

**The Insolvency Act 1986**

**Administrators' progress report**

**Form 2.24B(CH)**

Name of Company  West Coast Capital (USC) Limited	Company number  04380754
In the High Court, Chancery Division, Companies Court	Court case number 65 of 2015

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

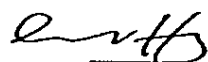
We (a) Philip Francis Duffy and  
Geoffrey Wayne Bouchier  
Duff & Phelps Ltd  
The Shard  
32 London Bridge Street  
London  
SE1 9SG

Robert Stephen Palmer  
The Gallagher Partnership LLP  
2<sup>nd</sup> Floor  
Titchfield House  
69-85 Tabernacle Street  
London  
EC2A 4RR

Administrators of the above company attach a progress report for the period

(b) Insert dates

from  (b) 13 January 2016	to  (b) 12 July 2016
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Signed   
Joint Administrator

Dated 10 August 2016

**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

Duff & Phelps Ltd  
The Shard  
32 London Bridge Street  
London  
SE1 9SG  
  
Tel +44 (0) 20 7089 4700



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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# **Progress Report to Creditors**

11 August 2016

**West Coast Capital (USC) Limited  
(In Administration)**

Joint Administrators' Progress Report to Creditors  
for the period from 13 January 2016 to 12 July 2016  
pursuant to Rule 2 47(1) of the Insolvency Rules 1986 (as amended)

**Duff & Phelps Ltd  
The Shard  
32 London Bridge Street  
London  
SE1 9SG**

## Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Agents and Hilco Capital and Hilco Appraisal	Hilco Capital Limited, Unit 7 River Court, Riverside Park, Middlesbrough, Cleveland TS2 1RT, and Hilco Appraisal Limited, 3 St Helen's Place, London EC3A 6AB, independent agents who were instructed to value certain assets of the Company
the Appointment Date	13 January 2015, being the date of appointment of the Joint Administrators
Arthur Cox	Arthur Cox, Victoria House, Gloucester Street, Belfast BT1 4LS, the solicitors instructed by the Joint Administrators to deal with the leases for the Irish properties
BEIS	The Department for Business, Energy & Industrial Strategy (formerly The Department for Business, Innovation & Skills)
BMS	Barclays Bank plc, provider of merchant services to the Company
Category 1 Disbursements	The Joint Administrators' external costs and expenses in dealing with the Administration
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
Chargeback	Protection provided to consumers against the non-supply of goods and services worth between £100 and £30,000, provided by credit card providers under Section 75 of the Consumer Credit Act 1974
Coffin Mew	Coffin Mew LLP, Cumberland House, 15-17 Cumberland Place, Southampton SO15 2BG, the solicitors instructed by the Joint Administrators to deal with the appointment, the sale of the business and the assignment of leases
the Company	West Coast Capital (USC) Limited (In Administration) (Company Number 04380754)
the Cumulative Period	The period 13 January 2015 to 12 July 2016
the Director	Mr David Michael Forsey, the sole director of the Company at the Appointment Date
Duff & Phelps	Duff & Phelps Ltd, The Shard, 32 London Bridge Street, London SE1 9SG

## Definitions

Word or Phrase	Definition
DWF	DWF LLP, No 2 Lochrin Square, 96 Fountainbridge, Edinburgh EH3 9QA, the solicitors instructed by the Joint Administrators to deal with the leases for the Scottish properties
Gallaghers	The Gallagher Partnership LLP, Second Floor, Titchfield House, 69-85 Tabernacle Street, London EC2A 4RR
GL Hearn Limited	Business Rates advisers, instructed to make appeals on behalf of the Company
HMRC	HM Revenue & Customs
the Joint Administrators	Philip Francis Duffy and Geoffrey Wayne Bouchier of Duff & Phelps and Robert Stephen Palmer of Gallaghers
the Notice	Form 2 35B – Notice to move from Administration to Dissolution
the Previous Reports	The Joint Administrators' Progress Report to Creditors dated 11 August 2015, the Joint Administrators' Progress Report to Creditors dated 9 February 2016 and the Proposals
the Proposals	The Joint Administrators' Report to Creditors and Statement of Proposals, dated 6 February 2015
the Purchaser	Republic Com Retail Limited (Company Number 08248997), whose registered office is at Unit A, Brook Park East, Shirebrook NG20 8RY, the purchaser of the business and certain assets of the Company
the Reporting Period	The period 13 January 2016 to 12 July 2016
RPS	Redundancy Payments Service
the Rules	The Insolvency Rules 1986 (as amended)
the Secured Creditor / Sports Direct	Sportsdirect Com Retail Limited, the holder of a fixed and floating charge over the Company's assets
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SIP 16	Statement of Insolvency Practice 16 - Industry best practice for Insolvency Practitioners, which includes a requirement for disclosure of information with respect to a 'pre-packaged' sale of business and / or assets of the Company

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**Definitions**

<b>Word or Phrase</b>	<b>Definition</b>
SOA	Statement of Affairs, documentation supplied by the Director outlining the Company's financial position as at the Appointment Date
SPA	The sale and purchase agreement between the Company and the Purchaser, dated 13 January 2015
the Solicitors	Arthur Cox, Coffin Mew and DWF
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006

