In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

AM10

Notice of administrator's progress report

Companies House

FRIDAY

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QIQ 08/11/2019 #73
COMPANIES HOUSE

1 Company details

Company number	0 1 7 2 0 8 3 2
Company name in full	AGDC Realisations Limited
	(Formerly American Golf Discount Centre Limited)

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

2 Administrator's name

Full forename(s)	Daniel James Mark
Surname	Smith

3 Administrator's address

Building name/number	PO Box 500
Street	2 Hardman Street
Post town	Manchester
County/Region	
Postcode	M 6 0 2 A T
Country	

4 Administrator's name ❶

Full forename(s)	Daniel Francis
Surname	Butters

❶ Other administrator
Use this section to tell us about another administrator.

5 Administrator's address ❷

Building name/number	1 New Street Square
Street	London
Post town	EC4A 3HQ
County/Region	
Postcode	
Country	

❷ 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	1 2 / 1 0 / 2 0 1 8
To date	1 1 / 0 4 / 2 0 1 9

7 Progress report

☑ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X X
Signature date	0 9 / 0 5 / 2 0 1 9

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	Aaron Banks
Company name	Deloitte LLP
Address	PO Box 500
	2 Hardman Street
Post town	Manchester
County/Region	
Postcode	M 6 0 2 A T
Country	
DX	
Telephone	+44 121 632 6000

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

AM10
Notice of administrator's progress report

6 Period of progress report

From date	12 10 2018
To date	11 04 2019

7 Progress report

☑ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X
Signature date	09 05 2019

Deloitte.

AGDC Realisations Ltd (formerly American Golf Discount Centre Limited) ("AGDC") SWG Realisations Ltd (formerly SW Golf Limited) ("SWG") (both in administration)

("the Companies" or "AGDC Group")

Progress report to creditors for the period 12 October 2018 to 11 April 2019 pursuant to Rules 18.2 to 18.6 inclusive of the Insolvency (England & Wales) Rules 2016 ("the Rules")

AGDC
Court Case No. 1026 of 2018
In the High Court of Justice
Business and Property Courts In Leeds, Insolvency and Companies List
Company Number: 01720832

SWG
Court Case No. 1027 of 2018
In the High Court of Justice
Business and Property Courts In Leeds, Insolvency and Companies List
Company Number: 04168205

Registered Office: c/o Deloitte LLP, Four Brindleyplace, Birmingham, B1 2HZ

Daniel James Mark Smith and Daniel Francis Butters ("the Joint Administrators") were appointed Joint Administrators of the Companies on 12 October 2018. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

