

## 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> [full name of court]	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 (b) 17 February 2013	to (b) 16 August 2013
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Signed [Signature]  
Joint administrator(s)  
Dated 21/8/13

## 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 9237/LJH/ADM 934/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

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23/08/2013

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COMPANIES HOUSE



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55 Baker Street  
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<NAME>

<A1>

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<A4>

<A5>

21 August 2013

Our Ref 7/KLJ/ADM932/A6

Please ask for Kiri Holland  
Direct Line 020 7893 2263

Email kiri.holland@bdo.co.uk

## TO ALL CREDITORS

Dear Sirs

**PI Realisations 2012 Limited (formerly t/a Powakaddy International Limited) ("PIL" or "the Company") - In Administration**

The Company forms part of a wider group with Powakaddy Group Limited ("PGL"). Certain references are made to that company in this report as its affairs are, to an extent, inter-linked.

It is now twelve months since my appointment in respect of the Company. 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 Administration for the period to 16 August 2013.

### 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 Company 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 by Barclays Bank Plc, pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986.

The registered office of the Company is situated at 55 Baker Street, London, W1U 7EU and the registered number is 01978915. The Administration proceedings are dealt with in the High Court of Justice, Chancery Division and the court case number is 6432 of 2012.

### 2 Receipts & Payments

I enclose, for your information, a summary of my receipts and payments to 16 August 2013 which shows a balance in hand of £316,064.39.

Since my last report, dated 11 March 2013, the only realisation has been that of bank interest.



### **3 Management of the Company's Affairs since the Joint Administrators' Appointment**

As noted in my previous reports, immediately upon appointment the Joint Administrators entered into a sale of the business and assets to Gear4Golf Limited ("G4G") for a net consideration of £2.575m. The consideration was paid in full upon completion of the transaction and the split between the Company and PGL. The apportionment details of which were provided in my letter of 11 October 2012.

### **4 Costs in the Administration**

In respect of professional costs, fees and disbursements of £46,485.89 plus VAT have been incurred by the Joint Administrators' legal advisors, DLA Piper LLP. This amount has been paid in full.

A further expense of £500 was incurred in relation to a leasehold valuation of the property previously occupied by the Company. This was undertaken by Eddisons and has also been paid in full.

### **5 Future of the Administration**

The Administration has been extended for a period of six months, to 16 February 2014, with the consent of the secured creditor.

I would advise that steps have been taken to move the Administration of PGL to dissolution.

### **6 Prospects for Creditors**

#### **6.1 Secured Creditor**

As you will note from the enclosed receipts and payments accounts, distributions totalling £1,220,000 have been made to the secured creditor, Barclays Bank plc, in respect of its fixed and floating charge security. It is anticipated that the secured creditor will face a substantial shortfall, in the order of £5.2m.

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

There are no preferential creditors of the Company 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.

Based on present information, the Joint Administrators estimate that, after allowing for costs, the value of the Company's net property may be £1.5million which will equate to a prescribed part of c.£303,000.

The Joint Administrators have been notified to date of unsecured creditors' claims totalling £3,464,550. A Notice of Intended Dividend was issued on 23 July 2013 to all

known creditors who were yet to prove their claim, with a final date for proving of 31 August 2013.

Once all creditor claims have been adjudicated, a first and final distribution will be made to the unsecured creditors. I currently anticipate that this will be no later than 31 October 2013

## **7 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 Company does not have any preferential creditors.

The secured creditor has approved the Joint Administrators' remuneration on a capped time cost basis. As detailed on the enclosed schedule, a total of 243.70 hours at an average hourly rate of £365.25 have been spent in dealing with the Administration. The sum of £51,811 plus VAT has been drawn to date in this regard

I provide at the end of this report an extract from the Insolvency Rules 1986 in respect of the rights of creditors to request further information and/ or challenge the remuneration or fees within the Administration.

## **8 Joint Administrators' Disbursements**

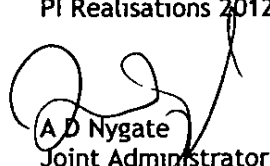
Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. I therefore report that a total of £343.84 has been drawn in respect of category 1 disbursements.

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 Kim Holland of this office.

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

Yours faithfully  
For and on behalf of  
PI Realisations 2012 Limited



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

PI Realisations 2012 Limited (formerly t/a Powakaddy International Limited)  
In Administration

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

	Per Statement of Affairs	Movement In Last Six Month Period	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	-	480 73	4 95	827 25	832 20
Debtor Receipts Due to G4G	-	574 98	-	363,556 47	363,556 47
	<u>1,625,004 00</u>	<u>1,055 71</u>	<u>25,008 95</u>	<u>1,978,452 99</u>	<u>2,003,461 94</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	15,839 26	568 00	45,917 89	46,485 89	46,485 89
Agents Fees	500 00	-	500 00	500 00	500 00
Specific Bond	-	-	775 00	775 00	775 00
Insurance	-	-	265 00	265 00	265 00
Press Office Media Costs	-	-	335 65	335 65	335 65
Bank Charges	25 55	20 00	58 05	78 05	78 05
Corporation Tax	84 35	-	84 35	84 35	84 35
Input VAT	(3,671 50)	-	3,162 30	3,162 30	3,162 30
Debtor Receipts Paid to G4G	574 98	-	363,556 47	363,556 47	363,556 47
	<u>13,352 64</u>	<u>1,059 00</u>	<u>466,338 55</u>	<u>467,397 55</u>	<u>467,397 55</u>
Distribution to Secured Creditor - Barclays Bank plc			20,000 00	1,200,000 00	1,220,000 00
Balances in Hand			3,949 95	312,114 44	316,064 39
			<u>25,008 95</u>	<u>1,978,452 99</u>	<u>2,003,461 94</u>

BDO LLP  
55 Baker Street  
London  
W1U 7EU

A D Nygate and D H Gilbert  
Joint Administrators  
19 August 2013

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

Net Total	243 70 £	89,011 65	365 25
Other Disbursements	£	359 99	
Billed	£	52,154 84	
Grand Total	£	37,216 80	