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## **1 Introduction**

- 1 1 The Joint Administrators were appointed on the Appointment Date by the Director of the Company pursuant to Paragraph 22 of Schedule B1 to the Act
- 1 2 In accordance with Paragraph 100(2) of Schedule B1 to the Act the functions of the Joint Administrators are being exercised by any of the Joint Administrators
- 1 3 The purpose of this report is to provide creditors with details of the progress of the Administration for the Reporting Period, in accordance with Rule 2 47(1) of the Rules
- 1 4 This report should be read in conjunction with the Previous Reports
- 1 5 Statutory information on the Company is attached at Appendix 1

## **2. Joint Administrators' Report and Statement of Proposals**

- 2 1 In accordance with Paragraph 52(1) of Schedule B1 to the Act, a creditors' meeting was not required to be held as there will be insufficient realisations to enable a distribution to non-preferential unsecured creditors, other than via the Prescribed Part, if any. No meeting was convened and in accordance with Rule 2 33(5) of the Rules, the Proposals were deemed to have been approved by creditors on 19 February 2015
- 2 2 As advised in the Proposals, the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives
- Rescuing the Company as a going concern, or
  - Achieving 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), or
  - Realising property in order to make a distribution to one or more secured or preferential creditors
- 2 3 Given that the Company had insufficient funds and assets available to allow it to continue to trade as a going concern, the focus has been on achieving the second and third objectives
- 2 4 As previously reported, the Joint Administrators are pursuing the second objective and note that as a result of the pre-packaged Administration they are likely to achieve a better result for the Company's creditors as a whole than if the Company were wound up without first being in Administration. As a better value was achieved for the business and assets than would have been the case if the business was wound up and assets sold on a break up basis
- 2 5 The third objective should be achieved as a dividend has been paid to both the Secured Creditor and the preferential creditors and it is proposed that a further dividend will be paid to the non-preferential unsecured creditors of the Company under the Prescribed Part

## **3. Progress of the Administration**

- 3 1 The manner in which the affairs and business of the Company have been managed in the Reporting Period and will continue to be managed and financed are set out in the remainder of this report

#### **Sale of Business and Assets**

- 3 2 As details in the Previous Reports, the business and certain assets of the Company were sold to the Purchaser on 13 January 2015 as part of a pre-packaged Administration sale for total consideration of £1,652,155. Full details of the sale are contained in the Joint Administrators' SIP 16 Report

#### **Book debts**

- 3 3 According to the SOA, the outstanding trade debtors due to the Company had a net book value of £8,873, as at the Appointment Date. However, the estimated to realise value in the SOA was nil and a large portion of these debts have proved to be uncollectable
- 3 4 No further realisations have been made during the Reporting Period and the Joint Administrators do not anticipate that there will be any further realisations from this source

#### **Cash in Tills and at Bank**

- 3 5 As at the Appointment Date, the Company had cash at bank of approximately £30,248 that was held at Barclays Bank plc. The Joint Administrators have subsequently received these funds into the Administration estate
- 3 6 As reported previously, the cash at bank balance is shown in the Receipts and Payments Account together with the cash in tills that formed part of the sale of the business and assets (£36,500), totalling £66,748
- 3 7 There are no further realisations anticipated from this source

#### **BMS**

- 3 8 There is a balance due to the Company, totalling £205,011, in relation to sales made prior to the Appointment Date via the merchant services facility. Following the sale of the business and certain assets to the Purchaser a significant amount of the Purchaser's sales receipts were also received into the same merchant services facility, in addition to the amount of £205,011. Therefore it was agreed with both BMS and the Purchaser that the total balance held by BMS be transferred to the Purchaser and the amount owed to the Company be remitted to the Company upon completion of the reconciliation exercise
- 3 9 The Joint Administrators are currently considering the transfer of these monies to the Secured Creditor to be treated as a distribution under the floating charge. This treatment will be decided with the Secured Creditor shortly and a final account will be included in the next report

#### **Business Rates Refunds**

- 3 10 Business rates refunds totalling £62,350 were received in the Reporting Period
- 3 11 The Joint Administrators instructed GL Hearn Limited to undertake a review of possible business rates refunds to ascertain whether there are any further realisations achievable from this source, in addition to those received to date
- 3 12 GL Hearn Limited continue to pursue possible rates refunds and are aware of two further amounts that may be realised. Details of these amounts will be included in the next report once received



#### **Bank Interest**

- 3 13 Bank interest of £974 was received during the Reporting Period

#### **Other Matters**

- 3 14 As part of the pre-packaged Administration sale, it was agreed that the Purchaser would take responsibility for dealing with a number of purported retention of title claims. It is understood that these claims have since been resolved.
- 3 15 The SPA included a licence to occupy the existing leasehold properties for a period of six months. This licence has subsequently been extended five times and is now due to expire on 31 October 2016.
- 3 16 The Joint Administrators are responsible for managing the lease payments under the licence agreement. During the Reporting Period, licence fees totalling £427,635 were received from the Purchaser, with £611,119 being paid to landlords by the Joint Administrators.
- 3 17 Since the licence was first issued, the Purchaser has subsequently assigned 14 leases, surrendered five leases and exited five premises. There are six remaining leases, and the Joint Administrators continue to chase the Purchaser for update as to when these leases will be assigned or surrendered. Time costs totalling £14,230 have been incurred in the Reporting Period in dealing with these leases.
- 3 18 The Joint Administrators reached an agreement with Sports Direct during the Reporting Period to transfer a proportion of trading losses for tax purposes. This transfer produced a realisation of £400,000 during the Reporting Period for the Administration estate, however, it has been agreed with Sports Direct that the total consideration paid for the tax losses may be increased, if necessary, to achieve the maximum amount that may be distributed to creditors under the Prescribed Part of £600,000.

