

The Insolvency Act 1986

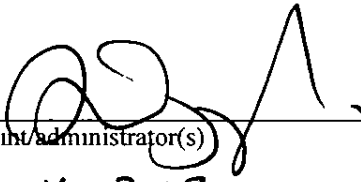
**Administrator's progress report**

Name of Company <b>PI Realisations 2012 Limited</b>	Company number <b>01978915</b>
In the <b>High Court of Justice, Chancery Division</b> <small>[full name of court]</small>	Court case number <b>6435 of 2012</b>

(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

administrator(s) of the above company attach a progress report for the period

(b) Insert date	From	to
	(b) 17 August 2012	(b) 16 February 2013

Signed   
Joint administrator(s)

Dated 15-3-13

**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 7/KIJ/ADM934 Form 2/A6	Tel
DX Number	DX Exchange

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



A23  
14/03/2013  
COMPANIES HOUSE #277

COMPANIES HOUSE

THURSDAY



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www.bdo.co.uk

55 Baker Street  
London W1U 7EU

«NAME»

«A1»

«A2»

«A3»

«A4»

«A5»

11 March 2013

Our Ref 7/KLJ/ADM932/A6

Please ask for Kim Jimmieson  
Direct Line 020 7893 2263

Email kim.jimmieson@bdo.co.uk

## TO ALL CREDITORS

Dear Sirs

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

This report is addressed to the creditors of the Companies. Please note that the report encompasses the Administrations of both of the Companies due to their affairs being closely connected and interlinked.

It is now six months since my appointment in respect of the Companies. In accordance with Rule 2.47 of the Insolvency Rules 1986 I am now reporting the progress made in implementing the approved proposals and achieving the statutory purpose of the Administrations.

### 1 Statutory Information

The Joint Administrators are Antony David Nygate and David Harry Gilbert of BDO LLP, 55 Baker Street, London, W1U 7EU and they were appointed in respect of the Companies on 17 August 2012. 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.

The Joint Administrators were appointed over PGL and PIL by Barclays Bank Plc, pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986.

The Companies' registered offices are situated at c/o BDO LLP, 55 Baker Street, London, W1U 7EU. The administration proceedings are dealt with in the High Court of Justice, Chancery Division and the court case numbers are shown below together with the registered numbers and dates of incorporation.

Company	Registered No.	In The High Court Of Justice Number	Date of Incorporation
PGL	06004577	6311/2012	21/11/2006
PIL	01978915	6432/2012	17/01/1986

7/KLJ/ADM932 Report - Group  
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## 2 Receipts & Payments

I enclose, for your information, a summary of my receipts and payments to 16 February 2013 for each of the Companies showing balances in hand as follows

Company	(£)
PGL	33,558.85
PIL	1,078,361.32

I trust that the receipts and payments shown are largely self explanatory

## 3 Management of the Companies' Affairs since the Joint Administrators' Appointment

As you will be aware from my previous correspondence, immediately upon appointment the Joint Administrators entered into a sale of the business and assets of the Companies to Gear4Golf Limited ("G4G") for a net consideration of £2 575m. The consideration was paid in full upon completion of the transaction and the apportionment of the proceeds was detailed in my letter of 11 October 2012.

Under the terms of the sale of the business, G4G acquired the goodwill, plant, equipment, motor vehicles, IT, books & records, stock, debtors, contracts, business intangible property, shares in Hill Billy Limited and customer list. In addition, all employees' jobs were preserved.

As a term of the sale agreement, the Joint Administrators provided a short term licence to G4G to occupy the Companies' trading premises to enable continuity of trade. This licence has now expired and G4G has made its own arrangements with regard to continued occupation.

Following the sale to G4G, the Joint Administrators assisted 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.

The Joint Administrators are yet to receive confirmation from HM Revenue & Customs ("HMRC") regarding the tax treatment to the sale. Once this is received, I intend to make a final distribution to the secured creditor and proceed to pay a first and final dividend to the unsecured creditor.

## 4 Costs in the Administration

As detailed above, immediately upon the appointment of the Joint Administrators the Companies' business and assets were sold to G4G.

