them in substantive discussions. To date no party has provided us with proof of funding.

Book Debts

As previously reported, the Company's book debt ledger was understood to total £416,107.85 as at the date of our appointment.

The table below shows the outcome of the collection process to date:

	AMOUNT £	AMOUNT £
OPENING SALES LEDGER BALANCE		476,107.85
Credit balance applied back		44,916.52
AMENDED LEDGER BALANCE		521,024.37
LESS:		
Deductions for amounts received to date	(47,269.07)	
* Deductions for season ticket holders / aborted sponsorships	(356,553.46)	
** Deductions for claims where queries have been raised	(109,475.15)	
Deductions for amounts paid prior to our appointment	(3,599.95)	
BALANCE TO COLLECT		4,126.74

*There were amounts owing from season ticket holders and sponsorship deals in respect of the 2022/23 season. These funds are not collectable.

**As reported previously, the amount of £109,475.15 comprises two significant contra claims raised by unconnected third parties. We continue to review the position with our instructed solicitors so as to establish whether they remain collectable.

During the Reporting Period, trade debtors of £908.81 were realised. Whilst the ledger suggests that a balance of £4,126.74 remains payable, it should be noted that these debts comprise approximately 18 individual debtors with a relatively low value each. Whilst we are continuing to pursue these amounts, it is anticipated that some may be written off as the costs of ongoing collection may outweigh any benefit to creditors.

Business Interruption Insurance Claim

As detailed in our previous report, prior to our appointment as administrators the Company submitted a claim under its Business Interruption insurance policy in respect of the loss of income it experienced as a result of the Covid-19 restrictions. The claim was rejected by the insurer on several grounds, including the inability of Worcester Warrior to play its scheduled matches as a result of the suspension of the season by Premiership Rugby, which occurred 9-10 days before the Government's Covid-19 restrictions were announced, rather than as a result of the imposition of the Government restrictions.

We continue to review the position as we are aware that there are a number of similar claims being pursued by other businesses (including another premiership rugby club) against various insurers and, in those cases, the insurers are raising similar defences to those raised by the Company's insurers.

Other Debtors

As previously reported, the Company's books and records indicated that a connected party owed the Company £612,329.36. However, the Directors stated that the connected party is also a creditor of the Company for a greater amount, and that the Company's claim against the connected party is therefore entirely set-off by the connected party's claim.

We are liaising with the Company's former auditor regarding the matter and the connected party debtor forms part of our investigations into the Company's affairs.

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

During the Reporting Period, we have continued to deal with creditor correspondence (including by way of email and telephone conversation), we have also maintained up to date creditor records, amended claims received and discussed the progress of the administration with creditors.

Case specific matters include the following:

- As previously reported on 29 August 2023, the Worcester Warriors Supporters' Society Ltd ("Supporters Society") made an Asset of Community Value Nomination in relation to Sixways Stadium to Wychavon District Council. Such nomination was withdrawn by the Supporters Society due to an error in the application and on 11 October 2023 and a new nomination was submitted. We were informed that the Supporters Society has since withdrawn its nomination.

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

During the Reporting Period we have received confirmation that HM Revenue & Customs ("HMRC") that the Company has been deregistered from VAT with effect from 01 July 2023.

We have also instructed a tax accountant to review the position as regards any tax payable on realisations from the Company's P Shares. They have confirmed that no tax is payable as an expense of the administration on the P Shares realisations.

The majority of the above work derived no direct financial benefit for creditors. However, the Insolvency Profession is a highly regulated industry, and we are required to ensure that the above work is completed in line with statute and best practice guidelines.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were set out in our Proposals and previous reports. Based on realisations to date, and estimated future realisations, we estimate an outcome for each class of the Company's creditors as follows:

Secured creditor

Following receipt of the option price paid by PRL for the P Shares of £9,814,016.02, we distributed £9,791,216.02 (being the option price less the agreed realisation costs) to DCMS pursuant to its fixed charge.

Preferential creditors

We are not aware of any primary preferential creditors as all employees were employed by a subsidiary of the Company, WRFC Players Ltd (in liquidation).

