

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company

PI Realisations 2012 Limited

Company number

01978915

In the

High Court of Justice, Chancery Division

[full name of court]

Court case number

6435 of 2012

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

I/We (a) Antony David Nygate and David Harry Gilbert of BDO LLP 55 Baker Street, London, W1U 7EU

*Delete as applicable

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

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

(b) Insert date

(b) 11 October 2012

Signed

Joint/ Administrator(s)

Dated

22/10/12

Contact details:

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

BDO LLP, 55 Baker Street, London,

W1U 7EU

Our Ref 0/KLJ/ADM751/C15

Tel 020 7486 5888

Number

DX Exchange

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24/10/2012

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COMPANIES HOUSE

When you have completed and signed this form please send it to the Registrar of Companies at
Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff



Powakaddy Group Limited ("PGL")
Powakaddy International Limited ("PIL")
Both in Administration

Statements to Creditors pursuant to Rule 2.33
of the Insolvency Rules 1986 and Statement of
Proposals under Paragraph 49 of Schedule B1
of the Insolvency Act 1986

1/JBS/ADM661 Cover Sheets/C6



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POWAKADDY GROUP LIMITED - IN ADMINISTRATION

Registered No 06004577

Registered office situated at 55 Baker Street, London, W1U 7EU

In the High Court of Justice, Chancery Division
6311 of 2012

and

POWAKADDY INTERNATIONAL LIMITED - IN ADMINISTRATION

Registered No 01978915

Registered office situated at 55 Baker Street, London, W1U 7EU

In the High Court of Justice, Chancery Division
6435 of 2012

1 Introduction

This report is addressed to the creditors of Powakaddy Group Limited ('PGL') and Powakaddy International Limited ('PIL') (together the "Companies" or the "Group") and incorporates the Joint Administrators' proposals.

We do not propose to call meetings of creditors to consider these proposals because there will be insufficient assets to enable us to make any distribution to unsecured creditors, other than from the prescribed part, which we mention in section 4 below. Under Paragraph 52 of Schedule B1 of the Insolvency Act 1986, if at least 10% of creditors require us to call a meeting they must notify us using form 2.21B (attached) by 26 October 2012. Please note that before such a meeting can be held we will require a deposit towards the cost of convening the meeting. Such deposit may be repaid subject to approval of the other creditors. Where no creditors' meeting is held to consider the Joint Administrators' proposals, the proposals will have been deemed to be approved on 26 October 2012.

Creditors may approve the proposals with or without modifications, subject to the Joint Administrators' agreement to any such modifications. If the creditors reject any or all of the Joint Administrators' proposals a report will be sent to the High Court of Justice, Chancery Division confirming that the creditors have rejected the relevant proposals. The Court may then discharge the appropriate Administration and make consequential directions. Alternatively, it may adjourn the hearing or make some other Order as it thinks fit.

If the Joint Administrators' proposals are agreed at the meeting of creditors, or otherwise deemed to be approved, the Joint Administrators will continue to control the business of each of the Companies, to the extent that it has not been transferred. The Joint Administrators would at some later date arrange for the Companies to exit from the Administration, as agreed by the creditors. Based on the information presently available and the current situation, the Joint Administrators' proposal is that both Companies will be dissolved, once the Administrations are complete.

2 Events leading up to the Appointment of the Joint Administrators

The Companies were incorporated on the following dates:

Company	Date of Incorporation
PGL	21 November 2006
PIL	17 January 1986

As previously advised, the Powakaddy Group ("the Group") consisted of Powakaddy Group Limited, Powakaddy International Limited and Hill Billy Limited.

The Group traded from leasehold premises in Sittingbourne, Kent and employed over 100 staff. Powakaddy Group Limited was initially founded in 1983 to market the concept of the electric golf trolleys ("EGT"). It dominated the UK market, the brand name being synonymous with the EGT product. From inception, the business grew to sell a range of EGTs under the Powakaddy and Hill Billy brand names as well as other Powakaddy products; push/pull golf trolleys, cart bags and other related golf accessories.

The Powakaddy brand is associated with premium end trolleys that incorporated the latest EGT technology. The Hill Billy brand was acquired in 2000 and offered a lower priced product range. The brand strength provided the Group with a market leading position up to 2009 with reported turnover of £19.5m and profits of £1.44m.

In 2006, the Group undertook a restructuring with Barclays Bank plc ("the Bank") by way of a debt for equity swap. Barclays Converted Investments Limited is now the principal shareholder of the Group.

From mid 2009 onwards, issues with certain EGT product ranges resulted in market share being lost and significant warranty claims being made against the Group. Turnover for the financial year ended 2010 fell to £18.1m with losses of £1.24m.

The adverse weather conditions during the first 6 months of 2012 hampered anticipated sales and the difficult trading conditions, coupled with ongoing warranty issues which were having a significant reputational effect on the Powakaddy brand, resulted in the Group experiencing cash flow difficulties. Given the ongoing uncertainties regarding the performance of the businesses and future cash requirements, the Group and the Bank engaged the services of BDO LLP to undertake an independent business review in June 2012.

BDO LLP was subsequently instructed by the Group on 23 July 2012 to commence an Accelerated Merger and Acquisition ("AMA") process and to monitor the cash flow position. Following this instruction, the Board received separate legal advice from Speechly Bircham LLP in connection with its ongoing duties and responsibilities.

Full details of the AMA process were provided in our previous report, dated 20 August 2012. In summary, in conjunction with the directors, BDO LLP contacted 16 trade and private equity parties that had been identified as potentially interested parties and had the ability to complete a transaction within a short time period.

Information memorandums were provided to 9 parties that had expressed interest in the Group together with an opportunity to undertake limited due diligence and to meet with management. Following invitations to submit offers, four were received for the business and assets of the Group. Due to the financial position of the Group, no offers were received for the shares in either of the Companies.

On 17 August 2012, Antony David Nygate and David Harry Gilbert were appointed as Joint Administrators of both PGL and PIL. Under the provisions of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, the Joint Administrators carry out their functions jointly and severally and neither Joint Administrator has exclusive power to exercise any function.

