

AM10 (Scot)

Notice of administrator's progress report



Companies House

WEDNESDAY



A28 *A8KL6N6Z* 18/12/2019 #158
COMPANIES HOUSE

1 Company details

Company number S C 4 7 9 6 5 1

Company name in full PG Taverns (Scotland) Ltd

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Kelly

Surname Burton

3 Administrator's address

Building name/number The Manor House

Street 260 Ecclesall Road South

Post town Sheffield

County/Region

Postcode S 1 1 9 P S

Country

4 Administrator's name

Full forename(s) Lisa Jane

Surname Hogg

Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address

Building name/number The Manor House

Street 260 Ecclesall Road South

Post town Sheffield

County/Region

Postcode S 1 1 9 P S

Country

Other administrator
Use this section to tell us about
another administrator.

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6 Period of progress report

From date	^d 0	^d 3	^m 0	^m 5	^y 2	^y 0	^y 1	^y 9
To date	^d 0	^d 2	^m 1	^m 1	^y 2	^y 0	^y 1	^y 9

7 Progress report

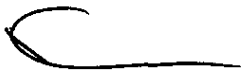
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 1	^d 3	^m 1	^m 2	^y 2	^y 0	^y 1	^y 9
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AM10 (Scot)

Notice of administrator's progress report



Presenter information

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

Contact name **Eric Mensah**

Company name **Wilson Field Limited**

Address **The Manor House**
260 Ecclesall Road South

Post town **Sheffield**

County/Region

Postcode **S 1 1 9 P S**

Country

DX

Telephone **01142356780**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

PG Taverns (Scotland) Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 03/05/2019 To 02/11/2019 £	From 03/05/2019 To 02/11/2019 £
	HIRE PURCHASE		
4,575.00	Hire Purchase Vehicle	NIL	NIL
(527.37)	RCI Finance Limited	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Bank Interest Gross	25.80	25.80
20,733.80	Cash at Bank	20,733.80	20,733.80
Uncertain	Fixtures & Fittings - The Jolly Botanist	NIL	NIL
Uncertain	FMOP - The Jolly Botanist	NIL	NIL
Uncertain	Intercompany Transaction	NIL	NIL
	Licence Fees	42,000.00	42,000.00
Uncertain	Rent Deposits	NIL	NIL
		62,759.60	62,759.60
	COST OF REALISATIONS		
	Bank Charges	408.11	408.11
	ERA Consultancy Fees	2,500.00	2,500.00
	Harmony Payroll Services	250.00	250.00
	Legal Fees	11,550.00	11,550.00
	Licence Transfer Fees	698.00	698.00
	Mileage	85.95	85.95
	Specific Bond	512.00	512.00
	Statutory Advertising	152.40	152.40
	Valuers Fees	6,025.00	6,025.00
		(22,181.46)	(22,181.46)
	FLOATING CHARGE CREDITORS		
(99,924.30)	Royal Bank of Scotland Plc	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(30,000.00)	Business Loan	NIL	NIL
(98,501.00)	Directors Loans	NIL	NIL
(186,376.00)	HM Revenue and Customs - PAYE	NIL	NIL
(693,627.00)	HM Revenue and Customs - VAT	NIL	NIL
(186,163.90)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(200.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,270,010.77)		40,578.14	40,578.14
	REPRESENTED BY		
	Bank 1 Current		40,578.14
			40,578.14



Lisa Jane Hogg
Joint Administrator

Joint Administrators' progress report

**PG Taverns (Scotland) Ltd (“the Company”)
- In Administration**

13 December 2019

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APPENDICES

- A** Receipts and payments account ("R&P") from 3 May 2019 to 2 November 2019 ("the Period")
- B** Time analysis for the Period
- C** Additional information in relation to the Joint Administrators' fees, expenses & disbursements