In respect of professional costs, fees of £48,000 plus VAT and disbursements of £645.44 plus VAT have been incurred by the Joint Administrators legal advisors, DLA Piper LLP ("DLA") of which £17,998.81 relates to PGL and £30,646.63 to PIL. This amount has been paid in full.

A further expense of £500 was incurred in relation to a leasehold valuation of the PIL property. This was undertaken by Eddisons and is yet to be paid.

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.

## **5 Future of the Administrations**

It is proposed that the Joint Administrators continue in office and, where possible, make distributions to the secured creditor. Should tax clearance from HMRC continue to be delayed it may become necessary to seek an extension of the Administrations, with the consent of the secured creditors, for a period of up to six months. It is then intended that the Administrations will be exited by way of dissolution.

## **6 Prospects for Creditors**

### **6.1 Secured Creditor**

As you will note from the enclosed receipts and payments accounts, distributions have been made to the secured creditor, Barclays Bank plc, in respect of its fixed and floating charge security, as follows:

Company	Fixed Charge £	Floating Charge £	Total £
PGL	880,000	Nil	880,000
PIL	20,000	450,000	470,000

The amount due to the secured creditor at the date of my appointment was £7.3m. It is anticipated that c. £2.1m will be distributed to the secured creditor, leaving a shortfall of £5.2m.

### **6.2 Preferential and Unsecured Creditors**

There are no preferential creditors of the Companies as all employees were transferred to G4G.

Under Section 176A of the Insolvency Act 1986 where after 15 September 2003 a company has granted to a creditor a floating charge a proportion of the net property of the company must be made available for the unsecured creditors.

In respect of PGL there will be no prescribed part as the asset realisations in this company are all subject to fixed charge security.

With regard to PIL, based on present information, the Joint Administrators estimate that after allowing for costs the value of the company's net property may be £1,600,000 which will equate to a prescribed part of c. £323,000.

The Joint Administrators have been notified to date of unsecured creditors' claims totalling £3,102,676 in respect of PIL. I am not aware of any unsecured creditors in respect of PGL.

## 7 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.

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

Company	Costs Incurred £	Payments made by the Company £	Payments made by the Administration Estates £	Costs Outstanding £
PGL	14,783	Nil	12,144	2,639
PIL	97,286	72,115	20,688	4,483
<b>TOTAL</b>	<b>112,069</b>	<b>72,115</b>	<b>32,832</b>	<b>7,122</b>

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. The fees drawn from the Administration Estates were paid with the approval of the secured creditor. It is not anticipated that any further payments will be sought in relation to the pre appointment work carried out

## 8 Joint Administrators' Remuneration

Where there is insufficient realisable property to enable a distribution to be made to unsecured creditors other than by reason of the prescribed part (which is mentioned above), the Joint Administrators' remuneration will be subject to the approval of the secured and preferential creditors as set out in Rule 2 106 (5A) (a) & (b) of the Insolvency Rules 1986

The secured creditor has approved the Joint Administrators' remuneration on a capped time cost basis, and I provide below a summary of time costs accrued and drawn to date.

Company	Time costs accrued (£)	Time costs drawn (£)	Time costs outstanding (£)
PGL	18,431.60	nil	18,431.60
PIL	55,309.35	31,123.00	24,186.35

I attach to this report schedules that provide a breakdown of the work undertaken in the Administrations to date. I also draw your attention to the extract from the Insolvency Rules 1986 in respect of the rights of creditors as regards the fees and expenses of the Joint Administrators

## 9 Joint Administrators' Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. I provide below a summary table detailing the disbursements that have accrued and been drawn in the Administrations

Company	Disbursements accrued (£)	Disbursements drawn (£)	Disbursements outstanding (£)
PGL	261 61	261 61	nil
PIL	343 84	343 84	nil

Some administrators recharge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors, before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP is not to charge any category 2 disbursements.

Should you have any queries in respect of this report please do not hesitate to contact Kiri Jimmieson of this office.