#### **4. Investigations**

- 4 1 The Joint Administrators' investigations into the Company's affairs are currently ongoing.
- 4 2 The Joint Administrators have complied with their statutory obligation to file a report with BEIS concerning the conduct of all directors of the Company that served in the three years prior to the Appointment Date. The content of this report is confidential.
- 4 3 The Joint Administrators continue to assist representatives of BEIS with their ongoing investigations.

#### **5 Dividend Prospects / Prescribed Part**

##### **Secured Creditors**

- 5 1 In consideration for the monies advanced under a loan and overdraft facility, the Company granted Sports Direct a debenture, dated 8 July 2011, which confers fixed and floating charges over all of the assets of the Company.
- 5 2 At the date of appointment, the Company's indebtedness to Sports Direct was approximately £7,367,556, subject to accruing interest and charges.

5 3 A distribution totalling £550,000 was paid to Sports Direct on 3 December 2015 against the floating charge

5 4 It is anticipated that there will be insufficient realisations to repay Sports Direct in full

#### **Preferential Creditors**

5 5 Pursuant to the SOA, the estimated preferential claims were £106,005

5 6 The preferential creditors' claims consist of employee claims for arrears of pay and holiday pay, the majority of which are likely to be subrogated to the BEIS following payment to the employees by the RPS

5 7 The RPS initially submitted a preferential claim totalling £89,717 on 8 July 2015 in respect of payments made to the Company's former employees. However, this claim was subsequently reduced due to an overstatement in the level of arrears of wages reported by the Company. The final revised claim submitted by the RPS totalled £85,717.

5 8 There were residual preferential claims in addition to the RPS claim totalling £3,501 and a preferential pension scheme claim totalling £509

5 9 A distribution totalling £89,726 was paid to all known preferential creditors of the Company during the Reporting Period and all known preferential claims have now been paid in full

#### **Prescribed Part**

5 10 There are sufficient funds to enable a Prescribed Part dividend to be paid to the non-preferential unsecured creditors in this instance. Following completion of the preferential dividend the Joint Administrators are now in a position to finalise the Prescribed Part dividend and will do so in the next two to three months.

5 11 Further details of any proposed distribution will be circulated to creditors in due course

#### **Non-Preferential Unsecured Creditors**

5 12 According to the SOA, unsecured creditors total £15,184,317 and claims received to date total £16,382,514

5 13 Based upon current information available, it is anticipated that there will be insufficient realisations to enable a distribution to the non-preferential unsecured creditors of the Company, other than via the Prescribed Part

### **6. Joint Administrators' Receipts and Payments Accounts**

6 1 Detailed Receipts and Payments Accounts, for the Reporting Period are shown at Appendix 2

6 2 As at 12 July 2016 there was a cash balance of £1,037,021 in the Administration estate bank account, a balance of £59,141 in the licence payment account and a VAT receivable position totalling £158,397

**7 Pre-Administration Costs**

- 7 1 As detailed in the Previous Reports, the pre-Administration time costs of Duff & Phelps and Gallaghers totalled £30,252 and £17,502 respectively. The time costs were incurred in assessing the financial position of the Company, agreeing a pre-packaged Administration sale and taking steps to place the Company into Administration.
- 7 2 On 19 February 2015, these amounts (plus VAT) together with the other pre-Administration costs as set out in the Proposals, totalling £86,460, were approved by the Secured Creditor and preferential creditors, to be paid out of the assets of the Company.