THE ADMINISTRATORS' PROGRESS REPORT

1 Introduction

- 1.1 I, Kelly Burton, together with my colleague Lisa Jane Hogg, was appointed Joint Administrator of the Company on 3 May 2019. The appointment was made by The Royal Bank of Scotland plc ("RBS") in their capacity as holders of a qualifying floating charge, pursuant to Paragraph 14 of Schedule B1 to the Insolvency Act 1986 ("the Act").
- 1.2 This Administration is being handled by Wilson Field Limited ("Wilson Field") at The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS. The Joint Administrators' contact details are by phone on 0114 235 6780 or via email at e.mensah@wilsonfield.co.uk. The Administration is registered in the Court of Session, Parliament House, Parliament Square, Edinburgh, EH1 1RQ, under reference number P412 of 2019.
- 1.3 Information about the way that Wilson Field will use, and store personal data on insolvency appointments can be found at <https://www.wilsonfield.co.uk/privacy-policy>. If you are unable to download this, please contact Eric Mensah of this office and a hard copy will be provided to you.
- 1.4 The principal trading address of the Company was The Clubhouse 106, Biggar Road, Edinburgh, EH10 7DU ("the Premises"), however, the Company also operated from five public houses across Edinburgh and the Lothians.
- 1.5 The registered office of the Company was the Premises before being changed following the appointment of the Joint Administrators to c/o Addleshaw Goddard LLP ("AG"), Exchange Tower, 19 Canning Street, Edinburgh, EH3 8EH and its registered number SC479651.
- 1.6 The Joint Administrators are required to provide a progress report covering the period of six months commencing from the date the Company entered Administration and every subsequent period of six months. This is the Joint Administrators' first progress report, it covers the Period and should be read in conjunction with the Joint Administrators' proposals for achieving the purpose of Administration ("the Proposals") which were circularised to creditors on 2 July 2019.

2 Progress of the Administration

- 2.1 Creditors may recall that the statutory objective being pursued in the Administration is the third objective of Administration, which is, realising property in order to make a distribution to one or more secured or preferential creditors. As detailed within the Proposals, the Company operated a business loan facility with The Royal Bank of Scotland plc ("RBS"), who secured their lending by way of a debenture incorporating a floating charge, which was created on 29 July 2016 and delivered on 2 August 2016.
- 2.2 The statutory purpose of Administration has been achieved, in that the outstanding indebtedness due to RBS under the terms of their security was repaid in full under the terms of its floating charge, via a distribution in the sum of £101,905 which was made on 22 November 2019. This has satisfied the third statutory purpose of Administration. Creditors will note that the distribution to RBS was made outside of the Period and therefore is not reflected on the R&P at Appendix A.
- 2.3 In addition to the pursuance of this statutory objective, the Joint Administrators have duties imposed by insolvency and other legislation, some of which may not provide any financial benefit to creditors.

- 2.4 This section of the report provides creditors with an update on the progress made during the Period, both in terms of the achievement of the statutory objective, but also work which is required of the Joint Administrators under other related legislation.
- 2.5 At Appendix A is an R&P covering the Period.
- 2.6 Attached at Appendix B is a time analysis outlining the time spent by the Joint Administrators and their staff during the Period.
- 2.7 Further information about the basis of remuneration agreed in this case and the Joint Administrators' fees estimate can be found in section 4 of this report, together with any relevant information about revisions to the initial estimate, where applicable.
- 2.8 During the Period, the Joint Administrators have dealt with a number of statutory formalities required of them including but not limited to, liaising with the Court and the Registrar of Companies and the London and Edinburgh Gazette to advertise the Company's insolvency, consulting the Company's accountant for information required in the Administration, undertaking internal reviews and drafting the Joint Administrators' progress report on the progress of the Administration and circulating this to the Company's creditors.
- 2.9 The Joint Administrators have also completed their statutory investigations into the Company's affairs and the conduct of its director and progressed the realisation strategy to maximise realisations of the Company's business and assets, as was reported at length in the Proposals.
- 2.10 The Joint Administrators have also been working closely with the successor business to the Company, Clubhouse Bars Limited ("Clubhouse"), and the Company's landlord, Star Pubs & Bars Limited ("Star Pubs"), to progress and ultimately complete a sale of the Company's business and certain assets to Clubhouse, as well as securing realisations in respect of fixtures and fittings and rent deposits held by Star Pubs. The Joint Administrators have also consulted with RBS throughout the Administration term, providing updates on the progress of the Administration and the Joint Administrators' realisation strategy. The Joint Administrators instructed solicitors, Addleshaw Goddard LLP ("AG"), to assist with the formalities and legalities surrounding the sale of the business and assets of the Company to Clubhouse and Star Pubs. The sale of the Company's business and assets was completed on 5 November 2019, further details of which can be found in the asset realisation section below. Creditors should note that as the sales completed outside of the Period, the associated realisations are not reflected on the R&P enclosed at Appendix A. Full details of the sales will be provided in the Joint Administrators' next report to creditors.