Secondary preferential creditors

Based on current estimates, we anticipate that there will be sufficient funds for a dividend to be paid to HMRC in relation to their preferential claim. However, we are not currently able to estimate the timing and quantum of any such distribution given that the deferred consideration due from Atlas has not been satisfied to date.

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

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

We have estimated, to the best of our knowledge and belief, that the Company's net property after costs will be nil and there will be no distribution to unsecured creditors via the prescribed part. This is in part due to the quantum of HMRC's secondary preferential claim.

Unsecured creditors

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

Effect of administration on limitation periods under the Limitation Act 1980

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

6. REMUNERATION & EXPENSES

Our remuneration has been fixed by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters as set out in the fees estimate totalling £1,800,000.00.

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

Our time costs for the Reporting Period amount to £133,742.00 which represents 224.30 hours at an average rate of £596.26 per hour.

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

- ☐ Time Costs Analysis for the Reporting Period
- ☐ Time Costs Analysis for the period 27 September 2022 to 26 March 2024
- ☐ Begbies Traynor (Central) LLP's charging policy

To 26 March 2024, we have drawn the total sum of £1,300,000.00 on account of our remuneration, against total time costs of £1,730,153.00 incurred since the date of our appointment.

Time Costs Analysis

The Time Costs Analysis for the Reporting Period attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire administration period.

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

As can be seen from the information above, we are fairly close to the limit of our approved remuneration. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved. The reasons why the approved level of remuneration is likely to be exceeded are in respect of the additional work that was required to be spent on the following matters:

- Atlas did not pass the RFU's "Change of Control" requirements. This meant that, after we had agreed sale terms with Atlas, it was then necessary for us to re-enter negotiations with all parties who had expressed an interest in purchasing the Company's business and assets to provide those parties with an opportunity to make a higher offer than Atlas. After this extended marketing period, Atlas still made the highest offer for the business and assets.
- It has been necessary to allow a number of amendments and variations to the sale agreement and a significant amount of time has been spent liaising with Atlas in that regard;
- Time has been spent in liaising with the Council in relation to the Community Value Nomination;
- A significant amount of time has been spent liaising with all classes of creditor and other stakeholders such as the RFU;
- Work has been required to calculate any tax that may have been payable to HMRC on the disposal of the P Shares;
- Detailed investigations in relation to various transactions with connected parties were required, along with follow up correspondence required as part of our statutory duties to investigate; and
- It was deemed necessary to trade the business so as to protect the value of the goodwill and help to maximise realisations from the Company's assets.

In light of the above, we reserve the right to revert to the relevant body of creditors at a later date should we consider that a revised fee estimate be proposed.

Category 1 Expenses

Trading Expenses

During the Reporting Period no trading expense have been incurred or drawn.

Non-Trading Expenses

During the Reporting Period, we have incurred (but not necessarily drawn) non-trading expense in the sum of £88,796.50 which comprise:

- **Barnes Roffe LLP:** £3,450.00 – Costs incurred in assisting the administrators with the review and preparation of accounts and calculation of relevant tax liabilities; and
- **BCLP:** £85,346.50 - BCLP are instructed as our legal advisors and they charge their fee on a time costs basis. Their time costs for the Reporting Period are £85,346.50. These costs relate to work undertaken

in regard to the sale of the Company's business and assets, liaising with DCMS and its legal advisors, advising on case specific insolvency matters and their work in relation to ongoing investigations into the Company's affairs.

Why have subcontractors been used?

No subcontractors have been instructed to date.

Category 2 Expenses

Details of the Category 2 expenses that have been incurred during the reporting period are as follows:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
BTG Corporate Solutions Limited ("BTG Advisory"): BTG Advisory is a member of the Begbies Traynor group and has been engaged to assist with the following: <ul style="list-style-type: none">• Forensic review of the Company's accounting records.• Reconciliation of monies paid into the Company's bank account prior to our appointment.• Collection of outstanding debtors. The fee for collection of the ledger is charged at 10% of debtor receipts recovered. As such, the fee is directly attributable to and commensurate with recoveries.	90.88
Mileage costs incurred in attending meetings as regards the progression of the case.	172.80
TOTAL	263.68

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the Reporting Period is attached at Appendix 3. A cumulative statement of expenses also appears at Appendix 3 which details the expenses incurred since the appointment date, together with a table of future expenses to be incurred.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that at the outset of this matter we estimated that the non-trading expenses of the administration would total £601,130.00. On 24 October 2023 we provided creditors with a revised estimate of anticipated expenses detailing further anticipated expenses of £75,000.00. As such, we currently consider that the non-trading expenses of the administration will total £676,130.00.