**8. Joint Administrators' Costs and Expenses**

- 8 1 The Joint Administrators' remuneration was approved on the basis of time properly charged by the Secured Creditor and preferential creditors on 19 February 2015. At that time the Joint Administrators were also authorised by the Secured Creditor and preferential creditors to draw Category 2 Disbursements.
- 8 2 The time costs charged in the Reporting Period by Duff & Phelps and Gallaghers total £51,900 and £32,490 respectively. These costs are analysed at Appendices 3 and 4.
- 8 3 The cumulative time costs charged by Duff & Phelps and Gallaghers total £383,825 and £114,359 respectively. These costs are analysed at Appendices 3 and 4.
- 8 4 A total of £150,000 (Duff & Phelps) and £57,499 (Gallaghers) has been paid to the end of the Reporting Period in respect of the Joint Administrators' post appointment remuneration. Details of payments are shown on the Receipts and Payments Accounts at Appendix 2.
- 8 5 Both the Joint Administrators' and Duff & Phelps' disbursements are also detailed at Appendix 3.
- 8 6 The Joint Administrators have incurred expenses in dealing with the Administration of the Company and these are detailed in Appendix 3.
- 8 7 Information regarding the fees and disbursements of the Joint Administrators, including details of the disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from Duff & Phelps' website at <http://www.duffandphelps.com/services/restructuring/corporate-restructuring-and-debt-advisory/Creditor-Guides-and-Employee-Fact-Sheets>. Should you require a copy, please contact this office. Gallaghers' information regarding fees and disbursements is attached at Appendix 4.
- 8 8 In accordance with Rule 2.48A of the Rules, secured creditors and non-preferential unsecured creditors (with the concurrence of at least 5% in value of total non-preferential unsecured claims) may make a request in writing to the Joint Administrators for further information about the remuneration or expenses set out in this progress report. This should be done within 21 days receipt of this report, after which the Joint Administrators have 14 days to respond.

- 8 9 In addition to the above, any secured creditor, or any non-preferential unsecured creditor (with the support of at least 10% in value of the non-preferential unsecured creditors or the permission of the Court), may apply to the Court on the grounds that the remuneration or basis fixed for the Joint Administrators' remuneration or the expenses incurred by the Joint Administrators are considered to be excessive. In accordance with Rule 2.109 of the Rules, this application must be made no later than eight weeks after receipt of this report, where the charging of the remuneration or the incurring of expenses in question occurs.

## **9 Conclusion and Ending the Administration**

- 9 1 An Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the creditors' consent. As previously advised, an extension of the Administration has been granted by the Secured Creditor and the preferential creditors, until 12 January 2017.
- 9 2 The extension was required in order to allow sufficient time to finalise the licence to occupy and deal with leasehold interests and to enable a dividend to be paid to the Secured Creditor, the preferential creditors and the non-preferential unsecured creditors via the Prescribed Part.
- 9 3 It is anticipated that following final distributions to the Secured Creditor and the non-preferential unsecured creditors via the Prescribed Part, the Joint Administrators will make a decision as to whether the Company can either be moved straight to Dissolution – via the submission of the Notice to the Registrar of Companies, or be moved to Creditors Voluntary Liquidation – via the submission of Form 2.34B to the Registrar of Companies in order to disclaim any remaining leasehold interests.
- 9 4 The Joint Administrators' choice of exit route will be detailed in the next report to creditors.

## **10. Next Report**

- 10 1 Generally the Joint Administrators will provide a Progress Report within one month of the end of each six months of the Administration.
- 10 2 If you have any queries or require any further assistance, please do not hesitate to contact my colleague Paul Murton of this office.

Yours faithfully  
For and on behalf of  
West Coast Capital (USC) Limited



**Philip Duffy**  
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Philip Francis Duffy and Geoffrey Wayne Boucher of Duff & Phelps Ltd. and Robert Palmer of The Gallagher Partnership LLP, who act as agents for the Company and without personal liability. Philip Duffy and Geoffrey Boucher are licensed in the UK by the Insolvency Practitioners Association and are bound by the Insolvency Code of Ethics and Robert Palmer is licensed by the Institute of Chartered Accountants in England and Wales.

## **Appendix 1**

### **Statutory Information**

**Statutory Information**

<b>Date of Incorporation</b>	25 February 2002
<b>Registered Number</b>	04380754
<b>Company Director</b>	Mr David Michael Forsey
<b>Company Secretary</b>	Mr Cameron John Olsen
<b>Shareholders</b>	Sports Direct - 7,432,121 A Ordinary Shares Sports Direct - 1,858,030 B Ordinary Shares
<b>Trading Address</b>	Unit A Brook Park East Road Shirebrook Mansfield Nottinghamshire NG20 8RY
<b>Registered Office</b>	<b>Current:</b> c/o Duff & Phelps Ltd The Shard 32 London Bridge Street London SE1 9SG  <b>Former:</b> Unit A Brook Park East Road Shirebrook Mansfield Nottinghamshire NG20 8RY
<b>Any Other Trading Names</b>	USC

## **Appendix 2**

### **Joint Administrators' Receipts and Payments Accounts**

**West Coast Capital (USC) Limited (In Administration)**

Joint Administrators Receipts and Payments Accounts for the Reporting Period and the Cumulative Period