09 May 2019

Key messages

Key messages

Joint Administrators of the Companies

Daniel James Mark Smith

Daniel Francis Butters

Deloitte LLP

PO Box 500

2 Hardman Street

Manchester

M60 2AT

Contact details

Email: aabanks@deloitte.co.uk

Website: www.deloitte-insolvencies.co.uk/agdc

Tel: 0121 695 5827

	Commentary
Purpose of administration	• The purpose of the administrations will be to achieve a better result for the Companies' creditors as a whole than a liquidation.
Progress of administration	• As detailed in our SIP 16 letter of 18 October 2018 the business and assets of the Companies were sold to American Golf (Trading) Limited ("the Purchaser"). • We are working to complete our obligations under the sale agreement with the Purchaser including the licence to occupy and realising the remaining assets not sold as part of the transaction. Further details can be found on pages 5 and 6. • We are now in a position to the distribute the Ring-Fenced Monies referred to in our proposals to the relevant creditors which have submitted valid claims in respect of these funds. Please see page 6 for further details. • To date a total of 175 unsecured creditors have submitted claims in AGDC totalling £19.8m. Claims totalling £1.9m were received in SWG. Claims have been adjudicated as received as there will be a Prescribed Part dividend for both Companies.
Costs	• Our fees were fixed on a time costs basis by the secured and preferential creditors on 7 March 2019. Our time costs for the period of the report are £891k in AGDC and £139k in SWG. Please see pages 14 to 16 for further details. • Disbursements of £2.2k in AGDC and £0.5k in SWG were incurred in the report period. Please see page 17 for further details. • Third party costs and expenses of £224.7k have been incurred of which £20k has been paid by the Companies in the report period. Please see page 7 for further details.
Outstanding matters	• Finalise realisations of the assets excluded from the sale. • Finalise all licences held under the licence to occupy agreement. • Surrender the properties not included in the licence. • Distribute the Ring-Fenced Monies to the relevant creditors. • Finalise all third party costs. • Make dividend distributions to each class of creditor in AGDC and the secured and unsecured creditors in SWG. • Liaise with HM Revenue and Customs ("HMRC") and finalise all Tax and VAT matters.
Dividend prospects	• The Royal Bank of Scotland ("RBS") has been repaid in full in relation to the outstanding balance on the facility of £6.2m. Direct payments from the estate of £5.1m have been made to RBS, the remaining funds were swept from the accounts by RBS under the terms of the security held. • WTS Bidco Ltd ("WTS") will recover some funds in respect of its secured loan notes totalling £23m, following the realisation of all remaining assets. To date a total of £700k has been paid to WTS. • It is anticipated that there will be sufficient floating charge realisations to enable payment in full to preferential creditors of AGDC, there are no preferential creditors in SWG. • There will be a distribution for unsecured creditors by way of a the Prescribed Part in AGDC and SWG.
Extension to administration periods	• If the licence to occupy is not finalised and the remaining funds due from Worldpay are not fully received by July 2019, an extension to the administrations of 12 months will be sought. This is to enable the Joint Administrators to finalise all licence agreements and make final distributions to the creditors.

Progress of the administrations

Progress of the administrations

Work done during the report period

Sale of business

As detailed in our SIP 16 letter of 18 October 2018, the business and assets of the Companies were sold to the Purchaser for £6.5m. Please refer to pages 8 and 9 for further details.

We are working to complete our obligations under the sale agreement with the Purchaser including novation of contracts, leasehold property matters and repayment of funds received in error.

Leasehold property

AGDC operated from 132 leasehold properties, of which 20 are now vacant as they were excluded from the licence agreement. The Purchaser was granted a licence to occupy agreement covering 112 leasehold properties in AGDC. We are currently working with the landlords and the Purchaser regarding assigning these leases.

The licence agreement was granted to the Purchaser for a total of 9 months. Payments totalling £4.3m were received during the period in respect of the rent and where applicable in the lease, the rates, insurance, utilities and service charges have been paid by the Purchaser into the administration bank account. As at the end of the report period, £4.2m has been paid to the landlords. To date, 22 sites have now either been handed back to the landlord or assigned to the Purchaser.

The Administrators will continue to pay the property charges per the relevant lease terms during the licence to occupy period.

Funds received in error

Whilst the Purchaser arranged to change their banking and cash collection processes following the sale, receipts due to the Purchaser were paid to the Companies' pre appointment accounts and swept to the administration estates. Rates refunds due to the Purchaser have been received into our account in error.

Funds totalling £433k in AGDC and c.£1m in SWG have been paid to the Purchaser. We await confirmation that the final two accounts held have been closed and no further funds are due to be swept and paid to the Purchaser.

Asset Realisations

Following the receipt of £6.55m from the Purchaser (AGDC £6.38m and SWG £170k) the following assets were realised by the Administrators as they were excluded from the sale agreement.

Cash at bank

Cash at bank including funds held by Worldpay, the merchant service provider, were paid to the Companies. After accounting for the funds that were due to the Purchaser, £1.1m and £42k was received by AGDC and SWG respectively.

Worldpay still hold £300k whilst customer charge backs are calculated and remain in the statutory chargeback time period. Since the period of the report, £150k has been paid to AGDC.

Worldpay is contractually entitled to hold funds for up to 540 days from appointment, therefore the final amounts may not be received until April 2020.

Debtors

Book debts not sold to the Purchaser amounting to £43k in AGDC and £63K in SWG have been realised. We do not anticipate any further recoveries.

Refunds

Refunds in respect of rate underpayments (non licence properties only) and insurance have been received by AGDC, these total £14.5k. Further rates refunds of c.£2k are expected.

Excluded properties

The 20 AGDC properties not included in the licence to occupy were closed on appointment. Landlords of the vacated properties have been contacted and all keys have been returned to them.

Two of the properties were sub tenanted and rent receipts of £19k have been realised whilst the property landlord and sub tenant arrange new leases between them. These rents will be passed (at agreed rates and subject to what the administration estate receives) to the landlord in due course.