**Please note that the Joint Administrators act as agents of the Companies and without personal liability.**

Yours faithfully  
For and on behalf of  
The Companies

  
A D Nygate  
Joint Administrator

Authorised by the Institute of Chartered Accountants in England & Wales

Enc

**Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Administrators' fees and expenses:-**

**Rule 2 48A Creditors' request for further information**

- (1) If—
- (a) within 21 days of receipt of a progress report under Rule 2 47—
    - (i) a secured creditor, or
    - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
  - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor, makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)
- (2) The administrator complies with this paragraph by either—
- (a) providing all of the information asked for, or
  - (b) so far as the administrator considers that—
    - (i) the time or cost of preparation of the information would be excessive, or
    - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
    - (iii) the administrator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—
- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
  - (b) the expiry of the 14 days provided for in paragraph (1),
- and the court may make such order as it thinks just
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just

**Rule 2 109 Creditors' claim that remuneration is or other expenses are excessive**

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that—
- (a) the remuneration charged by the administrator,
  - (b) the basis fixed for the administrator's remuneration under Rule 2 106, or
  - (c) expenses incurred by the administrator,
- is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

**Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Administrators' fees and expenses (continued)-**

**Rule 2 109 (continued)**

(3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

(a) an order reducing the amount of remuneration which the administrator was entitled to charge,

(b) an order fixing the basis of remuneration at a reduced rate or amount,

(c) an order changing the basis of remuneration,

(d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration,

(e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration



Powakaddy Group Limited  
In Administration

Summary of Joint Administrators' Receipts And Payments from 17 August 2012 (date of appointment)  
to 16 February 2013

	Per Statement of Affairs (£)	Total (£)
<b>RECEIPTS</b>		
Goodwill	949,996	949,996 00
Bank Interest	-	65 56
		<u>950,061.56</u>
<b>PAYMENTS</b>		
Joint Administrators' Pre-Appointments Fees		12,144 00
Joint Administrators' Disbursements		261 61
Legal Fees & Disbursements		17,998 81
Specific Bond		20.00
Input VAT		6,078.29
		<u>36,502 71</u>
Distribution to Secured Creditor - Barclays Bank plc		880,000.00
Balance in Hand		33,558.85
		<u>950,061 56</u>

BDO LLP  
55 Baker Street  
London  
W1U 7EU

A D Nygate and D H Gilbert  
Joint Administrators  
11 March 2013

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 16 February 2013

	Per Statement of Affairs £	Subject to Fixed Charge £	Subject to Floating Charge £	Total £
<b>RECEIPTS</b>				
Shares & Other Investment	1 00	1 00	-	1 00
Goodwill	1 00	1 00	-	1 00
Intellectual Property	1 00	1 00	-	1 00
Books & Records	25,000 00	25,000 00	-	25,000 00
Plant & Machinery	75,000 00		75,000 00	75,000 00
Motor Vehicles	2,000 00		2,000 00	2,000 00
Stock	975,000 00	-	975,000 00	975,000 00
Customer List	1 00	1 00	-	1 00
Book debts	500,000 00		500,000 00	500,000 00
IT	23,000 00	-	23,000 00	23,000 00
Contracts	25,000 00		25,000 00	25,000 00
Rates Refunds		-	14,069 27	14,069 27
Interest Gross	-	2 45	349 02	351 47
Debtor Receipts Due to G4G	-	-	362,981 49	362,981 49
	<u>1,625,004 00</u>	<u>25,006 45</u>	<u>1,977,399 78</u>	<u>2,002,406 23</u>
<b>PAYMENTS</b>				
Joint Administrators Pre-Appointment Fees		-	20,688 00	20,688 00
Joint Administrators Fees & Disbursements		471 00	30,995 84	31,466 84
Legal Fees		568 00	30,078 63	30,646 63
Specific Bond		-	775 00	775 00
Insurance		-	265 00	265 00
Press Office Media Costs		-	335 65	335 65
Bank Charges		-	52 50	52 50
Input VAT		207 80	6,626 00	6,833 80
Debtor Receipts Paid to G4G		-	362,981 49	362,981 49
		<u>1,246 80</u>	<u>452,798 11</u>	<u>454,044 91</u>
Distribution to Secured Creditor - Barclays Bank plc		20,000 00	450,000 00	470,000 00
Balances in Hand		3,759 65	1,074,601 67	1,078,361 32
		<u>25,006 45</u>	<u>1,977,399 78</u>	<u>2,002,406 23</u>

