

The Insolvency Act 1986

Administrator's progress report

Name of Company
Harleyford Golf Club Limited

Company number
03048048

In the
High Court of Justice, Birmingham District
Registry, Chancery Division
[full name of court]

Court case number
8260 of 2014

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

I/ We (a) W John Kelly of Begbies Traynor (Central) LLP, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG and Nigel Price of Begbies Traynor (Central) LLP, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG

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

(b) Insert dates

from

to

(b) 2 July 2014

(b) 1 January 2015

Signed

Joint / Administrator(s)

Dated

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.

Begbies Traynor (Central) LLP

3rd Floor, Temple Point, 1 Temple Row, Birmingham B2 5LG

Tel Number 0121 200 8150

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DX Number

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



A19 20/01/2015 #125
COMPANIES HOUSE

TUESDAY

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

Harleyford Golf Club Limited (In Administration)

Progress report pursuant to Rule 2.47 of the Insolvency Rules 1986

Period: 2 July 2014 to 1 January 2015

Important Notice

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

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Harleyford Golf Club Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 2 July 2014
"the administrators" "we" "our" and "us"	W John Kelly of Begbies Traynor (Central) LLP, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG and Nigel Price of Begbies Traynor (Central) LLP, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

2. COMPANY INFORMATION

Trading name(s)	Harleyford Golf Club
Date of Incorporation	20 April 1995
Company registered number	03048048
Company registered office	3rd Floor Temple Point 1 Temple Row Birmingham B2 5LG

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of administrators' appointment	2 July 2014
Date of administrators' resignation	None
Court	High Court of Justice, Birmingham District Registry, Chancery Division
Court Case Number	8260 of 2014
Person(s) making appointment / application	Directors of the Company
Acts of the administrators	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 2 July 2014 to 1 January 2015

Receipts

Leasehold Land & Property

The Business and Assets of the Company were sold immediately on appointment to Harleyford Golf Club (Marlow) Limited ("HGCML") for a total consideration of £1.2m. The sum of £1.15m was attributed to long leasehold land and property from the total consideration.

Plant, Equipment, Office & Stock

Other items that were the property of the Company including course maintenance equipment, office equipment and kitchen and bar stock were also included in the sale on appointment to HGCML for the sum of £50,000.

Book Debts

Recoveries of £2,973.30 have been made in respect of sums due on the Company's pre-appointment sales ledger.

Sundry Receipts

On appointment there were a small number of cheques on site totalling £975.50, these cheques were recovered and paid into the administration bank account.

Bank Interest

Bank interest of £327.56 has been earned on funds held in the administration bank account.

Payments

Legal Fees and Disbursements

Fees of £10,469.90 and disbursements of £201.75 have been paid to Gateley LLP in respect of their costs arising from the legal aspects of placing the Company into administration, drafting the sale agreement and other ancillary legal advice.

Bank Charges

Transaction charges of £68.80 have been incurred on direct transfers made into and out of the administration bank account.

Deposits Held

The Company had received a number of deposits from customers in the period prior to appointment totalling £16,149. These deposits were not held separately from the overdrawn bank account. It was agreed with the purchaser that the sum of £13,000 would be deducted from the purchase price in return for their agreement to honour all those deposits taken for future bookings.

Agents Fees

£1,500.00 has been paid to GA European Valuations for the work they have undertaken in valuing the Company's assets.

Statutory Advertising

The sum of £84.60 has been paid to Courts Advertising Limited for the costs of placing notification of the appointment of administrators in the London Gazette.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows

Secured creditor

Royal Bank of Scotland/Natwest

Natwest hold fixed and floating charges dated 29 January 1996 and 22 August 2001 over the Company's assets. At the date of appointment Natwest's indebtedness was £1,285,591.00 against which distributions of £1,050,000.00 have been made. We anticipate that Natwest will still suffer a shortfall.