A £10k indemnity has been received from the Purchaser for one of the sites to protect the estate against costs.

Progress of the administrations

Asset Realisations (continued)

Crewe property

AGDC holds an interest in a long lease hold site in Crewe, we are currently reviewing our options with regards to the site and have instructed GVA Grimley Limited ("GVA") to assist us with this.

Ring-fenced Monies – AGDC

In the period 22 September to 6 October 2018 the Companies set aside a proportion of sales proceeds received ("Ring-Fenced Monies") into a trust account. The Ring-Fenced Monies was set up to settle potential claims from suppliers in relation to products supplied to and sold by the Companies between 22 September 2018 and 6 October 2018.

Funds held in the trust account amounting to £1.67m have been paid to the Administrators and are being held in a separate designated account. We have assessed the validity of the Ring-Fenced Monies structure, the potential claims from suppliers over those monies and are in the process of making distributions of the Ring-Fenced Monies to relevant suppliers. After payment of the monies any surplus will flow to the estate for the benefit of all creditors under the floating charge.

A further c.£613k was held in a trust account in relation to customer deposits received for orders made but not delivered prior to the administration. Under the terms of the sale agreement the Purchaser is responsible for delivering the orders, once delivered the deposit held in the account is then released by us to the Purchaser. During the period payments totalling £595k have been made from the account.

Creditors

A total of 175 creditors have submitted claims in AGDC totalling £19.8m. Claims totalling £1.9m have been received in SWG. Sufficient funds will be realised to enable a distribution to be made to unsecured creditors by way of the Prescribed Part referred to on page 12.

Statutory tasks

During the period we have carried out the following tasks, which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- case set-up and management;
- statutory reporting;
- appointment notifications;
- correspondence;
- CDDA reporting;
- case reviews; and
- cashiering functions

These tasks are a necessary part of the engagements but do not generate any direct financial benefit for creditors.

Director Conduct Reports

We have complied with our statutory duty to report on the conduct of the Companies' directors and submitted our confidential reports to the Insolvency Service on 9 January 2019.

Investigations

We are in the process of reviewing the information available to assess whether there are any matters that might lead to a recovery for the benefit of creditors, such as potential claims that may be brought against parties either connected to or who have had past dealings with the Companies.

To date, no further avenues of recovery have been identified.

If you have any information that you feel should be brought to our attention, please contact us in writing using the contact details on page 3 above.

Progress of the administrations
Costs

Progress of the administrations

Third Party Costs incurred during the report period

The following third party costs and expenses have been incurred during the report period:

Eversheds Sutherland (International) LLP ("Eversheds") have provided legal advice relating to the Ring Fenced Monies and deposit funds. Eversheds estimate that their fee for doing so will be £20k plus VAT. To date Eversheds have incurred £7.9k and have been paid a total of £6.2k in AGDC.

Clarion Solicitors LLP ("Clarion") were instructed to provide legal advice around the validity of our appointment. Clarion estimated that their fee for doing so will be £5k plus VAT. To date Clarion have billed £3.8k to each case, there are no further outstating costs.

We instructed DLA Piper UK LLP ("DLA") to advise on the following legal matters and to prepare required legal documentation in relation to:

• Attending to post-completion matters following the sale of the business and assets of the Companies to the Purchaser;

• Advice and correspondence in connection with the segregated bank accounts;

• Drafting the security review and associated advice in connection with validity of security;

• Drafting a summary of key terms/ dates and obligations on the part of the administrators in relation to the sale and purchase agreement;

• Advice and correspondence in connection with SIP 16 letter to creditors;

• Advice and correspondence to the administrators in respect of the directors' request to include the s 216 notices in the letter to creditors;

• Advice and correspondence in connection with the draft letter to landlords;

• Advice and correspondence in connection with ROT claims; and

• Other general legal notices.

DLA estimated that it's fees will not exceed £225k (exclusive of VAT and disbursements) across the Companies. DLA's costs to date total £198k. No fees have yet been paid to DLA. The have been paid expenses of £544.

We instructed GVA Grimley Limited ("GVA") a firm of agents with the appropriate expertise and experience, to assist in the sale of land at Queens Park, Crewe. GVA estimated that their fee for doing so would be £25k Plus VAT. To date GVA have billed £3.6k from AGDC.