Immediately upon appointment, the Joint Administrators entered into a sale of the business and assets of the Companies to Gear4Golf Limited ("G4G") for total consideration of £2.575m. The consideration was paid in full to the Joint Administrators upon the completion of the sale and was split as follows:

	PGL £	PIL £	Total £
Goodwill	949,996	1	949,997
Plant, Equipment & Motor Vehicles	-	77,000	77,000
IT	-	23,000	23,000
Books & Records	-	25,000	25,000
Stock	-	975,000	975,000
Debtors	-	500,000	500,000
Contracts	-	25,000	25,000
Business Intellectual Property	-	1	1
Shares in Hill Billy Limited	-	1	1
Customer List	-	1	1
Total Consideration	£949,996	£1,625,004	£2,575,000

3 Statement of Affairs and statutory information

The directors have not submitted a statement of affairs to us at the time of this report. We therefore have produced estimated financial statements of the Companies together with a schedule showing details of the estimated creditors' claims, attached at Appendix 1

At Appendix 2 is a record of the names of each of the Companies' directors and company secretary and other statutory information

4 Prescribed Part

Under the provisions of Section 176A of the Insolvency Act 1986 the Joint Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where a company has granted a floating charge to a creditor after 15 September 2003.

With regard to PGL the prescribed part does not apply as there are no floating charge realisations.

In respect of PIL, based on present information, the Joint Administrators estimate that, after allowing for costs, the value of the company's net property will be £1.507m resulting in an estimated prescribed part of c £304k.

5 Achieving the purpose of the Administrations

The statutory purpose of an administration consists of three objectives, and we now address the progress that has been made in this respect.

- (a) The first objective is the rescuing a company as a going concern (i.e restructuring the company's business, resulting in the survival of the company). The business was marketed to a wide range of trade and financial purchasers, but no parties put forward any offers to purchase either of the Companies as a going concern via a share sale. It was therefore not possible to achieve this objective.
- (b) With regard to the second objective of achieving a better result for the company's creditors as a whole than would be likely if a company were wound up (without first being in administration), the position for both Companies is that the outcome has been improved as a result of the pre-packaged sale of the business and assets. The sale to G4G has maximised the recoveries from the Companies' assets, preserved all employees' jobs (thereby reducing the level of

preferential and unsecured claims) and mitigated the costs that would be associated with a close down of the business. In addition, G4G intend to continue trading with a number of the Companies' suppliers and deal with queries for customers.

- (c) The final objective is realising property in order to make a distribution to one or more secured or preferential creditors and we can advise that it is anticipated that a distribution will be paid to the secured creditor from both Companies. It is not envisaged that there will be any preferential creditors given that all staff transferred to the purchaser.

6 Management of the company's affairs since the Joint Administrators' appointment

6.1 Sale of the businesses

Under the terms of the sale of the business, G4G acquired the assets listed in section 2, above. In addition, all employees' jobs were preserved.

The Joint Administrators' agents, Wyles Hardy and Eddisons, have confirmed that from the information available the price apportioned to the plant and machinery, intellectual property, motor vehicle, stock and IT equipment provides fair value for these assets in the context of an administration asset sale.

As a term of the sale agreement, the Joint Administrators have provided a short term licence to G4G to occupy the Companies' trading premises, to enable continuity of trade. Based upon agent's advice, the Joint Administrators did not apportion any value to this property

Following the sale to G4G the Joint Administrators have been assisting with the transfer of debtor funds paid into the Companies' old bank accounts, which formed part of the sale. In addition there have been numerous creditor queries and retention of title claims requiring attention.

6.2 Trading during the Administration

As detailed above, immediately upon the appointment of the Joint Administrators the Companies' business and assets were sold to G4G. Therefore there has been no period of trading during the Administration by the Joint Administrators

6.3 Creditors' claims

The Joint Administrators have been notified to date of unsecured creditors' claims totalling £1,190,156 in respect of PIL, we are not aware of any unsecured creditors in respect of PGL. The estimated financial statement, which can be found at Appendix 1, provides an indicative value of all claims by Company

The amount due to the secured creditor, Barclays Bank plc, is £7.3m. As you will note from the receipts and payments account attached at Appendix 3, distributions totalling £1.35m have been made to the secured creditor to date, in respect of its fixed and floating charges. It is anticipated that a total of c.£2.1m will be distributed to the secured creditors, leaving a shortfall of £5.2m.

6.4 Other Matters

The Joint Administrators anticipate that there may be a business rates refund due in respect of the former trading offices. We do not consider that this will be material or that there will be any further realisations in the Administrations.

7 EC Regulations on Insolvency Proceedings

We are required under the Insolvency Rules 1986 to state whether and if so the extent to which the above regulations apply to these Administrations. In these particular cases, the EC Regulation will apply in respect of these Administrations and both proceedings will be main proceedings as provided by Article 3 of the aforesaid Regulation

8 Pre Administration Costs

Under Rule 2 67A of the Insolvency Rules 1986, certain costs incurred in preparation and planning for the Administrations may, with the approval of the creditors, be approved for payment from the Administration estates, as an expense of the Administrations. Allowable costs fall into the following categories:-

- (i) the fees charged by the Joint Administrators,
- (ii) the expenses incurred by the Joint Administrators;

The table below summarises the outstanding costs for which approval is sought and also, where relevant, records payments received

	Company	Costs Incurred	Payments Received	Costs Outstanding
		£	£	£
(i)	PGL	14,783	nil	14,783
	PIL	97,286	72,115	25,171
(ii)	PGL	16,912	nil	16,912
	PIL	29,297	nil	29,297
TOTAL		158,278	72,115	86,163

The amounts paid prior to our appointments were paid from the bank account of PIL, as the trading entity

The expenses incurred by the Joint Administrators are described in further detail below.

In respect of the fees and expense incurred by the Joint Administrators prior to the Administration appointments, these were subject to formal engagements with the Companies dated 23 July and 24 July 2012

(i) The fees charged by the Joint Administrators

We refer you to the earlier sections of the report regarding the pre-appointment work undertaken by the Joint Administrators. The fees were agreed by the Companies on a capped time costs basis

The Joint Administrators compared the estimated outcomes to creditors under the G4G offer to the likely outcome under the alternative close down option. In a worst case, we concluded that there would be realisations of no more than £1.077m. In particular, it was considered that there would be a significant impact on likely debtor recoveries due to the warranties offered by the Companies. In addition, the costs of the Joint Administrators, their lawyers and the administration expenses would likely be significant in any close down.

The G4G offer not only provided materially higher realisations, but creditors would benefit from lower Administration costs and no preferential claims as a result of the transfer of the employees' jobs to G4G. In addition, G4G indicated that it would look to establish trading relationships with a number of the Companies' suppliers. The Joint Administrators therefore concluded that the outcome from the G4G offer provided a significantly better return to stakeholders than any alternative option

(ii) The expenses incurred by the Joint Administrators

In preparation for the Administrations fees of £45,709 have been incurred by the Joint Administrators legal advisors, DLA Piper ("DLA") of which £16,912 relates to PGL and £28,797 to PIL.