Loan Note Holders

Various members of the club hold a fixed and floating charge debenture over the Company's assets dated 9 April 2008 ranking behind Natwest. The debenture is security against loan notes given totalling approximately £78,000. Based on present information and the anticipated shortfall to Natwest, there will be insufficient funds to enable a return to the loan note holders.

West Register Number 2 Limited ("WR2")

WR2 hold a specific second legal charge over the long leasehold property created 10 December 2012. To the best of our knowledge WR2 do not have any outstanding monies due to them at the date of administration.

Preferential creditors

As a result of the sale of the Business and Assets all of the employees transferred across to the purchaser pursuant to Transfer of Undertakings (Protection of Employment) Regulations 2006, consequently there are no known preferential claims.

Unsecured creditors

Claims of unsecured creditors were estimated at £221,420.14. Based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors, consequently we have not yet taken steps to formally agree the claims of unsecured creditors.

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

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

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in Section 176A(6) of the Act, to be Nil and the prescribed part of the Company's net property to be Nil.

6. PRE-ADMINISTRATION COSTS

The pre-administration costs that were unpaid at the date of our appointment were detailed in our statement of proposals for achieving the purpose of administration. A request for the approval of the pre-administration costs has been made of the secured creditors in accordance with Rule 2.67A of the Rules, however we are yet to obtain approval from all parties.

7. REMUNERATION & DISBURSEMENTS

A request for the approval of our remuneration on a time costs basis has been made of the secured creditors in accordance with Rule 2 67A of the Rules, however we are yet to obtain approval from all parties

Our time costs for the period from 2 July 2014 to 1 January 2015 amount to £32,427 00 which represents 135 30 hours at an average rate of £239 67 per hour

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

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 2 July 2014 to 1 January 2015
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

To 1 January 2015, we have not drawn any fees or disbursements

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have incurred during the period of this report in the total sum of £84 60 are provided in the narrative summary of time costs incurred which is at Appendix 2

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2011' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy

8. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3

9. ASSETS THAT REMAIN TO BE REALISED

Book Debts

On appointment there was a book debt ledger of £9,829 00 of which it was considered £5,000 would be collectable To date we have realised £2,973 30 with the assistance of the Company's former financial controller The prospect of collecting any further debts is at this point uncertain

VAT Refund

Following a European Court decision, members' golf clubs are no longer liable to charge VAT on visitor 'green fees' and many, including Harleyford, have lodged claims with HMRC to recover the VAT paid historically HMRC are currently resisting these claims for a number of reasons and the arguments are likely to continue for some time We are monitoring the situation and will report on any progress as appropriate

10. OTHER RELEVANT INFORMATION

Report on Directors conduct

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Innovation and Skills on the conduct of the directors. We have complied with our duties in this respect.

Proposed exit route from administration

We still consider that there will be insufficient property to enable a distribution to be made to unsecured creditors. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to implement the provisions of Paragraph 84 of Schedule B1 to the Act.

Whilst we await the outcome of the aforementioned hearing in respect of VAT on green fees, it may be that the administration is not concluded within 12 months, consequently we consider it may therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further six months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

11. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 2.48A of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been detailed in this progress report.

Right to make an application to court

Pursuant to Rule 2.109 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

12. CONCLUSION

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



W J Kelly
Joint Administrator

Dated 12 January 2015

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 2 July 2014 to 1 January 2015

Harleyford Golf Club Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 01/01/2015