Administration (including statutory compliance & reporting)

- 2.11 As noted above, the Joint Administrators must comply with certain statutory obligations under the Act and other related legislation. Details about the work that the Joint Administrators anticipated would need to be done in this area was outlined in their initial fees estimate/information which formed part of the Proposals. Creditors should refer to the Proposals for details of the initial fees estimate/information.
- 2.12 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Joint Administrators.
- 2.13 During the Period, the Joint Administrators have dealt with a number of statutory formalities required of them including but not limited to, advertising the appointment in the Edinburgh and London Gazette, notifying, Companies House, HM Revenue & Customs ("HMRC") and all known creditors of the appointment, undertaking internal reviews to monitor case progression and preparing and circulating the Proposals.

- 2.14 The costs within in the administration category further extend to more frequent administrative tasks such as dealing with, VAT returns payments, receipts, record keeping and ensuring that files are maintained and up to date.
- 2.15 As noted in the Joint Administrators' initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

Realisation of assets

Bank interest gross

- 2.16 During the Period, £26 has accrued on funds held in the Administration estate.

Cash at bank

- 2.17 As detailed within the Proposals, upon the Joint Administrators' appointment the Company's bank account was in credit and held £20,734. Following appointment, the Joint Administrators liaised with the Company's bankers, RBS, and requested that the credit balance held be transferred to the Administration estate. Subsequently, the funds were received in full on 25 June 2019.
- 2.18 Outside of the Period, the Joint Administrators have been made aware that there is a further £1,000 due to the Administration estate, relating to a credit balance held on a business credit card operated by the Company. These funds were duly received on 15 November 2019 but as the receipt occurred outside of the Period, these funds are not recorded on the R&P at Appendix A and will be reported on in full in the Joint Administrators' next report to creditors.
- 2.19 Final realisations from this source will total £21,734 and excluding the £1,000 referred to above, no further realisations are anticipated from this source.

Licence fees

- 2.20 Creditors may recall from the Proposals that to ensure continuity of trade and the preservation of value in the Company's business and assets, the Joint Administrators granted a Licence To Operate ("LTO") to Clubhouse, a company connected to the Company by way of a common director and shareholder in Iain Pert. The Company ceased to trade upon the Joint Administrators' appointment and all subsequent trading activities at the venues formerly operated by the Company have been conducted by Clubhouse under the terms of the LTO. . In accordance with the LTO terms, Clubhouse were required to pay a licence fee in exchange for its use of the Company's trading premises and assets at a rate of £3,000 plus VAT per week on a weekly rolling basis, for each week of the LTO term. During the Period, £42,000 has been received in respect of the monthly licence fees, resulting in significant arrears from Clubhouse to the Administration estate in this respect. At the end of the Period, licence fee invoices had been issued to Clubhouse totalling £81,000, resulting in arrears of £39,000 from this source.
- 2.21 The weekly licence fee payments had been received in accordance with the LTO until July 2019, when payments from Clubhouse ceased. Clubhouse approached the Joint Administrators prior to defaulting on the agreed payments and explained that they had faced issues with premises licencing at one of the Company's venues which had resulted in a sizeable loss of income. Furthermore Clubhouse were suffering significantly reduced footfall and revenues at two of the venues, on the basis that they were being openly marketed to new tenants by Star Pubs. Clubhouse contended that the open marketing of these two venues was significantly affecting their financial performance and that these factors were creating cashflow pressure which meant it was unable to comply with its obligations under the LTO.
- 2.22 Given Clubhouse's early engagement with the Joint Administrators and the considerable benefits that their operation of the Company's business following the Administration has offered to the Administration estate, it was agreed that Clubhouse be granted a payment holiday of sorts and they were given a period of grace from payment of the licence fees, on