As detailed in our previous report, the original expenses estimate was exceeded for the following reasons:

- Atlas did not pass the RFU's "Change of Control" requirements. This meant that after we had agreed sale terms with Atlas, it was then necessary for us to re-enter negotiations with all parties who had expressed an interest in purchasing the Company's business and assets to provide those parties with an opportunity to make a higher offer than Atlas. This increased the costs of the sale process, because there was a need to obtain further legal advice on various matters and to recommence negotiations with the other interested parties.
- We were not initially aware that the PRL would seek to set off amount it owed to the Company against amounts it claimed to be owed by the Company, as we were unaware of the PRL's purported claim against the Company. This required us to seek advice on PRL's set-off rights, to consider the merits of the PRL's underlying claim and to engage in settlement negotiations with the PRL.
- The prolonged sale process has caused us to incur additional holding costs in respect of Sixways Stadium (including utility costs and staffing costs) as well as ongoing costs in respect of the Company's IT provider.

The revised estimated of anticipated expenses has been exceeded due to the ongoing legal work connected to the sale agreement(s).

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

Assets that remain to be realised

The following assets remain to be realised:

- **Sale of the Company's Business and Assets – Deferred Consideration:** As above, the completion of the sale of the Company's business and assets remains ongoing. We are in discussions with Atlas about the matter;
- **Book Debts:** We will continue to pursue outstanding debtors in the sum of £4,126.74. As detailed above, these debts comprise approximately 18 individual debtors. Whilst we are continuing to pursue these amounts, it is anticipated that some may be written off as the costs of ongoing collection may outweigh any benefit to creditors;
- **Other Debtors:** Our investigations into the connected party debtor position are ongoing; and
- **Business Interruption Insurance:** A potential claim under a business interruption insurance policy taken out by the Company subject to the outcome of other similar cases that are currently before the courts.

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

General case administration and planning

Time recorded under this category is anticipated to include:

- Maintaining the case strategy plan.
- Filing.
- Dealing with general calls and enquiries.
- Dealing with routine correspondence and emails.
- Maintaining case files and electronic records.
- Undertaking conference calls and internal communications with regard to agreement of strategy and ongoing actions.
- Completing case reviews.

- Dealing with general enquiries into the sale of the Company's business and assets.
- Maintaining creditor portal and uploading statutory documents.

Specifically, we will continue to carry out case planning and strategy reviews of the case, liaise with our instructed solicitors, deal with routine correspondence and emails, maintain physical and electronic records, maintain the administrators' bank account and file relevant correspondence. We will also carry out reviews of the administrators' insurance bond and of our ethics and anti-money laundering procedure.

The majority of the above work will derive no direct financial benefit for creditors. However, as note the Insolvency Profession is a highly regulated industry, and we are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Compliance with the Act, Rules and best practice

Time recorded under this category is anticipated to include:

- Completing bond reviews.
- Completing receipt and payment vouchers, journals and other necessary documents for transactions going through the estate account.
- Performing monthly reconciliations for the case account opened by the administrators.
- Completing statutory reports and returns.

Specifically, we will continue to ensure that statutory notifications are provided to creditors and various other stakeholders.

The majority of the above work will derive no direct financial benefit for creditors. However, the Insolvency Profession is a highly regulated industry, and we are required to ensure that we comply with statute and best practice guidelines.

Investigations

Time recorded under this category is anticipated to include:

- Reviewing the Company's accounting records.
- Liaising with the Insolvency Service and providing additional information to assist with their enquiries.

Specifically, our work in respect of investigations into various matters and asset transfers prior to our appointment as administrators will continue.