BDO LLP  
55 Baker Street  
London  
W1U 7EU

A D Nygate and D H Gilbert  
Joint Administrators  
11 March 2013

Powakaddy Group Limited - In Administration

Summary of Time Charged and Rates Applicable for the Period From 17 August 2012 to 16 February 2013

Description	DIRECTOR/ SENIOR MANAGER		EXECUTIVE		GRAND TOTAL		AV RATE
	Hours	£	Hours	£	Hours	£	£
General Administration	9 10	3,088 05	2 80	611 20	11 90	3,699 25	310 86
Assets Realisation/Dealing	14 00	4,739 50			14 00	4,739 50	338 54
Creditor Claims	9 25	3,240 50			9 25	3,240 50	350 32
Reporting	17 25	5,997 25	4 55	427 10	21 80	6,424 35	294 69
Distribution and Closure	1 00	328 00			1 00	328 00	328 00
	50 60	17,393 30	7 35	1,038 30			

Net Total 57 95 18,431 60 318 06

Other Disbursements 261 61

Billed 261 61

Grand Total 18,431 60

Powakaddy International Limited - In Administration

Summary of Time Charged and Rates Applicable for the Period From 17 August 2012 to 16 February 2013

Description	PARTNER		MANAGER		EXECUTIVE		OTHER STAFF		GRAND TOTAL		AV RATE
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	£
Steps on Appointment	7 00	4,606 00	3 50	1,592 50					10 50	6,198 50	590 33
General Administration	14 00	9,540 00	28 70	11,827 85	21 90	4,485 00	0 50	45 00	65 10	25,897 85	397 82
Assets Realisation/Dealing			18 00	6,243 25					18 00	6,243 25	346 85
Creditor Claims			31 75	11,667 75					31 75	11,667 75	367 49
Reporting	4 00	2,632 00	5 50	2,010 50	3 50	331 50			13 00	4,974 00	382 62
Distribution and Closure			1 00	328 00					1 00	328 00	328 00
	25 00	16,778 00	88 45	33,669 85	25 40	4,816 50	0 50	45 00			
Net Total											
139 35											
55,309 35											
396 91											
Other Disbursements											
343 84											
Billed											
31,466 84											
Grand Total											
24,186 35											

The Insolvency Act 1986

**Administrator's progress report**

Name of Company <b>Powakaddy Group Limited</b>	Company number <b>06004577</b>
In the <b>High Court of Justice, Chancery Division</b> <small>[full name of court]</small>	Court case number <b>6311 of 2012</b>

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

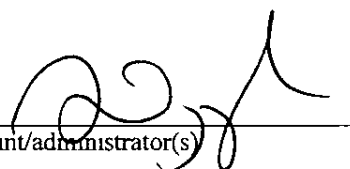
I/We (a) Antony David Nygate and David Harry Gilbert of BDO LLP, 55 Baker Street, London, W1U 7EU

administrator(s) of the above company attach a progress report for the period

(b) Insert date

from (b) 17 August 2012	to (b) 16 February 2013
-------------------------------	-------------------------------

Signed

  
Joint/administrator(s)

Dated

11-3-13

A23

14/03/2013  
COMPANIES HOUSE

#279

The Insolvency Act 1986

**Administrator's progress report**

Name of Company

**PI Realisations 2012 Limited (formerly t/a Powakaddy International 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

administrator(s) of the above company attach a progress report for the period

(b) Insert date

from

(b)

**17 August 2012**

to

(b)

**16 February 2013**

Signed

Joint administrator(s)

Dated

**11-3-13**

A23

14/03/2013  
COMPANIES HOUSE

#280