the understanding that the arrears would be settled by Clubhouse as part of the envisaged sale of the Company's business and certain assets to Clubhouse in due course.

- 2.23 Creditors should note that as part of the sale of the Company's business and certain assets to Clubhouse, the licence fee arrears have now been settled. It has been agreed with Clubhouse that a total of £40,000 be paid into the Administration estate in respect of the arrears at the date of completion of the sale to Clubhouse. Further details of this arrangement will be reported in subsequent reports to creditors, as the sale to Clubhouse completed outside the Period and therefore this report.

Sale of business and assets and associated asset realisations

- 2.24 Creditors will recall from the Proposals that the Joint Administrators engaged the services of CDLH Surveyors Limited, RICS registered valuers of 166 Buchman Street, Glasgow, G1 2LW ("CDLH") to prepare a detailed valuation of the Company's business and assets incorporating the Fair and Maintainable Operating Profit ("FMOP"), the fixtures and fittings/inventories ("F&F") and stock, with a view to selling the five public houses as trading businesses. Potential realisations for the same would be significantly maximised on this basis.
- 2.25 Following receipt of the valuation report, the Joint Administrators worked closely with Star Pubs and RBS in assessing the most appropriate realisation strategy. Clubhouse initially expressed an interest in acquiring the business and assets associated to all 5 pubs from the Joint Administrators, but it was noted that any such agreement would need to be agreed with Star Pubs, who have strict criteria for tenants who occupy their venues. With this in mind, it was considering that any marketing of the Company's business and assets would be futile and would only serve to increase the costs of Administration to the detriment of creditors, as ultimately Star Pubs would dictate the identity of the new operators of the venues following the demise of the Company. This realisation strategy was agreed with RBS and Star Pubs at the inception of the Administration. Following protracted negotiations and discussions, Star Pubs confirmed that they were willing to grant Clubhouse occupation of 3 of the 5 venues formerly operated by the Company. Star were willing to grant Clubhouse tenancies at the venues which had been historically profitable for the Company but advised that they would be introducing their own tenants at the 2 remaining, historically loss-making venues.
- 2.26 Further discussions resulted in an indicative agreement that Clubhouse would acquire the fixtures and fittings and pay a consideration for the FMOP value associated to the venues at The Jolly Botanist, The Doghouse and the Mousetrap ("the Clubhouse Venues") from the Joint Administrators, whilst agreeing new tenancies for the same with Star Pubs.
- 2.27 It was further agreed that the remaining 2 venues, namely The Fork & Field and the Kings Wark ("the Star Pubs Venues"), would effectively be returned to Star Pubs. Star Pubs confirmed that they would acquire the fixtures and fittings associated to this venue in their own right, accept a surrender of the leases associated to these venues and essentially grant new tenancies to an operator of their choice. There were no FMOP values for these venues, on the basis that the venues were loss making and FMOP is calculated based upon trading profits.
- 2.28 Having reached this agreement, Star Pubs advised that there were numerous internal compliance matters which needed to be attended to before the venues could transfer and sales completed. This included the marketing of the Star Pubs Venues to identify new tenants, provision of rent deposits by the incoming tenants and compliance with Star Pubs' various health and safety and internal compliance requirements. Furthermore, Star Pubs indicated that they needed to take an assessment of potential dilapidation liabilities in order that they could consider the return of various rent deposits which had been paid by Company to the Administration estate.
- 2.29 Separately, terms were agreed with both Clubhouse and Star Pubs to sell all of the Company's business and assets to the two parties, settle various mutual claims and otherwise deal with all remaining potential asset realisations in this case. Ultimately,