SOA Estimated to Realise Value £	Notes	Reporting Period 13 January 2016 To 12 July 2016 £	Cumulative Period 13 January 2015 To 12 July 2016 £
NIL	<b>Assets Subject to Fixed Charge</b>		
	Goodwill	NIL	1
	<b>Balance of Fixed Funds</b>	<b>NIL</b>	<b>1</b>
	<b>Assets Subject to Floating Charge</b>		
1 444 000 00	1 Licence Fees	427 635 17	4 633 002 99
	Stock in Stores	NIL	1 444 000 00
136 000 00	2 Contribution For Tax Losses	400 000 00	400 000 00
	Furniture Equipment & Chattel Assets	NIL	136 000 00
519 879 00	Business Rates Refunds	62 350 69	197 896 95
35 650 00	Cash at Bank & in Tills at Stores	NIL	66 748 42
	Motor Vehicles	NIL	35 650 00
	Refunds & Overpayments	NIL	4 388 51
NIL	Debtors	NIL	2 867 00
	Gross Bank Interest	973 98	4 258 52
	Road Tax Refund	NIL	418 75
	Insurance Refund	NIL	75 92
	Leasehold Arrangements	NIL	1 00
	The Company's Schedule Stock	NIL	1 00
	Property Rights / Patents	NIL	1 00
	Dalabase Records & Documents	NIL	1 00
	IT & Communications Infrastructure	NIL	1 00
NIL	Prepayments	NIL	NIL
		<b>890,959.84</b>	<b>6,925,312.06</b>
	<b>Costs of Realisation</b>		
	3 Lease Payments	611 119 48	4 648 223 23
	Joint Administrators Remuneration	NIL	207 498 68
	Joint Administrators Remuneration - Pre Administration	NIL	47 753 50
	Joint Administrators Disbursements	NIL	2 413 29
	Legal Fees	15 839 70	66 305 00
	Legal Disbursements	28 83	70 83
	Legal Fees - Pre Administration	NIL	19 462 41
	Legal Disbursements Pre Administration	NIL	91 00
	Agents' Fees Pre Administration	NIL	15 000 00
	PR Agents' Fees Pre Administration	NIL	5 469 00
	PR Agents' Fees	NIL	1 056 00
	Accountants Fees	4 500 00	8 000 00
	Insurance of Assets	2 170 23	5 853 19
	Stationery & Postage	368 81	2 350 51
	Property Maintenance Costs	NIL	310 08
	Tax Charges	595 64	595 64
	Bank Charges	86 87	455 96
	Statutory Advertising	NIL	84 60
	Storage Costs	15 00	33 23
		<b>(634,724.56)</b>	<b>(5,031,026.15)</b>
	<b>Preferential Creditors</b>		
	Preferential Dividend	89 726 02	89 726 02
		<b>(89,726.02)</b>	<b>(89,726.02)</b>
	<b>Floating Charge Creditors</b>		
	Sports Direct	NIL	550 000 00
		NIL	<b>(550,000.00)</b>
	<b>Balance of Floating Funds</b>	<b>166,509.26</b>	<b>1,254,559.89</b>
	<b>Total Balance of Funds</b>		<b>1,254 560 89</b>
	<b>Represented By</b>		
	Floating Bank Account		850 445 17
	Corporate Saver Account - Floating Account		186 576 15
	Licence Account		59 141 27
	Fixed Bank Account		1 00
	VAT Control Account		154 340 02
	VAT Receivable		42 465 65
	VAT Payable		(38 408 37)
			<b>1,254,560.89</b>

1 The licence fees received are to meet expected outgoings of the Administration and do not form part of an asset realisation available for costs and distribution to creditors

2 The contribution received from the Secured Creditor may be subject to increase as it has been paid on the basis that it must achieve the maximum amount payable to creditors via the Prescribed Part.

3 The difference between the licence fees and lease payments is the credit balance on the licence account bank charges and VAT differences