Funds totalling £2.6k were paid from AGDC to A.ON UK Limited as they have assisted us with various insurance matters during the report period. Further insurance costs of c.£5k have been incurred.

All invoiced costs have been paid, as shown in the receipts and payments accounts on pages 8 and 9 and summarised below.

All professional costs are reviewed and analysed in detail before payment was approved.

	Estimate £ 000's	Incurred £ 000's	Paid £ 000's
Eversheds	20	7.9	6.2
Clarion	5	7.6	7.6
DLA	225	198	0
GVA	25	3.6	3.6
A.On	7.6	7.6	2.6
	282.6	224.7	20

Progress of the administrations

Receipts and payments

A receipts and payments account is provided opposite and on the next page for each company, detailing the transactions in the administrations to 11 April 2019.

AGDC - Joint Administrators' receipts and payments account to 12 October 2018 to 11 April 2019

£	SoA values	Notes	To date
Receipts			
Goodwill	5,499,987	A	5,499,987
Cash in Transit	-	A	50,000
Stock	830,000	A	830,000
Intellectual Property	1	A	1
Freehold Land & Property	1	A	1
Equipment	1	A	1
Information technology	1	A	1
Compputer Equipment	*1*	*A*	*1*
Motor Vehicles	1	A	1
Contracts	1	A	1
Customer Lists	1	A	1
Customer Fit WIP	1	A	1
Books and Records	1	A	1
Business Name	1	A	1
Debts	1	A	1
Trading receipts	1	A	1
Insurance Refund	-		3,001
Property Indemnity	-		10,000
Sub-tenant Rent	-		19,298
Licence Receipt	-	B	4,312,892
Bank Interest Gross	-	C	5,406
Funds Received in Error	-	D	433,426
Rates Refunds	-		11,487
Book Debts	-		42,786
Cash at Bank	2,362,000	E	1,122,802
Ring Fenced Funds			2,285,516
Total receipts	**8,692,000**		**14,626,614**

AGDC - Joint Administrators' receipts and payments account to 12 October 2018 to 11 April 2019

£	SoA values	Notes	To date
Payments			
Licence Payment		B	4,265,927
Payment of Funds Received in Error		D	433,426
Payment of Deposit Funds		E	594,117
FX Loss on Conversion			3,406
Bank Charges			803
Insurance			2,678
Payroll Processing Cost			1,500
Wages Arrears			99,113
Attachment of Earnings		H	170
Statutory Advertising			85
Valuer Fees and Expenses			3,601
Pre-appointment Legal Fees			20,220
Pre-appointment Legal Expenses			1,284
Legal Fees			10,000
Legal Expenses			544
Fixed Charge Distribution			5,169,514
Floating Charge Distribution			700,000
Total payments			**11,306,388**
Balance			**3,320,226**
Made up of:			
Fixed IB Current A/c		C	2,330
Floating IB Current A/c		C	1,889,374
Ring Fenced A/C		E	1,692,933
Trade Creditors		G	- 224,501
VAT Payable		F	- 39,911
Balance in hand			**3,320,226**

Notes to the receipts and payments account are detailed on following page.

Progress of the administrations

Receipts and payments

SWG -Joint Administrators' receipts and payments account from 12 October 2018 to 11 April 2019

£	SoA values	Notes	To date
Receipts			
Stock	170,000	A	170,000
Book Debts	-		63,400
Cash at Bank	-		41,792
Bank Interest Gross	-	C	470
Funds Received in Error	-	D	1,049,910
Total receipts	**170,000**		**1,325,572**
Payments			
Payment of Funds Received in Error		D	1,049,910
Legal Fees			3,750
Statutory Advertising			85
Bank Charges			8
Total payments			**1,053,753**
Balance			**271,819**
Made up of:			
Floating IB Current A/c		C	271,819
Balance in hand			**271,819**

Notes to receipts and payments accounts

A – Receipts include £6.55m as purchase consideration paid by the Purchaser in order to acquire the Companies business and assets.

B – Funds have been received in accordance with the licence to occupy.

C - All funds are held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HMRC.