transactions were agreed with Clubhouse and Star Pubs to realise the following assets for the benefit of the Administration estate:-

- Fixtures and fittings – Fork & Field
- Fixtures and fittings – Kings Wark
- Fixtures and fittings – The Dog House
- Fixtures and fittings – The Jolly Botanist
- Fixtures and fittings – The Mouse Trap
- FMOP – The Dog House
- FMOP – The Jolly Botanist
- FMOP – The Mouse Trap
- Settlement of a Star Pubs loan
- Settlement of an inter-company transaction
- Settlement of licence fee arrears
- Rent deposits held for all venues.

- 2.30 The sales/settlements to/with Clubhouse and Star Pubs both completed simultaneously on 5 November 2019, which is of course outside the Period. As a result, the associated realisations are not referred to in the R&P at Appendix A and detailed reporting in relation to the sale terms and associated issues will be reported in the Joint Administrators' next report to creditors in this matter.
- 2.31 The Joint Administrators can confirm that the sales of the business and assets of the Company and various settlement agreements have achieved sufficient realisations to discharge the Company's indebtedness to RBS in full. As these transactions fall outside the Period, the Joint Administrators will provide further details in subsequent reports to creditors.
- 2.32 It is considered that the work the Joint Administrators and their staff have undertaken to date has brought a financial benefit to the Company's secured creditor, RBS, in that they have been repaid in full under the floating charge contained within their debenture. The floating charge distributions to RBS have also created a Prescribed Part fund for the benefit of the Company's unsecured creditors from the Company's net floating charge property. This will result in a financial benefit to the Company's unsecured creditors as a direct consequence of the Joint Administrators' conduct of the Administration and the successful conclusion of their realisation strategies.

Creditors (claims and distributions)

- 2.33 Further information on the anticipated outcome for creditors in this case can be found at section 5 of this report. The Joint Administrators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 2.34 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service ("RPS") following dismissal. In this case, the Company employed 75 members of staff, all of whom have been transferred to

Clubhouse under Transfer of Undertaking for the Protection of Employee ("TUPE") regulations and therefore no preferential claims are anticipated.

- 2.35 The above work will not necessarily bring any financial benefit to creditors generally, however the Joint Administrators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Joint Administrators in dealing with those claims.
- 2.36 The Joint Administrators consider the following matters worth noting in their report to creditors at this stage:
- The Joint Administrators can confirm receipt of 3 creditor claims totalling £184,092
 - The Joint Administrators are yet to receive claims from 12 creditors whose debts total £1,062,708
 - There is 1 secured creditor in RBS whose debt at the date of this report stands at £101,470
 - There are no preferential creditors in this matter, further details of which are provided below

Investigations

- 2.37 Some of the work the Joint Administrators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice ("SIP") 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Joint Administrators can pursue for the benefit of creditors.
- 2.38 The Joint Administrators can confirm that they have submitted a report on the conduct of the director of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, they are unable to disclose the contents, however, we can confirm that no disqualification order has been made at the date of the report.
- 2.39 Shortly after appointment, the Joint Administrators made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors as a response to the Joint Administrators' request to complete an investigation questionnaire. Creditors should note that the Joint Administrators' investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.