Given the nature of these matters, no further information will be disclosed at this stage so as to not prejudice our position.

We have a statutory duty to carry out these investigations. Furthermore, it is anticipated that this work may result in additional asset realisations which could enable us to distribute further funds to the Company's secured and preferential creditors.

Realisation of assets

Please see above for details for assets that remain to be realised. Further significant time costs (including legal costs) are expected to be incurred in relation to the ongoing sale of the Company's business and assets.

It is anticipated that this work will result in additional asset realisations to enable a distribution to HMRC in their capacity as the only known preferential creditor of the Company.

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

Time recorded under this category is anticipated to include:

- Dealing with ad hoc creditor correspondence, emails and telephone calls.
- Maintaining creditor records.

Specifically, we will continue deal with creditor correspondence, emails and telephone conversations, maintain up to date creditor records, amend claims received and discuss the progress of the administration with creditors.

Best practice means that we should respond to creditors in a timely manner. Furthermore, it will facilitate a payment to the Company's secured and preferential creditors.

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

Further time recorded under this category will include:

- Liaising with HMRC regarding ongoing VAT returns.
- Preparation and submission of Corporation Tax returns to HMRC.
- Seeking the decisions of the relevant body of creditors in regard to further fee approval.

This work is required to ensure that the post administration tax position of the Company is up to date and that any amounts due to/from HM Revenue & Customs are processed in a timely manner.

How much will this further work cost?

The 'further work' detailed above has always been anticipated, but at this point in the proceedings, it has not yet been completed. This work is necessary in order that we may complete the administration as envisaged. We reserve the right to seek revised fee approval from the relevant body of creditors should our time costs exceed the current approved amount.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the revised estimate of anticipated expenses provided at Appendix 3 of this report.

What is the anticipated payment for administering the case in full?

We estimated that the cost of administering the case would be in the region of £1,800,000.00. We received approval from the relevant body of creditors to draw remuneration up to that level. We anticipate that the costs of the administering will be paid in full.

9. OTHER RELEVANT INFORMATION

Connected party transactions

There have been no connected party transactions during the course of the administration.

Extension of administration

The administration has been extended for a period of 12 months with the consent of creditors to 26 September 2024.

Proposed exit route from administration

On present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors.

Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies.

Upon the registration of such notice our appointment as administrators will cease to have effect and at the end of three months the after registration of such notice, the Company will be automatically dissolved.

Use of personal information

Please note that in the course of discharging our statutory duties as joint administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

10. CREDITORS' RIGHTS

Right to request further information

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

Right to make an application to court

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

11. CONCLUSION

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



Julie Palmer
Joint Administrator

Dated: 22 April 2024

ACCOUNT OF RECEIPTS AND PAYMENTS
Period: 27 September 2023 to 26 March 2024

WRFC Trading Limited t/a Worcester Warriors
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 27/09/2023 To 26/03/2024 £	From 27/09/2022 To 26/03/2024 £
POST APPOINTMENT SALES		
Sales	8,058.33	177,247.75
	<u>8,058.33</u>	<u>177,247.75</u>
PURCHASES		
Stock	NIL	15,900.93
	<u>NIL</u>	<u>(15,900.93)</u>
OTHER DIRECT COSTS		
Direct Labour	NIL	139,438.67
Direct Expenses	NIL	3,518.21
	<u>NIL</u>	<u>(142,956.88)</u>
TRADING EXPENDITURE		
Utilities	NIL	107,183.29
Hire of Equipment	NIL	3,088.54
Sundry Expenses	NIL	11,553.75
Merchant Services Fee	NIL	9,837.04
Suppliers	NIL	10,342.35
Float Cash	NIL	650.00
Commission	NIL	924.00
	<u>NIL</u>	<u>(143,578.97)</u>
TRADING SURPLUS/(DEFICIT)	<u>8,058.33</u>	<u>(125,189.03)</u>