It was necessary to engaged DLA to assist the Joint Administrators with the preparation of the sale agreement, to prepare the necessary statutory documentation to enable the Companies to enter into Administration, to carry out a security review, prepare the licence to occupy the Companies' trading premises, and to advise the Joint Administrators on all necessary matters arising.

A further expense of £500 was incurred by PIL in relation to a leasehold valuation undertaken by Eddisons

In addition to the above, Wyles Hardy were engaged directly by PIL to provide confirmation that the price apportioned to the various chattel assets and intellectual property rights provided fair value for those assets in the context of an administration sale. The fee paid to Wyles Hardy was £14,119 plus VAT for their services.

The Joint Administrators' disbursements are reimbursements of precise costs we have to meet. The expenses in respect of other professional fees are reasonable and have been necessary in preparation for the Administration.

At the end of our formal proposals, below, we include resolutions in respect of these pre-administration costs.

9 Joint Administrators' Remuneration

Kindly note that under the terms of the Insolvency Rules 1986, the Joint Administrators are obliged to fix their remuneration in accordance with Rule 2.106(2) of the Insolvency Rules 1986. This permits remuneration to be fixed either as a percentage of the value of the property with which the Joint Administrators have to deal, by reference to the time the Joint Administrators and their staff spend in attending to matters in this Administration or, a fixed amount. Remuneration may be fixed on one or a combination of any of the foregoing bases.

In respect of these Administrations, we will seek our remuneration on a time costs basis. Attached at Appendix 4 are schedules that summarise the time that has been spent in administering these Administrations up to the date of this report. This shows that, in respect of PGL, a total of 52.10 hours have been spent at an average hourly rate of £378.60 and, with regard to PIL, a total of 85.05 hours at an average hourly rate of £337.30.

Where no meetings of creditors are being convened, because there will be insufficient property to enable a distribution to be made to unsecured creditors other than by reason of prescribed part which is mentioned above, our remuneration will be subject to the approval of the secured creditor as set out in Rule 2.106(5A)(a)/(b) of the Insolvency Rules 1986. This will be the case in these Administrations; however, for the information of creditors we attach at Appendix 5 a Creditors' Guide to Administrators' Fees together with a document that outlines the policy of BDO LLP in respect of fees and disbursements.

10 Possible outcomes for the Companies and Creditors

The Insolvency Act 1986 and Insolvency Rules 1986, provide a variety of options regarding the possible exit routes for the Companies from the Administrations, being primarily a Company Voluntary Arrangement, Liquidation or dissolution. It is the Joint Administrators' recommendation and proposal, as detailed below, that once all assets

have been realised and distributed in the Administrations that the Joint Administrators arrange for the Companies to be dissolved.

As detailed above, a first distribution has been paid to the secured creditor. It is anticipated that the Prescribed Part dividend will be paid to the unsecured creditors of PIL within six months and that the Companies will move to dissolution within nine months. This will be subject to obtaining appropriate tax clearance in a timely manner.

11 Statement of proposals under Paragraph 49 of Schedule B1 of the Insolvency Act 1986

In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators make the following proposals for achieving the purpose of the Administrations. Where no creditors meeting is called these proposals will be deemed to be accepted on 26 October 2012.

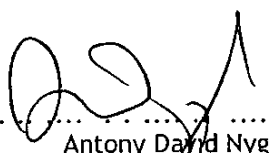
Formal Proposals - the Joint Administrators propose that:

- (a) they continue to manage the business affairs and property of the Companies on the basis of objective 2 and 3 of the statutory purpose of the Administrations, and
- (b) they make payments to the secured creditor and, in respect of PIL, distributions to the unsecured creditors from the Prescribed Part;
- (c) they exit the Administrations by way of dissolving the Companies under paragraph 84 of Schedule B1 of the Insolvency Act 1986;
- (d) the pre administration costs and expenses set out in Section 8 of the Joint Administrators' report are approved, subject to the approval of the secured creditor, in accordance with Rule 2.67A(3)(b) of the Insolvency Rules 1986,
- (e) the remuneration of the Joint Administrators is to be approved by the secured creditors in accordance with Rule 2.106 (5A) (a)/(b) of the Insolvency Rules 1986, on the basis of the time properly spent attending to matters arising in the Administration.

A further resolution is put to the creditors

- (f) That the Joint Administrators be discharged from liability under the Administrations per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 28 days after the Joint Administrators' filing their final report and sending it to creditors.

Dated 11 October 2012


.....
Antony David Nygate
Joint Administrator

7/KLJ/ADM682/C6

Estimated Financial Statements

Powakaddy Group Limited - In Administration
Estimated Financial Statement

	Notes	Book Value £	Estimated to Realise £
ASSETS (Specifically pledged)			
Goodwill	3	9,337,064	949,996
LESS:			
Barclays Bank plc		(7,300,000)	(7,300,000)
Estimated surplus/(deficiency) c/d		<u>2,037,064</u>	<u>(6,350,004)</u>

Note

- 1 Subject to costs
- 2 Book value is stated as per management accounts dated 28 July 2012
- 3 Estimated to Realise values are as per the consideration paid by G4G for the Company's assets
- 4 The Joint Administrators are not aware of any creditors other than Barclays Bank plc, the secured creditor.

Powakaddy International Limited - In Administration
Estimated Financial Statement

	Notes	Book Value £	Estimated to Realise £
ASSETS (Specifically pledged)			
Goodwill		3,997,477	1
Shares in Hill Billy Limited		-	1
Customer List		-	1
Intellectual Property		-	1
Books & Records		-	25,000
LESS:			
Barclays Bank plc		(7,300,000)	(7,300,000)
Estimated surplus/(deficiency) c/d		(3,302,523)	(7,274,996)
ASSETS (not Specifically pledged)			
Plant & Equipment		7,436	75,000
Motor Vehicles		-	2,000
IT		-	23,000
Stock		2,399,000	975,000
Debtors		2,831,000	500,000
Contracts		-	25,000
Estimated surplus available (subject to costs)		5,237,436	1,600,000
LIABILITIES			
Preferential creditors			
Employee arrears/Holiday pay			-
Estimated surplus/(deficiency) as per preferential creditors			1,600,000
Estimated prescribed part of net property (where applicable)			(323,000)
			1,277,000
Debts secured by floating charge (deficiency b/d)			(7,274,996)
Unsecured creditors			
HM Revenue & Customs	5		(170,160)
Employees	4		-
Trade and Expense Creditors	6		(1,019,996)
Landlord	7		unknown
Estimated deficiency per unsecured creditors			(7,188,152)

Note

- 1 Subject to costs.
- 2 The book values are as per management accounts dated 28 July 2012
- 3 Estimated to Realise values are as per the consideration paid by G4G for the Company's assets.
- 4 There are no employee claims as all employees were transferred to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations Act 2006 ("TUPE")
- 5 The claim of HM Revenue & Customs is taken from their initial claim as provided to the Joint Administrators
- 6 Unsecured creditor claims are as per the records of the company
- 7 The Joint Administrators are yet to establish the likely quantum of the landlord's claim in respect of the head office lease.