**Appendix 3**

**Analysis of Time Charged and Expenses Incurred - Duff & Phelps**

### The Joint Administrators' Time Costs for the Cumulative Period

Classification of Work Function	Managing Director	Hours				Total Hours	Time Cost	Avg Hourly
		Manager	Senior	Assistant	Support			£
<b>Administration &amp; Planning</b>								£
Case Review & Case Diary Management	50.80	16.10	62.00	17.70	0.00	146.60	56,678.00	386.62
Cashiering & Accounting	0.00	17.90	80.30	71.70	0.00	169.90	48,570.00	285.87
Dealings with Directors & Management	0.00	0.00	0.60	3.30	0.00	3.90	675.50	173.21
IPS Set Up & Maintenance	0.00	0.10	1.50	3.25	0.00	4.85	962.00	198.35
Insurance	0.00	0.00	11.60	1.40	0.00	13.00	3,884.00	298.77
Statement of Affairs	0.00	0.40	0.50	0.95	0.00	1.85	518.50	280.27
Statutory Matters (Meetings Reports & Notices)	2.00	23.70	71.20	29.30	0.00	126.20	38,351.00	303.89
Strategy Planning & Control	1.00	52.90	12.10	6.00	0.00	72.00	30,311.00	420.99
Tax Compliance / Planning	0.00	11.70	59.00	3.40	0.00	74.10	24,850.00	335.36
<b>Creditors</b>								
Communications with Creditors / Employees	1.90	3.10	50.80	21.95	0.00	77.75	21,620.00	278.07
Non Pref Creditors / Employee Claims Handling	0.00	1.20	0.00	0.80	0.00	2.00	672.00	336.00
Secured Creditors	0.00	2.20	4.10	1.50	0.00	7.80	2,548.00	326.67
Retention of Title & Claims Handling	0.00	0.30	0.00	0.00	0.00	0.30	144.00	480.00
Pref Claims Adjudication and Distribution	0.00	0.90	0.00	1.50	0.00	2.40	567.00	236.25
<b>Investigations</b>								
CDDA and Reports & Communication	0.00	4.70	7.40	45.90	0.00	58.00	10,132.00	174.69
Financial Review & Investigations	0.00	0.50	62.30	39.40	0.00	102.20	25,033.00	244.94
<b>Realisation of Assets</b>								
Book Debts	0.00	0.90	2.20	5.80	0.00	8.90	1,803.00	202.58
Freehold & Leasehold Property	0.00	25.10	276.00	78.40	0.00	379.50	109,855.00	289.47
Goodwill & Intellectual Property Rights	0.00	0.00	0.00	0.50	0.00	0.50	60.00	120.00
Other Intangible Assets	0.00	2.70	0.30	0.00	0.00	3.00	1,392.00	464.00
Other Tangible Assets	0.00	0.00	0.50	0.00	0.00	0.50	160.00	320.00
Pre-Appointment Tax Reclaims	0.00	0.70	0.10	0.00	0.00	0.80	335.00	418.75
Sale of Business	0.00	8.20	1.60	1.40	0.00	11.20	4,644.00	414.64
Stock & Work In Progress	0.00	0.00	0.00	0.50	0.00	0.50	60.00	120.00
<b>Total Hours</b>	<b>55.70</b>	<b>173.30</b>	<b>704.10</b>	<b>334.65</b>	<b>0.00</b>	<b>1,267.75</b>		<b>302.76</b>
<b>Total Fees Claimed (£)</b>	<b>29,724.00</b>	<b>79,124.00</b>	<b>227,302.00</b>	<b>47,675.00</b>	<b>0.00</b>		<b>383,825.00</b>	
<b>Category 1 Disbursements</b>								
<b>Category</b>	<b>Amount (£)</b>							
Marketing Consultants Costs	1,787.50							
Subsistence	1,753.25							
Travel	1,936.00							
Bonding	150.00							
Courier Costs	126.96							
Bank Charges	31.94							
<b>Total</b>	<b>5,785.65</b>							

### Category 2 Disbursements

There were no Category 2 Disbursements in the Cumulative Period

**West Coast Capital (USC) Limited (In Administration)**  
**Duff & Phelps' Time Costs prior to the Administration**

Classification of Work Function	Managing Director	Manager	Hours			Total Hours	Time Cost	Avg Hourly Rate
			Senior	Assistant	Support			
							£	£
<b>Administration &amp; Planning</b>								
Strategy Planning & Control	0 00	7 10	8 60	4 40	0 00	20 10	7 326 00	364 48
Financial Review	0 00	0 30	4 60	0 00	0 00	4 90	1 616 00	329 80
Dealings with Directors & Management	3 00	0 00	0 00	0 00	0 00	3 00	1 590 00	530 00
Dealing with Notice of Intention to Appoint	0 00	0 80	0 00	7 50	0 00	8 30	1 284 00	154 70
IPS Set Up & Maintenance	0 00	0 50	0 90	0 25	0 00	1 65	558 00	338 18
Cashiering & Accounting	0 00	0 00	0 20	0 20	0 00	0 40	111 00	277 50
<b>Creditors</b>								
Communications with Creditors / Employees	0 00	0 00	1 20	0 30	0 00	1 50	420 00	280 00
<b>Realisation of Assets</b>								
Sale of Business	0 00	33 70	2 00	0 40	0 00	36 10	16 864 00	467 15
Other Tangible Assets	0 00	0 00	1 00	0 25	0 00	1 25	350 00	280 00
Freehold & Leasehold Property	0 00	0 00	0 00	0 50	0 00	0 50	132 50	265 00
<b>Total Hours</b>	<b>3 00</b>	<b>42 40</b>	<b>18 50</b>	<b>13 80</b>	<b>0 00</b>	<b>77 70</b>		<b>389 34</b>
<b>Total Fees Claimed (£)</b>	<b>1,590 00</b>	<b>20,352 00</b>	<b>5,920 00</b>	<b>2,389 50</b>	<b>0 00</b>		<b>30,251 50</b>	

**Category 1 Disbursements**

There were no Category 1 Disbursements in the pre-Administration period

**Category 2 Disbursements**

There were no Category 2 Disbursements in the pre-Administration period

**West Coast Capital (USC) Limited (In Administration)**  
**The Joint Administrators' Time Costs for the Reporting Period**