WRFC Trading Limited t/a Worcester Warriors
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 27/09/2023 To 26/03/2024 £	From 27/09/2022 To 26/03/2024 £
	SECURED ASSETS		
Uncertain	P Share & Fixed Interest Stocks	NIL	9,814,016.02
	Bank Interest	NIL	12.95
		NIL	9,814,028.97
	COSTS OF REALISATION		
	Legal Fees - BCLP	NIL	14,000.00
		NIL	(14,000.00)
	SECURED CREDITORS		
(16,134,720.40)	English Sports Council	NIL	9,791,216.02
		NIL	(9,791,216.02)
	ASSET REALISATIONS		
	Bank Interest Gross	5,462.41	11,476.75
	Benefit of Adopted Contracts	NIL	1.00
364,745.60	Book Debts	908.81	47,269.07
135,756.06	Cash at Bank	NIL	135,756.05
	Company Records	NIL	1.00
	Cube International - WWWL	NIL	8,800.01
Uncertain	Goodwill	NIL	816,997.00
	Insurance Claim	NIL	66,490.71
	Intellectual Property	NIL	1.00
4,400.00	IT Equipment	NIL	NIL
Uncertain	Leasehold Property	NIL	NIL
Uncertain	Other Debtors	NIL	NIL
9,610.00	Petty Cash	NIL	9,610.00
48,200.00	Plant, Machinery, Fittings and Equipm	NIL	1,233,000.00
NIL	Prepayments	NIL	NIL
Uncertain	PRL Payment	NIL	499,846.83
	Rent	NIL	600.00
1,300.00	Stock	NIL	4,938.75
	Sundry Refunds	3,369.61	4,169.61
	Third Party Funds	(12,573.82)	NIL
	Trading Surplus/(Deficit)	8,058.33	(125,189.03)
	Utilities Refund	NIL	7.00
		5,225.34	2,713,775.75
	COST OF REALISATIONS		
	Accountant's Fees	9,450.00	9,450.00
	Administrators' Expenses	24,282.11	24,282.11
	Administrators' Fees	1,300,000.00	1,300,000.00
	Agent's Fees & Disb - Eddisons	15,000.00	15,000.00
	Atlas deductions	NIL	(3,046.80)
	Bank Charges	NIL	15.00
	Director Liability - Insurance Extension	NIL	6,855.00
	Insurance of Assets	9,428.50	9,428.50
	IT Services	NIL	60,289.11
	Legal Disbursements - BCLP	NIL	514.00
	Legal Fees - BCLP	250,000.00	600,000.00
	Non Trading - Direct Costs	NIL	16,391.67
	Other Property Expenses	NIL	1,358.17
	Pension Agent - Evolve IS Ltd	NIL	150.00
	Postage	3,603.28	3,603.28
	Rent	NIL	70,335.62
	Specific Bond	1,080.00	1,080.00



WRFC Trading Limited t/a Worcester Warriors
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 27/09/2023 To 26/03/2024 £	From 27/09/2022 To 26/03/2024 £
	Statutory Advertising	NIL
	Transaction Fees	NIL
		94.10
		237.80
		(2,116,037.56)
	SECONDARY PREFERENTIAL CREDITORS	
(2,187,493.27)	HMRC	NIL
		NIL
	UNSECURED CREDITORS	
(488,717.12)	Banks/Institutions	NIL
(1,789.40)	Customer Deposits	NIL
(2,085,900.00)	Directors / Connected Entities	NIL
(12,306.25)	Pre Sale Ticket Holders	NIL
(386,775.03)	Season Ticket Holders	NIL
(2,855,481.67)	Trade Creditors	NIL
		NIL
	DISTRIBUTIONS	
(5,182,839.00)	Ordinary Shareholder C	NIL
(13,541,667.00)	Ordinary Shareholders A	NIL
(2,529,167.00)	Ordinary Shareholders B	NIL
		NIL
(44,842,844.48)	(1,607,618.55)	606,551.14
	REPRESENTED BY	
	Barclays Fixed Current Account	6,038.32
	Barclays Floating Current Acc NIB	220,644.72
	Barclays Trading account	73,445.00
	Suspense Account	(160.00)
	Vat Payable	(133,081.35)
	Vat Receivable	439,664.45
		606,551.14



COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the Reporting Period; and
- c. Cumulative Time Costs Analysis for the period from 27 September 2022 to 26 March 2024.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This policy applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the creditors' decision being made for the office holder to be remunerated on a time cost basis. Best practice guidance* requires that such information should be disclosed to those who are responsible for approving the basis of an office holder's remuneration. Within our fee estimate creditors can see how we propose to be remunerated.