S of A £		£	£
1,150,000 00	SECURED ASSETS		
	Leasehold Land & Property	1,150,000 00	1,150,000 00
	COSTS OF REALISATION		
	Legal Disbursements	201 75	
	Legal Fees	10,469 90	
	Bank charges	28 80	
			(10,700 45)
(1,285,591 00)	SECURED CREDITORS		
(78,000 00)	RBS Natwest	1,050,000 00	
	Loan Notes	NIL	
			(1,050,000 00)
50,000 00	ASSET REALISATIONS		
5,000 00	Plant, equipment, office & stock	50,000 00	
Uncertain	Book Debts	2,973 30	
	VAT Refund	NIL	
	Sundry Receipts	975 50	
	Bank Interest Gross	327 56	
			54,276 36
	COST OF REALISATIONS		
	Deposits Held	13,000 00	
	Agents/Valuers Fees	1,500 00	
	Statutory Advertising	84 60	
	Bank Charges	40 00	
			(14,624 60)
(171,019 14)	UNSECURED CREDITORS		
(29,256 00)	Trade Creditors	NIL	
(21,145 00)	HMRC (VAT)	NIL	
	HMRC (PAYE/NIC)	NIL	
			NIL
(51,000 00)	DISTRIBUTIONS		
	Ordinary Shareholders	NIL	
			NIL
(431,011.14)			128,951 31
	REPRESENTED BY		
	Vat Receivable		316 92
	Bank 1 Current		126,500 06
	Fixed Charge VAT Receivable		2,134 33
			128,951 31



W John Kelly
Joint Administrator

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred, and
- d Table of time spent and charge-out value for the period from 2 July 2014 to 1 January 2015

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

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

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

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

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

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval)

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting,
- Car mileage is charged at the rate of 45 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² *Ibid* 1

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

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

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

	Standard
	1 May 2011 –
	until further notice
	Regional
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME Harleyford Golf Club Limited

CASE TYPE Administration

OFFICE HOLDERS W John Kelly AND Nigel Price

DATE OF APPOINTMENT 2 July 2014

1 CASE OVERVIEW

1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

1.2 Complexity of the case

This case has been relatively straightforward as the majority of the complex issues in respect of this case were dealt with prior to appointment

1.3 Exceptional responsibilities

There were no exceptional responsibilities in this case

1.4 The office holders' effectiveness

The office holders' aim was to achieve a better result for the company's creditors as a whole than would be likely if the company were wound up without first being in administration. We consider that achieving a sale on appointment achieved this aim

1.5 Nature and value of property dealt with by the office holders'

The business and assets were sold as a going concern on appointment, the only assets dealt with in the post appointment period have been a small amount of book debts and a small amount of sundry receipts together with continued pursuit of the potential VAT refund

1.6 Anticipated return to creditors

To date RBS Natwest have received £1.05m against their fixed and floating charge security. We estimate that they may receive a small further distribution in due course albeit they will still suffer a shortfall. We do not anticipate that there will be sufficient funds to enable a distribution to any other creditor

1.7 Time costs analysis

An analysis of time costs incurred between 2 July 2014 and 1 January 2015 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type

The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only

1.8 The views of the creditors

The enquiries of creditors have been dealt with in an appropriate and a timely manner as and when they have arisen

1.9 Approval of fees

Our remuneration has not yet been approved

1 10 Approval of Expenses and Disbursements

Consent to draw disbursements is also yet to be received

1 11 Category 2 Disbursements

In accordance with the resolution obtained in relation to expenses and disbursements, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of my appointment

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage	84 60
TOTAL	84 60

1 12 Other professionals employed & their costs

Gateley LLP were employed to deal with the legal aspects of this case, their remuneration was agreed on a time cost basis

GA European Valuations were employed to provide an independent valuation of the Company's business and assets, their remuneration was agreed on a fixed fee basis

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 2

2 2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 2

CONFIDENTIAL SOURCE OF INFORMATION FROM 02/07/2014 TO 07/01/2015

STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Agent's Fees	GA European Valuations	1,500 00	1,500 00	0 00
Legal Fees	Gateley LLP	10,469 90	10,469 90	0 00
Legal Disbursements	Gateley LLP	201 75	201 75	0 00
Statutory Advertising	Courts Advertising	84 60	84 60	0 00
Bank Charges	Royal Bank of Scotland	68 80	68 80	0 00
Bond - disbursement	AUA Insolvency Risk Services	18 00	0 00	18 00
Company Searches – disbursement	Companies House Direct	5 00	0 00	5 00
Subsistence – disbursement	Welcome Break	4 42	0 00	4 42