Powakaddy International Limited
B - Company Creditors

Key	Name	Address	£
CA00	Astratec Electronics Ltd	2/3 James Watt Close, Drayton Fields Ind Est, Daventry, Northamptonshire, NN11 8RJ	418 80
CA01	Avnet Emg Ltd	Avnet House, Rutherford Close, Meadway, Stevenage, Herts , SG1 2EF	447.36
CA02	Arval Ltd	Lea Francis House, Station Road, Balsall Common, Coventry, CV7 7FD	1,431 43
CA03	Altdigital Networks Ltd	Summit House, Cherry Court Way, Leighton Buzzard, Bedfordshire, LU7 4UK	1,670 37
CA04	Activ Factoring Ag	Gleichmann & Co Electronics, Brienner Str 23,, D-80333, Germany	237,945 63
CA05	Autobar Vending Services Ltd	Credit Control Dept, Unit 4 Anderson Road, Woodford Green, Essex., IG8 8ET	1,732 34
CA06	Actionpoint	The Old Brickfields, Otterham Quay Lane, Rainham, Kent, ME8 8AS	8,898 95
CA07	Ashtead Plant Hire Co Ltd	Po Box 119, Warrington, WA3 6YT	494 28
CA08	Ami-Con Supplies Ltd	Unit 1, Swan Business Park, Sandpit Road, Dartford, Kent, DA1 5ED	277 20
CA09	Ashford Garage Equipment Ltd	Unit 3, Cobbs Wood Ind Est., Hilton Road, Ashford, Kent, TN23 1EW	167 14
CA0A	Ansmann Energy (UK) Ltd	Units 19/20 Maple Park,, Essex Road,, Hoddesdon,, Herts, EN11 DEX	4,248 00
CA0B	Atlet Ltd	Jane Moreby Road, Thame, Oxon, OX9 3RR	3,246 56
CA0C	Activa	Activa House, Coopers Court, Newport Pagnell, Milton Keynes, MK16 8JS	0 00
CB00	Business Post Ltd/ UK Mail Ltd	c/o Atradius, 3 Harbour Drive, Capital Waterside, Cardiff, CF10 4WZ	80,005.37
CB01	B+M Golf	Pferdbachstabe 84a, 58455 Witten, Germany, DE811645556	1,020 83
CB02	Barrett & Co Ltd	Unit 13, Canal Ind Park, Canal Road, Gravesend Kent, DA12 2PA	20,560 68
CB03	Beam Ind Fasteners (UK) Ltd	Unit 10, Eaves Court, Bonham Drive, Eurolink Ind Estate, Sittingbourne, Kent, ME10 3RY	71.64
CB04	Bourns Ag	Mahon Industrial Estate, Blackrock, Cork, Republic Of Ireland	18,129 16
CB05	Brian Yearldley Continental Lt	Strand House, Wakefield Road, Featherstone, West Yorkshire	750 00
CB06	Barclays Converted Investments	Barclays Ventures, 7th Floor, United Kingdom House, 180 Oxford St, London, W1D 1EA	105,295 75
CB07	Business Computer Solutions	Satis House, 11 Elms Avenue, Ramsgate, Kent, CT11 9BW	360 00
CC00	Candy Carriers	Unit 2, Sheet Glass Road, Queenborough, Kent, ME11 5AP	86 40
CC01	Companies House	Finance Section, Crown Way, Cardiff, CF4 3UZ	4 00
CC02	Claranet Ltd	21 Southampton Row, London, WC1B 5HA	158 62
CC03	Cf Asset Finance Ltd	Capital House, Raynham Road, Bishop's Stortford, Hertfordshire, CM23 5TT	312.00
CC04	Cab-It	Rear Of 9 West Street, Sittingbourne, Kent, ME10 1AA	414 24
CC05	Contour Electronics	Unit 28 Murrell Green B/Park, London Road, Hook, Hampshire, RG27 9GR	3,420 00
CC06	Converse Telecom Ltd	1st Floor, The Old Bank House, 57 Church Street, Staines, Middlesex, TW18 4XS	567.00
CC07	Complete Holdings Ltd	Suite 2308, Building 2,, 2918, North Zhongshan Road,, Shanghai 200063, China	480 87
CC08	Carousel Logistics Ltd	Gateway Centre, Eurolink, Sittingbourne, Kent, ME10 3RN	187 20
CC09	Camis Ltd	Breener Industrial Estate, Station Drive, Briery Hill, West Midlands, DY5 3JZ	432 00
CC0A	Corrugated Board & Boxes Ltd	Units 1-4, Conquest Trading Es, Knight Road, Strood, Kent, ME2 2AL	4,858.35