3 Pre-Administration costs

- 3.1 The pre-Administration costs were reported in the Proposals dated 2 July 2019. It was agreed with RBS that no approval to the pre-Administration costs would be sought until such point as their indebtedness in the Administration proceedings had been repaid in full. Accordingly, attempts were not made to agree these costs during the Period.
- 3.2 However, on 19 November 2019, RBS confirmed their approval of the pre-Administration costs detailed in the Proposals. As this falls outside the Period, the Joint Administrators have not provided full details in this report but will provide further details to creditors in subsequent reports.

4 Joint Administrators' remuneration

4.1 The basis of the Joint Administrators' fees is to be fixed in the Administration by reference to the time properly spent by them and their staff in managing the Administration. The Joint Administrators' fees estimate/information was originally provided to creditors with the Proposals and included an estimate of the time costs we considered were likely to be incurred in the Administration, based upon information available to them at the time.

4.2 A copy of that estimate is reproduced below:

Administration (inc statutory compliance & reporting)	147.60	308	45,490.50
Realisation of assets	43.50	338	14,708.00
Creditors (claims & distributions)	41.40	300	12,417.00
Investigations	31.50	303	9,550.00
Trading (where applicable)	0.00	0.00	0.00
Case specific matters (where applicable)	40.00	340	13,600.00

4.3 The Joint Administrators' time costs for the Period are £82,494. This represents 279 hours at an average rate of £296 per hour. Attached at Appendix B is a time analysis which provides details of the activity costs, incurred by staff grade, during the Period, in respect of the costs fixed by reference to time properly spent in managing the Administration.

4.4 At the date of this report, the Joint Administrators can confirm that the fees estimate for the Administration remains unchanged. This is because the Joint Administrators have undertaken to restrict their time costs to be drawn from the estate to £95,766 as represented in the table above. No funds have been drawn on account of the Joint Administrators' remuneration during the Period.

4.5 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from <https://www.icaew.co.uk/en/technical/insolvency/understanding-business-restructuring-and-insolvency/creditors-guides>.

4.6 Attached at Appendix C is additional information in relation to the Joint Administrators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

5 Estimated outcome

Secured creditors

5.2 As you may recall from the Proposals, RBS hold a debenture incorporating a floating charge over the Company's assets. The debenture was created on 26 July 2016 and delivered to Companies House on 2 August 2016. RBS' indebtedness at the date of the Joint Administrators' appointment was £99,924. Following discussions with RBS, the Joint Administrators have been made aware that their indebtedness has now increased to £101,905 due to the accrual of interest.

5.3 As referred to previously, RBS have been repaid in full under their fixed charge outside of the Period.

Preferential creditors

- 5.4 Creditors will recall that the Company employed 75 members of staff, all of whom have been transferred to Clubhouse under TUPE. The Joint Administrators instructed Jamie King of UK Employment Law Consultants Limited ("UKELC") a firm of employment law specialists to assist in the calculation required to value the liabilities avoided from the TUPE transfer of employees to Clubhouse. This showed liabilities of £73,306 avoided by the TUPE transfer.

Unsecured creditors

- 5.5 The Joint Administrators have received claims totalling £184,092 from 3 creditors. They have yet to receive claims from 12 creditors whose debts total £1,062,708 as per the Company's statement of affairs. As creditors will recall, there is no prospect of a dividend to unsecured creditors, with the exception of sums payable under the Prescribed Part which is referred to in greater detail below.
- 5.6 Within the Act, there are provisions for a fund, called the Prescribed Part, to be set aside for distribution to the unsecured creditors. The fund is calculated on the net realisations of assets subject to a floating charge contained in a debenture created on or after 15 September 2003. The fund is calculated as being 50% of the first £10,000 of net property and 20% thereafter, subject to a maximum fund of £600,000.
- 5.7 The Company granted a floating charge to RBS on 29 July 2016. Accordingly, the Joint Administrators are required to create a fund out of the Company's net floating charge property for unsecured creditors (known as the **Prescribed Part**).
- 5.8 Based on present information, the Joint Administrators are able to confirm the value of the Prescribed Part currently totals £29,226 which will be available to unsecured creditors of the Company, subject to deductions of the costs of calculating and distributing the Prescribed Part. As mentioned in the paragraphs above, this is not reflected on the R&P at Appendix A as this falls outside the Period but will be reflected in the Joint Administrators' progress report to creditors.