In addition, this policy applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance* indicates that such charges should be disclosed to those who are responsible for approving the basis of the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of their staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded in 6 minute units at the individual's hourly rate in force at that time which is detailed below.

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

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements, which are expenses that are initially paid by the office holder's own firm, but which are subsequently reimbursed from the estate when funds are available.

Best practice guidance classifies expenses into two broad categories:

- ☐ *Category 1 expenses (approval not required)* - Specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ☐ *Category 2 expenses (approval required)* - Items of expenditure that are directly related to the case and either:
 - (i) include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party; or
 - (ii) are items of expenditure which are payable to an associate of the office holder and/or their firm.

Shared or allocated costs (pursuant to (i) above)

The following expenses include an element of shared or allocated cost and are charged to the case (subject to approval).

- ☐ Car mileage which is charged at the rate of 45 pence per mile.

Payments anticipated to be made to associates (pursuant to (ii) above)

Services provided by other entities within the Begbies Traynor group

The following expenses which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

BTG Corporate Solutions Limited ("BTG Advisory")

BTG Advisory is a member of the Begbies Traynor group and has been engaged to assist with the following:

- Forensic review of the Company's accounting records
- Reconciliation of monies paid into the Company's bank account prior to our appointment
- Collection of outstanding debtors

The fee for collection of the ledger is charged at 10% of book debt realisations. For the purposes of this report we have estimated their total charges at £7,500 plus VAT although their fee directly relates to the quantum of book debts realised given their charging structure.

Eddisons Commercial Limited ("Eddisons") – Asset Valuation and Marketing

Eddisons is a member of the Begbies Traynor group and has been instructed in respect of the following:

- Reviewing the Company's assets at the trading premises
- Providing a valuation of the assets
- Marketing the business and assets for sale
- Assisting with retention of title claims from creditors.

Eddisons have charged a fixed fee of £15,000 plus VAT. In addition, Eddisons have incurred expenses for travelling to the trading premises and marketing the business and assets for sale:

- IP Bid: £245.00
- Mileage: £500.00 (estimated)

Eddisons Insurance Services Limited ("EIS")

EIS is a member of the Begbies Traynor group and has been instructed to insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of insurance since our appointment to the date the Company's business and assets were sold were £9,428.00 inclusive of Insurance Premium Tax.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premiums due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premiums payable after deducting any commission payable by the insurer. EIS will charge an administration fee of £150.

Eddisons - Other services

In addition to the services detailed above, it may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
----------------	------------------------------

Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £750.00. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

General Office Overheads.

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

- ☐ Telephone and facsimile
- ☐ Printing and photocopying
- ☐ Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

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

Grade of staff	Charge-out rate range (£ per hour) 10 th July 2023 until further notice
Appointment taker/partner	560-640
Managers/directors	415-540
Other professional	215-300
Junior professional/support	170

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead. As detailed above, time is recorded in 6 minute units.

SIP9 WRF6 Trading Limited - Administration - 25WR034ADM : Time Costs Analysis From 27/09/2023 To 26/03/2024