Powakaddy International Limited
B - Company Creditors

Key	Name	Address	£
CD00	Dhl International (UK)	P O. Box 524, 178-188 Great South West Road, Hounslow, Middlesex, TW3 9LP	4,812 60
CD01	Dec Tek Ltd	Unit 29 Business Dev Centre, Main Avenue, Treforest Estate, Pontypridd, CF37 5UR	1,458 00
CD02	Dla Piper UK LLP	Victoria Square House, Victoria Square, Birmingham, B2 4DL	13,009 21
CE00	Electromech	2 Wilton Road, Haine Industrial Estate, Ramsgate, Kent, CT12 5HG	66,417.60
CE01	E W Taylor	22 Easter Park, Ferry Lane South, Rainham, Essex, RM13 9BP	9,062 39
CE02	Enviro-Tek Recycling Ltd	Enterprise House, 17 Perry Road, Harlow, Essex, CM18 7PN	183 60
CE03	Edf Energy 1 Limited	Payment Processing Centre, Po Box 3956, Plymouth, PL3 5XQ	4,334 53
CE04	E On UK Plc	Meter Operation Team, Green Wood House - Level 2, Westwood Way, Westwood Bus Park, Coventry, CV4 8LG	228 00
CE05	Emc Testing & Consultancy Serv	Nutmeg Cottage, Higher Street, Okeford Fitzpaine, Dorset, DT11 0RQ	2,574 00
CE06	Enviro-Tek Waste Management	Enterprise House, 17 Perry Road, Harlow, Essex, CM18 4PN	1,176.85
CF00	Farnell Electronic Comp Ltd	Accounts Receivable, Po Box 208, Leeds, Acc. No 724846 Aw Cid 111399, LS12 9BH	456 36
CF01	Fastplas Technical Moulding Ld	12 Brunel Road, Churchfields Ind Estate, St Leonards-On-Sea, East Sussex, TN38 9RT	12,865 27
CF02	Fry Heath Spence	The Gables, Massetts Road, Horley, Surrey, RH6 7DQ	4,180.43
CF03	Finishadapt Ltd	T/A Finishrink, Unit 8 Marshall Road,, Hillmead Ind, Estate, Swindon, Wilts , SN5 5FZ	212.40
CF04	Focus	Europa House, Southwick Square, Southwick, West Sussex, BN24 4FJ	285.29
CG00	Gnb Industrial Power (UK) Ltd	Mansell House, Aspinall Close,, Middlebrook, Horwich, Bolton, BL6 6QQ	97,769 77
CG01	G & P Batteries Ltd	Crescent Work Industrial Est, Willenhall Road, Darlaston, WS10 8JR	891 60
CG02	Gnb Industrial Power (UK) Euro	Sonnenschein * Euro Account*, Mansell House, Aspinall Close,, Middlebrook, Horwich,, Bolton, BL6 6QQ	18,224 00
CG03	Golf Trade Show Ltd	Unit 5, Whitttenham Close,, Slough, Berkshire, SL2 5EP	17,400 00
CG04	Golf Datatech Europe, Llc	204 Rose Avenue, Kissimmee,, FL 34741	3,250 00
CH00	Hr Go Kent Ltd	Wellington House, Church Road, Ashford, Kent, TN23 1RE	55,415.96
CH01	Home Master Int Co Ltd	5f-4, No 293-3, Sec 2, Fuxing South Road, Taipei, 106, Taiwan	17,837 58
CH02	HM Revenue & Customs	Insolvency, Barrington House, Durrington Road, Worthing, West Sussex, BN12 4SE	0.00
CH03	HM Customs & Excise	Informal Insol Lpool, 1st Floor, Queens Dock, Liverpool, L74 4AG	0.00
CI00	Infotech Solutions (UK) Ltd	Ashford House, Beaufort Court, Medway City Estate, Rochester, Kent, ME2 4FA	240.00
CJ00	Jean Wang Co Ltd	Room 1102, No 142 Ming Chuan E Road, Sec 3, Taipei Taiwan Roc	54,056.62
CJ01	Jinhua Ripu Electric Scooters	Dongxiao Industry Zone, Jinhua, China, 321015	56,968 02
CL00	Lex Autolease Ltd	Windsor House, Hollins Brook Way, Bury, BL9 8RT	1,158 79
CL01	Logiq UK Ltd	East Kent Intl Freight Terminal, Hernhill, Faversham, ME13 9EN	1,734 00
CL02	Linefive Management Services Limited	10 Blackhurst Lane, Tunbridge Wells, Kent, TN4 2QB	0 00

Powakaddy International Limited
B - Company Creditors

Key	Name	Address	£
CM00	Misco Computer Supplies Ltd	Darby Close, Park Farm South, Wellingborough, Northants, NN8 6GS	231 74
CM01	Medway (UK) Ltd	Mpt House, Brunswick Road, Cobbs Wood Ind Estate, Ashford, Kent, TN23 1EL	349 49
CM02	Mag Trading Ltd	c/o HIL International Lawyers, Haaksbergweg 33, 1101 BP Amsterdam, The Netherlands	769,164.24
CM03	Mountfield Pallets	93 Preston Park, Faversham, Kent, ME13 8LH	3,403.80
CM04	Moulded Cords And Cables Ltd	Unit 15 The Western Centre, Western Road, Bracknell, Berks, RG12 1RW	899 40
CM05	Misc Industrial Supply Co.	7 Pacific Avenue, Wednesbury, West Midlands, WS10 7WP	82.92
CM06	Minds Services Ltd	Finn Farm House,, Finn Farm Road,, Kingsnorth, Ashford, Kent , TN23 3EX	1,688 05
CN00	Nuco Developments (Nee Beacon)	Unit 13 Wireless Station Park, Chestnut Lane, Kneesworth, Royston, SG8 5JH	659 28
CN01	Neida Products (Engineering)	Trentham Lakes South, Trentham, Stoke-On-Trent, Staffordshire, ST4 8GQ	14,512 05
CN02	Northshore Designs Ltd	Unit E3 St Georges Business Pk, Castle Road, Sittingbourne, Kent, ME10 3TB	425.14
CO00	Oval Insurance Broking Ltd	Greyfriars, 12 Queen Victoria Road, Coventry, West Midlands, CV1 3PJ	7,668.52
CO01	Ogilvie Fleet Ltd	Ogilvie House, 200 Glasgow Road, Stirling, FK7 8ES	855 12
CP00	Pjs Industrial Supplies Ltd	Unit 10 Castleacres, Industrial Park, Castle Road, Sittingbourne, ME10 3RZ	288 23
CP01	Professional Sports Ltd	The Coach House, 2 Heath Road, Weybridge, Surrey, KT13 8AP	35,792 40
CP02	Purchase Power	Po Box 6570, Harlow, Essex, CM20 2GZ	3,204 00
CP03	Powerace Industries Pte L	49 Jalan Pemimpin, 04-07, Aps Industrial Building, Singapore 577203	16,044 20
CP04	Profile Technology Services Lt	Progression Centre, Mark Road, Hemel Hempstead, Herts, HP2 7DW	1,777 44
CP05	Pb Group Ltd	3 Gateway, Castle Road, Eurolink, Sittingbourne,, Kent , ME10 3AG	3,858 00
CP06	Premier Inn	Trinity Court, Wolverhampton Business Park, Wolverhampton, WV10 6UH	80 50
CP07	Pmbl Ltd	Unit D, Leach Road,, Chard Business Park, Chard, Somerset, TA20 1FA	112,870 44
CP08	Pitney Bowes Ltd	Elizabeth Way, Harlow, Essex, CM19 5BD	0 00
CR00	Rentokil Ltd	Pest Control Division, P O Box 4973, Dudley, DY1 9EY	221 84
CR01	Royal Mail South East	Papyrus Road, Werrington, Peterborough, PE4 5PG	4,086 58
CR02	R.S. Components Limited	Po Box 888, Corby, Northants, NN17 1UB, ***Del.Point Code. 22876205***	213 19
CR03	Redhead Freight Ltd	Dealburn Road, Low Moor, Bradford, West Yorkshire, BD12 ORG	2,254.13
CR04	Righton And Sons 2000 Ltd	Unit 6 John Hall Close, Oare Road, Faversham, Kent, ME13 7TY	14,670 34
CR05	Rapid Electronics Ltd	Severalls Lane, Colchester, Essex, CO4 5JS	228 13
CR06	RSM Tenon Ltd	66 Chiltern Street, London, W1U 4JT	15,450 00
CR07			0 00
CS00	Standel Dawman Ltd	Pasture Lane Works, Barrowford, Nelson, Lancashire, BB9 6ES	82,424 51
CS01	Swale Borough Council	Swale House, East Street, Sittingbourne, Kent, ME10 3HT	57,710.00
CS02	Swale Business Supplies	Unit 2, Bonham Drive, Eurolink Business Park, Sittingbourne, Kent, ME10 3RY	2,756 93