D – Funds have been paid to the Companies' bank account in error, these funds do not form part of the assets of the Companies and have been refunded.

E - Prior to our appointment various sums were held in ring-fenced accounts in respect of deposits and retention of title claims. Payments will be made to the relevant parties in due course.

F – All sums shown are net of VAT which is receivable/payable in full and will be accounted for to HMRC in due course.

G – Invoices received are logged, recorded and posted to the cash book on an accruals basis, the balance noted represents trading invoices received and posted to the cash book but not yet paid from the bank account.

H - Deductions from employee wages (including attachment of earnings) for ongoing payment to the relevant authorities.

Please note that excel tables were used to prepare the receipts and payments accounts, accordingly there may be apparent rounding errors.

Pre-administration costs

Statement of pre-administration costs

In the following paragraphs we have provided an explanation of the work carried out by us in the period prior to the administration and which was carried out with the intention of helping to achieve the objective of the administration.

The following work was undertaken in the period prior to our appointment and related directly to the pre packaged Administration and subsequent delivery of the sale of business and assets. Our work included but was not restricted to:

- Managing a SIP 16 compliant sales process;
- Negotiations with the purchaser;
- Preparation for Day 1 site visits;
- Review of SPA and licence to occupy documents.

In relation to this work our costs and expenses are as follows:

- Our fees of £179,148 which have not yet been paid; and
- Disbursements of:
  - Travel - £296.60
  - Accommodation - £1,042.03
  - Subsistence - £241.63
  - Mileage - £443.73
- DLA have incurred pre-administration legal costs of £22,000.

The above costs are apportioned £193,171.99 to AGDC and £10,000 to SWG.

These costs were approved on 7 March 2019 by consent of the secured creditors and a decision of the preferential creditors and have been paid in full.

Pre-administration costs

Party	Amount approved	Amount Paid	Date paid
DLA Piper UK LLP *	22,000	21,504	15/01/2019
AGDC - Joint Administrators Fees	169,148	169,148	16/04/2019
AGDC - Joint Administrators Expenses	2,024	2,024	16/04/2019
SWG - Joint Administrators Fees	10,000	10,000	16/04/2019
Total	**203,172**	**202,676**	

Please note that the Joint Administrators costs were paid after the report period end and are accordingly not in the receipts and payments accounts.

*When preparing their invoice DLA noticed a discrepancy in the expenses they had incurred, accordingly they have billed £496 less than approved.

Information for creditors

Secured creditors

The Companies' records show the secured creditors, RBS and WTS at the date of our appointment, were owed the following amounts:

- RBS - £6.2m - RBS have been be paid in full in relation to the outstanding balance.
- WTS - £23m – It is estimated that WTS may recover a small amount in respect of its secured loan notes, following the realisation of all remaining assets.

These amounts are secured by way of fixed and floating charges granted by the Companies. Based on currently available information, we do not expect there will be sufficient asset realisations to repay the second secured creditor, WTS, in full.

RBS have been paid in full, £5.1m was distributed on 13 November 2018 from AGDC following the sale of business and assets as detailed on page 5. A further £1.1m was taken from the Companies accounts under the terms of the lending facility.

The second ranking secured creditor WTS was paid a total of £700k on 28 March 2019. Further funds will be paid from AGDC and SWG in the succeeding report period.

Preferential creditors

To date we have received c.50 preferential claims totalling c.£34k in AGDC, which is line with expectations. These claims will be paid in full.

A notice of intended dividend was sent to all preferential creditors on 21 March 2019. Once the last date to prove has passed on 18 April 2019 we will begin preparing the preferential payment from AGDC.

The payment will be shown in next reports receipts and payments account.

There were no preferential creditors of SWG.

Prescribed Part

As detailed in the proposals, we anticipate that there will be a prescribed part fund available for distribution to unsecured creditors of c.£133k in AGDC and c.£25K in SWG.

Please note that in accordance with Rule 3.50 the costs associated with the prescribed part (which would chiefly comprise our costs incurred in adjudicating and processing claims) must be paid out of the prescribed part fund.

Unsecured creditor

Based on present information, insufficient funds will be realised to enable a dividend to be paid to unsecured creditors, other than by prescribed part distribution referred to.