Classification of Work Function	Managing Director	Manager	Hours			Total Hours	Time Cost £	Avg Hourly Rate £
			Senior	Assistant	Support			
<b>Administration &amp; Planning</b>								
Statutory Matters (Meetings & Reports & Notices)	0 00	4 60	14 60	4 30	0 00	23 50	7 246 00	308 34
Strategy Planning & Control	0 00	6 10	0 00	3 20	0 00	9 30	3 042 00	327 10
Case Review & Case Diary Management	0 00	1 80	8 60	4 40	0 00	14 80	4 406 00	297 70
Insurance	0 00	0 00	0 50	0 00	0 00	0 50	164 00	328 00
Cashiering & Accounting	0 00	0 30	22 60	10 20	0 00	33 10	9 935 50	300 17
Tax Compliance / Planning	0 00	0 00	26 20	0 60	0 00	26 80	8 896 00	331 94
IPS Set Up & Maintenance	0 00	0 00	0 00	0 60	0 00	0 60	114 00	190 00
<b>Creditors</b>								
Communications with Creditors / Employees	0 00	0 00	1 60	0 10	0 00	1 70	555 00	326 47
Secured Creditors	0 00	0 00	0 50	0 00	0 00	0 50	160 00	320 00
Prof Claims Adjudication and Distribution	0 00	0 90	0 00	1 50	0 00	2 40	567 00	236 25
<b>Investigations</b>								
Financial Review & Investigations	0 00	0 00	7 20	0 00	0 00	7 20	2 448 00	340 00
<b>Realisation of Assets</b>								
Freehold & Leasehold Property	0 00	4 00	37 00	0 70	0 00	41 70	14 230 00	341 25
Book Debts	0 00	0 00	0 30	0 00	0 00	0 30	102 00	340 00
Pre-Appointment Tax Reclaim	0 00	0 00	0 10	0 00	0 00	0 10	34 00	340 00
<b>Total Hours</b>	<b>0 00</b>	<b>17 70</b>	<b>119 20</b>	<b>25 60</b>	<b>0 00</b>	<b>162 50</b>		<b>319 38</b>
<b>Total Fees Claimed (£)</b>	<b>0 00</b>	<b>7,611 00</b>	<b>39,510 00</b>	<b>4,778 50</b>	<b>0 00</b>		<b>51,899 50</b>	

**Category 1 Disbursements**

Category	Amount (£)
Travel	237 50
<b>Total</b>	<b>237 50</b>

**Category 2 Disbursements**

There have been no Category 2 Disbursements in the Reporting Period

**Analysis of the Joint Administrators' Expenses Incurred**

West Coast Capital (USC) Limited (In Administration)

Company / Organisation	Expenses (Per Receipts & Payments Account)	Detail	Fee Basis	Amount Incurred £	Amount Paid £
Coffin Mew LLP	Legal Fees (Including Disbursements)	Assisting the Joint Administrators in assignment of the leases for the stores in England drafting the deed for the sale of the tax losses	Time Costs	14 369 70	14 369 70
Rosetta Tax LLP	Accountants Fees	Providing advice in relation to VAT matters and the Option to Tax	Time Costs	4 500 00	4 500 00
AUA Insolvency Risk Services Limited	Insurance Costs	Public liability insurance cover for all stores	Fixed per Unit	2 170 23	2 170 23
DWF LLP	Legal Fees (Including Disbursements)	Assisting the Joint Administrators in assignment of the leases for the Scottish stores	Time Costs	1 470 00	1 470 00
Accurate Mailing Services Limited	Stationery & Postage	Printing and sending of correspondence to the Company's creditors	Fixed per Unit	368 81	368 81
Barclays Bank plc	Bank Charges	Bank charges incurred on transactions through the Administration estate bank account	Fixed per Unit	86 87	86 87
DLA Piper UK LLP	Legal Fees (Including Disbursements)	Travel expenses incurred when attending meetings	Fixed per Unit	28 83	28 83
Total Data Management Limited	Storage Costs	Storage of books and records	Fixed per Unit	15 00	15 00
			<b>Total</b>	<b>23 009 44</b>	<b>23,009 44</b>

The Joint Administrators' choice of agent was based on their perception of the ability and experience to perform this type of work, the complexity and nature of the assignment and the basis of the Joint Administrators' fee arrangement with them.

**Appendix 4**

**Analysis of Time Charged and Expenses Incurred - Gallaghers**

WEST COAST CAPITAL (USC) LIMITED  
(IN ADMINISTRATION)

TIME & CHARGEOUT SUMMARY  
For the period 13 January 2016 to 12 July 2016

Classification of Work Function	HOURS				Total Hours	Time Costs	Average Hourly Rate
	Partner	Manager/Senior					
Administration & Planning							
Appointment set up							
Appointment notification & relating Forms							
Statutory Meetings Reports & Returns	2 40	4 27	6 67	1,611.25	241.57		
Planning & Review							
Filing & General Correspondence							
Partner Review & Signing		2 00	2 00	350.00	175.00		
Meeting with Paul Murton Duff & Phelps							
Realisation of assets & Other Recoveries							
Bank							
Premises/Site Visit							
Rate Refunds							
Creditors & Claims							
Secured Creditors	15 90	5 74	21 64	6 728.50	310.93		
Employees Claims	0 20	12 44	12 64	2,249.00	177.93		
ROT Creditors	0 40	2 34	2 74	553.50	202.01		
General Correspondence & Set up Creditors Records/Claims							
PACE/Data Protection Act							
Employees Protective Award		7 00	7 00	1,225.00	175.00		
Pensions							
Preferential Distribution	1 60	5 69	5 69	995.75	175.00		
Discussions with Floating Charge Holder			1 60	576.00	360.00		
Taxation							
Distributable Tax Losses Corporation Tax and Income Tax Review	18 10	8 42	26 52	7 990.08	301.29		
Accounts		40 74		7,129.50			
Discussions with SD RE Pre Liquidation CT Return		0 92		161.00			
Investigation							
The Director's conduct prior and post appointment	7 65		7 65	2,754.00	360.00		
Analysis of company's books and Records							
Insolvency Service		0 95	0 95	166.25	175.00		
Total Hours 13 January 2016 to 12 July 2016	46.25	90.51	136.76	32,489.83	237.57		
Total	46.25	90.51	136.76	32,489.83	237.57		
Average Rate	360	175					