Powakaddy International Limited
B - Company Creditors

Key	Name	Address	£
CS03	Stevenage Springs Ltd	Unit 9 Hyatt Trading Estate, Babbage Road, Stevenage, Herts, SG1 2EQ	288 00
CS04	Standard Life UK Property Tru	Credit Management, Standard Life Investments, Property Accounts, 1 George St, Edinburgh., EH2 2LL	59,574 92
CS05	Shred-It Ltd	Ground Floor, Corner House, 177 Cross Street, Sale, Manchester , M33 7JQ	255 18
CS06	Shenzhen Marshall Power Su	Unit C., 22nd Floor Xinbaohui Bldg., Nanyou Blvd, Nanshen, Shenzhen, China, 518052	634,972 98
CS07	Shenzhen Hism Industrial Co,	Hism Industrial Park., Mold Manufacturing Base., Light Kiu Road, New Guangming, District, Shenzhen, China	179 01
CS08	Southern Electric	Po Box 17, Havant, PO9 5DD	1,650 03
CS09	Softcat	Thames Industrial Estate, Fieldhouse Lane, Marlow, Bucks, SL7 1TB	1,474.20
CS0A	Shenzhen Tzl Umbrella Co Ltd	No 39 Shengfeng Road, Longgang., Shenzhen	9,344 26
CS0B	Smurfit European Packaging Ltd	Smurfit UK, Robjohns Road, Widford Ind Est, Chelmsford, CM1 3BB	57,559 37
CS0C	Southern Water	PO Box 41, Worthing, BN13 3NZ	0 00
CT00	Toll Global Forwarding Gr	647 River Gardens, Feltham, TW14 0RB	71,755.80
CT01	The New Appointments Group Ltd	Gnd House, Crown Quay Lane, Sittingbourne, Kent, ME10 3HZ	5,613 26
CT02	Tartan Golf International Ltd	Broom House, Quarrywood Court, Livingston Village, Livingston, EH54 6AX	31,999.93
CT03	Tnt Express Worldwide (UK) Lt	P.O Box 186, Ramsbottom, Bury, Lancashire, BL0 9GR	22 24
CT04	Titan Boxtainer Limited	Europa Trading Centre, London Road, Grays, Essex, RM20 4DB	1,246.20
CT05	Tr Fastenings Ltd	Trinfast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW	28,041.87
CT06	T & K Industrial (China) Co Lt	Flat B, 15/F, Block 1,, Koon Wah Mirror Fty,6th Ind Bu, 7-9 Ho Tin St., Tuen Mun, Hong Kong	78,817.44
CT07	Trade UK	Selectapost 28, Sheffield, S97 3GE	26.97
CT08	Team Support Staff Ltd	157/9 High Street, Acton, London, W3 6LP	14,433 51
CT09	Toma Enterprises Ltd	The Old Miners Arms, Snape Lane, Wadhurst, East Sussex, TN5 6NS	720 00
CU00	United Forktrucks(1992) Ltd	St Helens House, St Helens Way, Thetford, Norfolk, IP24 1HG	241 80
CU01	Upg Print Group Ltd	C/O Bibby Factors Sussex Ltd, 3rd Floor Lacuna Place, Havelock Road, Hastings, East Sussex, TN34 1BG	516.00
CU02	Uniserve Airfreight Ltd	Heathrow Aviation Centre, Prescott Road, Colnbrook, Slough, SL3 0AE	8,436 21
CV00	Valpak Ltd	Stratford Business Park, Banbury Road, Stratford-Upon-Avon, CV37 7GW	283 50
CV01	Vip-Polymers Ltd	15 Windover Road, Huntingdon, Cambridgeshire, PE29 7EB	2,235 44
CW00	Water For Work And Home	Conway House, Pattenden Lane, Marden, Kent, TN12 9QJ	347.40
CW01	World Success Int Dev Ltd	* Us Dollar Acc Only*, Block A, Flat 22, 8/F, Hoi Luen Ind. Centre, 55 Hoi, Luen Rd, Kowloon, Hongkong	22,957.37

Powakaddy International Limited
B - Company Creditors

Key	Name	Address	£
CW02	Witts Transport Ltd	Nickron House, Bury Lane, Rickmansworth, Herts, WD3 1DS	960 00
CW03	Mr P Woodley	Broad Oak, West Park Road, Copthorne, Sussex, RH10 3EX	0 00
CX00	Xtel Europe Limited	Independent House, Imberhorne Lane, East Grinstead, West Sussex, RE19 1TU	17 88
EW00	Mr Anthony Williams		0 00
125 Entries Totalling			3,132,136.42