Initial information provided by management for the Companies shows c.480 unsecured creditors with estimated non-preferential claims totalling £22.7m in AGDC and c.77 unsecured creditors with non-preferential claims totalling £6.9m in SWG.

To date a total of 175 creditors have submitted claims in AGDC and the claims received total £19.8m.

A total of 27 creditors claims were received SWG amounting to £1.9m.

Creditors with debts of £1,000 or less

You do not need to prove your debt for dividend purposes if the amount you are owed, according to the Company's statement of affairs, is £1,000 or less. Instead, we will notify you if funds become available for dividend purposes and provide you with details of the amount at which your claim has been admitted. If you disagree with that amount, you will be provided with an *opportunity to notify us of the correct amount.*

Please note that should you wish to vote in a decision procedure, you will then need to submit a proof of claim to us.

Creditors with debts of more than £1,000

Unsecured creditors with claims of more than £1,000 are invited to submit their claims to us by completing a proof of debt form, which is available on the administration website and which should be sent to the address on the cover page.

Information for creditors
Outcome

Extensions to the administrations

If the licence to occupy is not finalised and the World Pay funds are not fully received by July 2019 an extension to the administrations of 12 months is likely to be required. This is to enable the Joint Administrators to finalise all licence agreements and make final distributions to the creditors.

Exit

As detailed in our proposals, we consider that dissolution will be the most appropriate exit route from the administrations.

Remuneration and expenses

Remuneration and expenses

Joint Administrators' remuneration

Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.deloitte-insolvencies.co.uk/agdc.

Should you require a paper copy, please send your request in writing to us at the address on page 3 of this report and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration was fixed on 7 March 2019 by the secured and preferential creditors in AGDC and secured creditors in SWG by reference to the time properly given by the Joint Administrators and their staff; plus VAT thereon.

Fees drawn to date

To date we have not drawn any remuneration from with SWG or AGDC in respect of the Joint Administrators post appointment time costs.

Time costs incurred – AGDC

Our time costs for the period of the report are £891,451 made up of 1,696.2 hours at an average charge out rate of £526 per hour across all grades of staff.

Time costs incurred – SWG

Our time costs for the period of the report are £138,772 made up of 234.1 hours at an average charge out rate of £593 per hour across all grades of staff.

Time costs have exceeded budget - excess fee request will not be made

Our actual time costs in AGDC are higher than we anticipated, for the reasons set out below:

- Higher costs than expected were incurred in respect of the licence to occupy property matters due to landlord queries and weekly rather than monthly payment runs.
- Creditor queries with regards to the Ring-Fenced Monies process, additional chasing for creditors to send us their documentation and review of the documents.

Although our actual time costs in AGDC to date are higher than we anticipated, we do not currently intend to draw fees in excess of the Fee Estimate.

AGDC - Fees Estimate and Joint Administrators' time costs for the period 12 October 2018 to 11 April 2019

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Activity		Anticipated Time and Costs per Fees Estimate			Actual Time and Costs for Report Period		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	121.0	596	72,110	399.1	357	142,347
	Case supervision	181.8	557	101,193	162.0	573	92,881
	Case reviews	10.2	514	5,246	-	-	-
	Case closure matters	8.5	522	4,435	-	-	-
Statutory & compliance	Compliance & IPS diary	80.6	497	40,090	35.1	501	17,583
	Insurance	15.0	522	7,835	2.4	750	1,800
	General reporting	92 5	565	52,300	29.0	656	19,030
	Regulatory & other legislation	2 4	550	1,320	-	-	-
Initial actions	Appointment matters	44.0	465	20,475	50.2	416	20,895
	Securing assets	75.0	562	42,160	51.0	710	36,203
	Notifications	69.5	553	38,460	64.5	561	36,210
Investigations	CDDA reporting	20.0	614	12,270	23 1	394	9,100
	Investigations	10.0	508	5,080	3 4	750	2,550
Total of above categories		**730.5**	**552**	**402,974**	**819.8**	**462**	**378,597**
Taxation	Tax	6.7	506	3,392	2.1	577	1,211
	VAT	39.0	448	17,455	8.0	406	3,255
Asset realisations	Book debts	27 0	451	12,170	13.2	903	11,918
	Property	242.0	565	136,610	421 2	598	251,938
	Retention of title	86 0	556	47,800	122.0	561	68,491
Employees	Consultation	8.0	562	4,493	-	-	-
	Correspondence	39.6	465	18,414	26 4	579	15,276
	Pensions	0.5	465	233	0 5	590	295
Correspondence	Creditors	229.6	481	110,420	171.6	601	103,080
	Shareholders	0.1	465	47	-	-	-
	Customers	37.0	491	18,185	24.1	567	13,665
Distributions	Secured creditors	9.7	662	6,422	2.0	750	1,500
	Preferential creditors	42.7	405	17,284	23.7	521	12,355
	Unsecured creditors	102.7	424	43,530	45.9	469	21,542
	Shareholder	-	-	-	-	-	-
Total fees estimate		**1,601.1**	**524**	**839,427**	**1,696.2**	**526**	**891,451**