Staff Grade		Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average Hourly Cost £
General Case Administration and Planning	Case planning	40.3									40.3	25,792.00	640.00
	Administration				1.2						1.2	498.00	415.00
	Total for General Case Administration and Planning:	40.3			1.2						41.5	26,290.00	633.49
Compliance with the Insolvency Act, Rules and best practice	Appointment												0.00
	Banking and Bonding	1.0	0.1				0.2	0.8		4.1	6.2	1,618.00	260.97
	Case Closure												0.00
	Statutory reporting and statement of affairs	14.2		13.6							27.8	15,896.00	564.60
	Total for Compliance with the Insolvency Act, Rules and best practice:	15.2	0.1	13.6			0.2	0.8		4.1	34.0	17,314.00	509.24
Investigations	CCDA and Investigations			0.4	0.3						0.7	324.50	463.57
	Total for Investigations:			0.4	0.3						0.7	324.50	463.57
Realisation of assets	Debt collection			0.8	5.7						6.3	2,665.50	423.10
	Property, business and asset sales	108.2		1.0	2.8						112.1	88,267.50	817.91
	Retention of Tids/Third party assets												0.00
	Total for Realisation of assets:	108.2		1.8	8.8						118.4	71,933.00	607.54
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured	13.6		0.2							13.8	8,624.00	624.93
	Others	6.5		0.3	0.8						7.4	4,298.00	580.95
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	20.1		0.5	0.8						21.2	12,922.00	609.58
	Other matters which includes meetings, tax, litigation, pensions and travel				0.5						0.5	207.50	415.00
Other matters which includes meetings, tax, litigation, pensions and travel	Meetings	4.5									4.5	2,700.00	600.00
	Other	3.0									3.0	1,800.00	600.00
	Tax			0.5							0.5	250.00	500.00
	Litigation												0.00
	Total for Other matters:	7.5		0.5	0.5						8.5	4,957.50	583.24
	Total hours by staff grade:	191.3	0.1	16.6	11.2		0.2	0.8		4.1	224.3		
	Total time cost by staff grade £:	116,616.00	66.00	8,306.00	4,648.00		53.00	172.00		697.00		133,742.00	
	Average hourly rate £:	628.33	550.00	500.00	415.00	0.00	265.00	215.00	0.00	176.00			596.28
	Total fees drawn to date £:											0.00	

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SIP9 WRC6 Trading Limited -Administration-25WR034.ADM : TimeCosts Analysis From 27/09/2022 To 26/03/2024

Staff Grade	Consultant/Practitioner	Director	Senior Mgr	Mgr	Asst Mgr	Sen Admin	Admin	Jr Admin	Support	Total Hours	Time Costs	Average Hourly rate £
General Case Administration and Planning	Case planning	453.2	20.8	21.5	6.7					502.0	278,413.00	554.81
	Administration	4.8	88.0	37.5	5.0	2.3	22.8		0.3	188.7	73,190.50	433.85
	Total for General Case Administration and Planning:	458.0	118.8	58.0	11.7	2.3	22.8		0.3	670.7	351,603.50	524.23
	Compliance with the Insolvency Act, Rules and best practice	1.0		4.0			0.1			5.1	2,304.50	451.88
Investigations	Appointment	1.0										
	Bundling and Bundling	1.0	0.1	2.8		1.4	55.0		111.4	171.7	30,363.50	176.84
	Case Closure											0.00
	Statutory reporting and statement of affairs	74.9	27.8	55.1	7.6					165.5	85,128.00	514.28
Realisation of assets	Total for Compliance with the Insolvency Act, Rules and best practice:	78.9	28.0	61.9	7.6	1.4	55.1		111.4	342.3	117,794.00	344.13
	CDDA and investigations	62.8	43.2	91.8	5.7					203.1	97,468.00	480.04
	Total for Investigations:	62.8	43.2	91.8	5.7					203.1	97,468.00	480.04
	Debt collection	3.7	81.4	4.5	11.2					100.8	48,381.50	478.78
Trading	Property, business and asset sales	897.4	213.1	37.8	58.3					1204.6	642,512.00	533.38
	Retention of Title/Third party assets			0.7	3.8					4.8	1,788.50	368.37
	Total for Realisation of assets:	901.1	284.5	43.0	71.4					1,310.0	692,660.00	528.75
	Trading	50.5	58.3	265.2	63.3		13.4	2.2		452.9	198,289.50	433.34
Dealing with all creditors claims (including employees), correspondence and distributions	Total for Trading:	50.5	58.3	265.2	63.3		13.4	2.2		452.9	198,289.50	433.34
	Secured	115.8	83.8	34.2						243.8	128,233.00	517.58
	Others	13.8	53.8	18.7	34.3	8.2	68.8			188.7	70,845.00	380.18
	Creditors committee											0.00
Other matters which includes meetings, via, litigation, pensions and travel	Total for Dealing with all creditors claims (including employees), correspondence and distributions:	128.8	147.6	52.9	34.3	8.2	68.8			440.8	197,082.00	447.20
	Seeking decisions of creditors				7.4					7.4	2,898.00	391.35
	Meetings	7.0	4.0		2.8	0.5				14.4	7,244.50	503.09
	Other	3.0	44.5	28.2	37.8					114.6	50,709.00	442.48
	Tax	3.7		0.5	1.1					5.3	2,660.50	538.72
	Urgent	24.3		0.7						25.0	13,548.00	541.92
	Total for Other matters:	38.0	48.5	30.4	48.3	0.5				168.7	77,288.00	463.48
	Total hours by staff grade:	1,716.8	716.7	604.0	283.3	13.4	168.1	2.2	111.7	3,588.3		
	Total time cost by staff grade £:	882,203.00	351,190.00	294,326.00	109,698.50	3,243.50	30,861.50	341.00	17,381.50		1,720,153.00	
	Average hourly rate £:	560.43	489.01	437.33	382.08	0.00	186.20	153.00	155.70			492.43
	Total fees drawn to date £:										0.00	