**Powakaddy Group Limited
In Administration**

Statutory Information

Company Number:	06004577				
Date of Incorporation:	21/11/2006				
Address of Registered Office:	BDO LLP, 55 Baker Street, London, W1U 7EU Formerly Castle Road, Sittingbourne, Kent, ME10 3RN				
Directors:	Simon Homer Graham White Paul Jonathan Woodley				
Company Secretary:	Antony Brian Williams				
Nominal Share Capital:	Deferred Ordinary - 40,000 A Ordinary - 700,000 B Ordinary - 300,000 Z Ordinary - 1,000				
Registered Shareholders:	Deferred Ordinary Barclays Converted Investments Ltd 34,800 Globe Nominees Ltd 5,200 <u>40,000</u> A Ordinary Barclays Converted Investments Ltd 609,000 Globe Nominees Ltd 91,000 <u>700,000</u> B Ordinary Graham White 100,000 Simon Homer 60,000 Paul Woodley 60,000 Antony Williams 40,000 Barclays Converted Investments Ltd 40,000 <u>300,000</u> Z Ordinary Barclays Converted Investments Ltd 740 Graham White 100 Simon Homer 60 Paul Woodley 60 Antony Williams 40 Barclays Converted Investments Ltd 40,000 <u>300,000</u>				

Trading Results:

Y/E	Turnover £'000	Gross Profit £'000	Net Profit (after tax) £'000	Directors' remuneration £'000	Balance on P & L A/c £'000
31/12/2010	18,096	5,124	(2,039)	466	(1,352)
31/12/2009	19,500	6,714	(121)	406	(1,091)

**Powakaddy International Limited
In Administration**

Statutory Information

Company Number: 01978915

Date of Incorporation: 17/01/1986

Address of Registered Office: BDO LLP, 55 Baker Street, London, W1U 7EU
Formerly Castle Road, Sittingbourne, Kent, ME10 3RN

Directors: Graham White
Simon Homer

Company Secretary: Richard Frank Nuthall

Nominal Share Capital: 600,100 ordinary shares of £1 each

Registered Shareholders: Powakaddy Group Limited - 600,100

Trading Results:

Y/E	Turnover £'000	Gross Profit £'000	Net Profit (after tax) £'000	Directors' remuneration £'000	Balance on P & L A/c £'000
31/12/2010	18,096	5,124	(1,368)	466	1,174
31/12/2009	19,500	6,714	589	406	2,542

Powakaddy Group Limited
In Administration

Summary of Joint Administrators' Receipts And Payments from 17 August 2012 (date
of appointment) to 8 October 2012

	Total (£)
RECEIPTS	
Goodwill	<u>949,996.00</u>
PAYMENTS	
Bank Charges	20.00
Secured Creditor	<u>880,000.00</u>
	880,020.00
Balance in Hand	69,976.00
	<u>949,996.00</u>

BDO LLP
55 Baker Street
London
W1U 7EU

A D Nygate and D H Gilbert
Joint Administrators
11 October 2012

Notes

- 1 All realisations are subject to the fixed charge security of Barclays Bank plc

Powakaddy International Limited
In Administration

Summary of Joint Administrators' Receipts And Payments from 17 August 2012 (date of appointment) to 8 October 2012

	Subject to Fixed Charge £	Subject to Floating Charge £	Total £
RECEIPTS			
Shares & Other Investment	1 00	-	1 00
Goodwill	1 00	-	1 00
Intellectual Property	1 00	-	1 00
Books & Records	25,000 00	-	25,000 00
Plant & Machinery	-	75,000.00	75,000 00
Motor Vehicles	-	2,000 00	2,000.00
Stock	-	975,000 00	975,000 00
Customer List	1 00	-	1 00
Book debts	-	500,000 00	500,000.00
IT	-	23,000.00	23,000 00
Contracts	-	25,000 00	25,000 00
	<u>25,004 00</u>	<u>1,600,000 00</u>	<u>1,625,004.00</u>
PAYMENTS			
Bank Charges	20 00	20 00	40.00
Secured Creditor	<u>20,000 00</u>	<u>450,000 00</u>	<u>470,000 00</u>
Secured Creditor	<u>20,020.00</u>	<u>450,020 00</u>	<u>470,040.00</u>
Balances in Hand	4,984.00	1,149,980 00	1,154,964 00
	<u>25,004 00</u>	<u>1,600,000 00</u>	<u>1,625,004 00</u>

BDO LLP
55 Baker Street
London
W1U 7EU

A D Nygate and D H Gilbert
Joint Administrators
11 October 2012

Summaries of the Joint Administrators' Time Costs

Powakaddy Group Limited - In Administration

Summary of Time Charged and Rates Applicable for the Period From 17 August 2012 to 5 October 2012

Description	PARTNER		DIRECTOR/ MANAGER		EXECUTIVE		GRAND TOTAL		AV RATE	
	Hours	£	Hours	£	Hours	£	Hours	£	£	£
General Administration	11 10	7,303 80	6 60	2,164 80	0 90	161 10	18 60	9,629 70	517 73	
Assets Realisation/Dealing			11 50	3,772 00			11 50	3,772 00	328 00	
Creditor Claims			5 75	1,886 00			5 75	1,886 00	328 00	
Reporting			11 50	3,772 00	3 75	337 50	15 25	4,109 50	269.48	
Distribution and Closure			1 00	328 00			1 00	328 00	328 00	
	11 10	7,303 80	36 35	11,922 80	4 65	498 60				

Net Total 52 10 19,725 20 378 60

Billed 0 00

Grand Total 19,725 20

Powakaddy International Limited - In Administration

Summary of Time Charged and Rates Applicable for the Period From 17 August 2012 to 5 October 2012

Description	PARTNER		DIRECTOR/ MANAGER		EXECUTIVE		GRAND TOTAL		AV RATE	
	Hours	£	Hours	£	Hours	£	Hours	£		£
Pre Appointment	18 90	12,436 20	68 99	12,635 60	1 75	157 50	89 64	25,229 30		281 45
Steps on Appointment	7 00	4,606 00	3 50	1,592 50			10 50	6,198 50		590 33
General Administration			31 50	9,274 50	10 55	1,888 45	42 05	11,162 95		265 47
Assets Realisation/Dealing			12 25	4,018 00			12 25	4,018 00		328 00
Creditor Claims			10 50	3,444 00			10 50	3,444 00		328 00
Reporting	4 00	2,632 00	2 00	656 00	2 75	247 50	8 75	3,535 50		404 06
Distribution and Closure			1 00	328 00			1 00	328 00		328 00
	11 00	7,238 00	60 75	19,313 00	13 30	2,135 95				

Net Total 174 69 53,916 25 308 64

Other Disbursements 46 64

Billed 0 00

Grand Total 53,962 89

A Creditors' Guide to Joint Administrators' Fees, BDO LLP Policy on Fees

1 Introduction

- 1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.