SWG - Fees Estimate and Joint Administrators' time costs for the period 12 October 2018 to 11 April 2019

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Activity		Anticipated Time and Costs per Fees Estimate			Actual Time and Costs for Report Period		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	13.5	590	7,965	29.6	420	12,421
	Case supervision	58.2	507	29,490	38.8	814	31,600
	Case reviews	6.4	524	3,356	-	-	-
	Case closure matters	6.0	593	3,560	-	-	-
Statutory & compliance	Compliance & IPS diary	27.4	499	13,670	13.6	717	9,750
	Insurance	11.5	599	6,890	2 2	403	875
	General reporting	41.5	537	22,305	18.7	737	13,790
	Regulatory & other legislation	2.4	550	1,320	1.0	965	965
Initial actions	Appointment matters	3 0	750	2,250	1.0	750	750
	Securing assets	5.0	802	4,010	5.0	750	3,750
	Notifications	26 0	577	14,990	14.6	388	5,664
Investigations	CDDA reporting	20.0	541	10,820	27 9	487	13,575
	Investigations	11.5	536	6,165	5.5	750	4,125
Total of above categories		**232.4**	**546**	**126,791**	**157.8**	**616**	**97,264**
Taxation	Tax	3.7	494	1,827	4.5	350	1,575
	VAT	12 2	463	5,648	-	-	-
Employees	Pensions	0 5	465	233	1 0	590	590
Correspondence	Creditors	110.9	485	53,784	52 5	584	30,675
	Shareholders	0.1	465	47	-	-	-
Distributions	Secured creditors	5 1	502	2,562	-	-	-
	Unsecured creditors	21.5	439	9,445	6 4	663	4,240
Total fees estimate		**386.4**	**518**	**200,336**	**234.1**	**593**	**138,772**

Remuneration and expenses
Detailed information

Category 1 Disbursements

These are payments made by us direct to third parties and for which no approval is required.

Category 2 Disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs.

Disbursements

Our disbursements to date are in line with estimates provided in the proposals and are summarised below.

Category 2 Disbursements

Specific approval is required before these costs and expenses can to be drawn from the administration estates and was given by secured and preferential creditors in AGDC and secured creditors in SWG on 7 March 2019.

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred.

Deloitte charges a fixed cost of £500 for each statutory website set up to cover the costs of setting up and maintaining the website, along with the uploading of statutory notifications, reports and other documents to the website for the duration of the appointments.

Details of all disbursements are given below and from which it can be seen that we have not yet recovered our disbursements.

Category 1 disbursements - AGDC

£ (net)	Estimated	Incurred in report period	Unpaid
Travel	1000	266	266
Accommodation	-	338	338
Postage/Couriers	500	618	618
Bond	230	-	-
Stationary	-	275	275
Subsistence	-	84	84
Total disbursements	**1730**	**1,581**	**1,581**

Category 2 disbursements - AGDC

£ (net)	Estimated	Incurred in report period	Unpaid
Mileage	200	675	675
Website set up	250	-	-
Total disbursements	**450**	**675**	**675**

Category 1 disbursements - SWG

£ (net)	Estimated	Incurred in report period	Unpaid
Postage/Couriers	500	500	500
Bond	230	-	-
Total disbursements	**730**	**500**	**500**

Category 2 disbursements - SWG

£ (net)	Estimated	Incurred in report period	Unpaid
Website set up	250	-	-
Total disbursements	**250**	-	-

Creditors' right to request information

Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

Deloitte.