WEST COAST CAPITAL (USC) LIMITED  
(IN ADMINISTRATION)

TIME & CHARGEOUT SUMMARY  
For the period 13 January 2015 to 12 July 2016

Classification of Work Function	HOURS				Time Costs	Average Hourly Rate
	Partner	Manager/Senior	Total Hours			
Administration & Planning		1 34	1 34		234 50	175 00
Appointment set up						
Appointment notification & relating Forms	7 50	9 20	16 70		4 284 50	256 56
Statutory Meetings Reports & Returns	11 75	1 51	13 26		4 435 50	334 50
Planning & Review		1 20	1 20		210 00	175 00
Filing & General Correspondence		2 00	2 00		350 00	175 00
Partner Review & Signing						
Meeting with Paul Merton Duff & Phelps						
Realisation of assets & Other Recoveries						
Bank	2 00		2 00		710 00	355 00
Premises/Site Visit	3 70	9 09	12 79		2 886 75	225 70
Rate Refunds		3 28	3 28		574 00	175 00
Creditors & Claims						
Secured Creditors	2 70		2 70		960 50	355 74
Employees Claims	86 35	93 84	180 19		17 246 27	262 20
ROI Creditors	2 70	18 99	21 69		12 092 75	557 53
General Correspondence & Set up Creditors Records/Claims	2 70	41 42	44 12		8 209 00	186 06
PACE/Data Protection Act		2 75	2 75		481 25	175 00
Employees Protective Award		7 00	7 00		1 225 00	175 00
Pensions		2 27	2 27		397 25	175 00
Preferential Distribution		5 69	5 69		995 75	175 00
Discussions with Floating Charge Holder	1 60		1 60		576 00	360 00
Taxation						
Distributable Tax Losses, Corporation Tax and Income Tax Review	22 60	10 42	33 02		9 937 58	300 96
Accounts		40 74	40 74		7 129 50	175 00
Discussions with SD RE Pre-liquidation CT Return		0 92	0 92		161 00	175 00
Investigation						
The Director's conduct prior and post appointment	7 65	4 17	11 82		3 483 75	294 73
Analysis of company's books and Records	2 95	36 84	39 79		7 494 25	188 35
Insolvency Service		1 62	1 62		283 50	175 00
Total Hours 13 January 2015 to 12 January 2016	154.20	294.29	448.49		114,358 60	254 99
Total	154 20	294 29	448 49		114,358 60	254 99
Average Rate	355/360	175				



## **Information regarding Gallaghers' Fees and Disbursement**

### **Administrator's Remuneration**

As explained further below, a creditor has the right to request further information regarding my remuneration and expenses under Insolvency Rule 2.48A and has the right to challenge the administrator's remuneration and expenses under Insolvency Rule 2.109

In common with all professional firms Gallaghers charge-out rates are subject to periodic review and may increase from time to time over the period of the administration of each insolvency case. Gallaghers or any successor firm reserves the right to change the rates and grade structure. The minimum time allocated by each grade of staff assigned to the case is 6 minutes. The charge-out rates for each grade of staff assigned to the case since the date of our appointment is as follows

Partner	£355/£360 per hour
Senior Administrator	£175 per hour

The firm's policy is not to charge for the cost of support staff, the costs are factored into the charge out rate for each grade of staff shown above

Statement of Insolvency Practice 9 explains the best practice guidance applicable to the drawing of the administrator's remuneration. An explanatory note of creditors' rights in this regard can be found on The Association of Business Recovery Professionals website, at [https://www.r3.org.uk/media/documents/publications/professional/Guide\\_to\\_Administrators\\_Fees\\_Oct\\_2015.pdf](https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees_Oct_2015.pdf)

### **Further Information**

In accordance with Rule 2.48A of the Rules, secured creditors and unsecured creditors (with the concurrence of at least 5% in value of the total unsecured claims ) may make a request in writing to the administrator for further information about the remuneration or expenses set out in this final progress report. This should be done within 21 days receipt of this progress report after which the administrator has 14 days to respond.

In addition to the above, any secured creditor, or any unsecured creditor (with the support of at least 10% in value of the unsecured creditors or the permission of the court), may apply to court on the grounds that the remuneration or basis fixed for the administrators' remuneration or the expenses incurred by the administrator are considered excessive. In accordance with Rule 2.109, this application must be made no later than 8 weeks after receipt of this report, where the charging of the remuneration or the incurring of the expenses in question occurs.

### **Disbursements**

Approval from creditors is not required for the drawing of expenses or disbursements. Professional guidance issued to insolvency practitioners requires that, where the office-holder propose 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 officer-holders own firm), referred to as "Category 2 Disbursements", they must be disclosed together with the basis of charging. It is our practice not to seek to recover Category 2 Disbursements.