STATEMENT OF ADMINISTRATORS' EXPENSES (NON-TRADING)

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Legal Fees	BCLP	85,346.50	Nil	85,346.50
Legal Expenses	BCLP	Nil	Nil	Nil
Accountant's Fees	Barnes Roffe LLP	3,450.00	3,450.00	Nil
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Book Debt Collection	BTG Corporate Solutions Limited	90.88	Nil	90.88
Mileage	Various	172.80	Nil	172.80

CUMULATIVE STATEMENT OF EXPENSES (NON-TRADING)

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Bank Charges	Barclays Bank PLC	15.00	15.00	0.00
Insurance Directors' Liability	Arthur G Gallagher	6,855.00	6,855.00	0.00
IT Services	EBC Group	60,289.11	60,289.11	0.00
Legal Fees	BCLP	935,504.00	614,000.00	321,504.00
Legal Expenses	BCLP	514.00	514.00	0.00
Staff	Various	16,391.67	16,391.67	0.00
Property Expenses	1 st Call Appliances	105.00	105.00	0.00
Property Expenses	TAP Plumbing & Heating	1,220.00	1,220.00	0.00
Property Expenses	Plumbfix	33.17	33.17	0.00
Pension Advice	Evolve IS Ltd	150.00	150.00	0.00
Postage	Postworks Ltd	3,603.28	3,603.28	0.00
Rent	Worcester Capital Investments	70,335.62	70,335.62	0.00
Bonding	Marsh Limited	810.00	810.00	0.00
Statutory Advertising	Courts Advertising Ltd	94.10	94.10	0.00
Transaction Fees	Various	237.80	237.80	0.00
Accommodation	Various	1,430.76	1,430.76	0.00
Subsistence	Various	220.87	220.87	0.00
Website	Monkey Tree Hosting	1,099.96	1,099.96	0.00
Website	GoDaddy	97.25	97.25	0.00
Website	UK Fast Domain	8.50	8.50	0.00
IT Equipment	Amazon	99.99	99.99	0.00
Parking	Various	15.78	15.78	0.00
Land Searches	Land Registry	21.00	21.00	0.00
Mail Redirection	Royal Mail	216.00	216.00	0.00
Accountant's Fee	Barnes Roffe LLP	9,450.00	9,450.00	Nil
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Mileage	Various	4,355.38	4,264.50	90.88
Agent's Fee and Costs – Valuation	Eddisons Commercial Limited	15,000.00	15,000.00	Nil
Agent Fee – Book Debt Collection	BTG Corporate Solutions Limited	4,726.91	0.00	4,726.91
Agent's Fee – Insurance	Eddisons Insurance Services Limited	9,428.50	9,428.50	0.00

ADDITIONAL EXPENSES ANTICIPATED FOR FUTURE WORK

Expenses anticipated to be incurred prior to closure of the case	Name of party with whom expense anticipated to be incurred	Amount estimated to cost £
Legal Fees	BCLP	50,000.00
Legal Expenses	BCLP	200.00
Accountancy Fees	Barns Roffe LLP	10,000.00