2 The nature of administration

- 2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,

or, if the administrator thinks neither of these objectives is reasonably practicable

- realising property in order to make a distribution to secured or preferential creditors

3 The creditors' committee

- 3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

4 Fixing the administrator's remuneration

- 4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed:

- as a percentage of the value of the property which the administrator has to deal with,
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration, or
- as a set amount

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the administrator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the administrator.

It is for the creditors' committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the committee to determine the percentage or percentages to be applied, and where it is a set amount, to determine that amount. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case,
- any responsibility of an exceptional kind or degree which falls on the administrator;

- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties,
- the value and nature of the property which the administrator has to deal with.

4.2 If there is no creditors' committee, or the committee does not make the requisite determination (and provided the circumstances described in paragraph 4.3 do not apply), the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as apply in the case of the committee. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator, but the administrator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment.

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets. In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of -

- each secured creditor of the company, or
- if the administrator has made or intends to make a distribution to preferential creditors -
 - each secured creditor of the company, and
 - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval,

having regard to the same matters as the committee would

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

4.4 A resolution of creditors may be obtained by correspondence

5. Review of remuneration

5.1 Where there has been a material and substantial change in circumstances since the basis of the administrator's remuneration was fixed, the administrator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

6. Approval of pre-administration costs

6.1 Sometimes the administrator may need to seek approval for the payment of costs in connection with preparatory work incurred before the company went into administration but which remain unpaid. Such costs may relate to work done either by the administrator or by another insolvency practitioner. Details of such costs must be included in the administrator's proposals.

6.2 Where there is a creditors' committee, it is for the committee to determine whether, and to what extent, such costs should be approved for payment. If there is no committee or the committee does not make the necessary determination, or if it does but the administrator, or other insolvency practitioner who has incurred pre-administration costs, considers the amount agreed to be insufficient, approval may be given by a meeting of creditors. Where the circumstances described in paragraph 4.3 apply, the determination may be made by the same creditors as approve the administrator's remuneration.

6.3 The administrator must convene a meeting of the committee or the creditors for the purposes of approving the payment of pre-administration costs if requested to do so by another insolvency practitioner who has incurred such costs. If there is no determination under these provisions, or if there is but the administrator or other insolvency practitioner considers the amount agreed to be insufficient, the administrator may apply to the court for a determination.

7 What information should be provided by the administrator?

7.1 When seeking remuneration approval

7.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on.

- the nature of the approval being sought,
- the stage during the administration of the case at which it is being sought, and
- the size and complexity of the case.

7.1.2 Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case

7.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The degree of detail will depend on the circumstances of the case, and professional guidance has been provided setting out a minimum of 6 category headings under which the work done by the officeholder and his staff should be analysed. As a firm BDO LLP operates a computerised time recording system which analyses work done under the following categories -

- Pre Appointment Matters
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues

Professional guidance suggests the following categories as a basis for analysis by grade of staff

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases

- 7.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff

7.2 After remuneration approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution (see further paragraph 8.1 below). Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph

- 7.1.3 Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 7.1.4 above regarding work which has been sub-contracted out.

7.3 Disbursements and other expenses

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements, but there is provision for the creditors to challenge them, as described below. Professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

8 Progress reports and requests for further information

- 8.1 The administrator is required to send a progress report to creditors at 6-monthly intervals. The report must include

- details of the basis fixed for the remuneration of the administrator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it),
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report),
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of

the work done during those periods, irrespective of whether payment was actually made during the period of the report;

- a statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was actually made during that period,
- the date of approval of any pre-administration costs and the amount approved;
- a statement of the creditors' rights to request further information, as explained in paragraph 8.2, and their right to challenge the administrator's remuneration and expenses.

8.2 Within 21 days of receipt of a progress report a creditor may request the administrator to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

8.3 The administrator must provide the requested information within 14 days, unless he considers that

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the administration or might be expected to lead to violence against any person, or
- the administrator is subject to an obligation of confidentiality in relation to the information requested, in which case he must give the reasons for not providing the information.

Any creditor may apply to the court within 21 days of the administrator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information.

9. Provision of information - additional requirements

The administrator must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is -

- the total number of hours spent on the case by the administrator or staff assigned to the case;
- for each grade of staff, the average hourly rate at which they are charged out;
- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office. The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office.

10 What if a creditor is dissatisfied?

10.1 If a creditor believes that the administrator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the administrator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court.

10.2 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 8.1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing.

- 10 3 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the administration.
- 11 **What if the administrator is dissatisfied?**
- 11 1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.
- 12 **Other matters relating to remuneration**
- 12 1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.
- 12 2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.
- 12 3 If a new administrator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new administrator until a further determination, resolution or court order is made.
- 12 4 Where the basis of the remuneration is a set amount, and the administrator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing administrator. The application must be made to the same body as approved the remuneration. Where the outgoing administrator and the incoming administrator are from the same firm, they will usually agree the apportionment between them.
- 13 **Effective date**
- This guide applies where a company enters administration on or after 6 April 2010, except where:
- the application for an administration order was made before that date, or
 - where the administration was preceded by a liquidation which commenced before that date

A Summary of the Proposed Resolutions

Powakaddy Group Limited ("PGL")
Powakaddy International Limited ("PIL")
(together "the Companies") - Both In Administration

(SUMMARY OF THE JOINT ADMINISTRATORS' PROPOSALS (TO BE DEEMED APPROVED ON 26 OCTOBER 2012 IN THE ABSENCE OF A CREDITORS' MEETING))

The Joint Administrators propose that

- (a) they continue to manage the business affairs and property of the Companies on the basis of objective 2 and 3 of the statutory purpose of the Administrations, and
- (b) they make payments to the secured creditor and, in respect of PIL, distributions to the unsecured creditors from the Prescribed Part,
- (c) they exit the Administrations by way of dissolving the Companies under paragraph 84 of Schedule B1 of the Insolvency Act 1986;
- (d) the pre administration costs and expenses set out in Section 8 of the Joint Administrators' report are approved, subject to the approval of the secured creditor, in accordance with Rule 2.67A(3)(b) of the Insolvency Rules 1986,
- (e) the remuneration of the Joint Administrators is to be approved by the secured creditors in accordance with Rule 2.106 (5A) (a)/(b) of the Insolvency Rules 1986, on the basis of the time properly spent attending to matters arising in the Administration

A further resolution is put to the creditors:

- (f) That the Joint Administrators be discharged from liability under the Administrations per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 28 days after the Joint Administrators' filing their final report and sending it to creditors.