6 Ending the Administration

- 6.1 As creditors may recall from the Proposals, the most appropriate exit route is deemed to be dissolution on the basis that it is not anticipated that realisations of the Company's assets will be sufficient to enable a distribution to unsecured creditors. It is therefore anticipated that at the conclusion of the Administration term, the Joint Administrators will take steps to dissolve the Company.
- 6.2 However, in the unlikely event that realisations are sufficient to enable a distribution to unsecured creditors over and above the Prescribed Part, then the Joint Administrations will take steps to move the Company into Creditors Voluntary Liquidation ("CVL"). With a view to facilitating payment of such a dividend.
- 6.3 The Joint Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Act immediately upon their appointment as Joint Administrators ceasing to have effect.

7 Creditors' rights

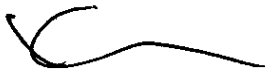
- 7.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-Administration costs) which have been itemised in this progress report.

- 7.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Administrators, as set out in this progress report, are excessive.

8 Next report

- 8.1 The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised or they wish to extend it.

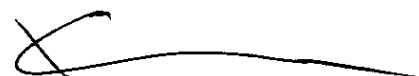
For and on behalf of the Company

A handwritten signature in black ink, appearing to be 'K Burton', with a stylized, sweeping flourish extending to the right.

K Burton
Joint Administrator

PG Taverns (Scotland) Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 03/05/2019 To 02/11/2019 £	From 03/05/2019 To 02/11/2019 £
	HIRE PURCHASE		
4,575.00	Hire Purchase Vehicle	NIL	NIL
(527.37)	RCI Finance Limited	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Bank Interest Gross	25.80	25.80
20,733.80	Cash at Bank	20,733.80	20,733.80
Uncertain	Fixtures & Fittings - The Jolly Botanist	NIL	NIL
Uncertain	FMOP - The Jolly Botanist	NIL	NIL
Uncertain	Intercompany Transaction	NIL	NIL
	Licence Fees	42,000.00	42,000.00
Uncertain	Rent Deposits	NIL	NIL
		62,759.60	62,759.60
	COST OF REALISATIONS		
	Bank Charges	408.11	408.11
	ERA Consultancy Fees	2,500.00	2,500.00
	Harmony Payroll Services	250.00	250.00
	Legal Fees	11,550.00	11,550.00
	Licence Transfer Fees	698.00	698.00
	Mileage	85.95	85.95
	Specific Bond	512.00	512.00
	Statutory Advertising	152.40	152.40
	Valuers Fees	6,025.00	6,025.00
		(22,181.46)	(22,181.46)
	FLOATING CHARGE CREDITORS		
(99,924.30)	Royal Bank of Scotland Plc	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(30,000.00)	Business Loan	NIL	NIL
(98,501.00)	Directors Loans	NIL	NIL
(186,376.00)	HM Revenue and Customs - PAYE	NIL	NIL
(693,627.00)	HM Revenue and Customs - VAT	NIL	NIL
(186,163.90)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(200.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,270,010.77)		40,578.14	40,578.14
	REPRESENTED BY		
	Bank 1 Current		40,578.14
			40,578.14



Lisa Jane Hogg
Joint Administrator

Time Entry - Detailed SIP9 Time & Cost Summary

PGTA01A - PG Taverns (Scotland) Ltd
 From: 03/05/2019 To: 02/11/2019
 Project Code: POST

Classification of Work Function	Directors & IP's	Managers	Administrators	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
ADAP : Appointment	0.30	0.00	3.40	0.10	3.80	1,500.00	394.74
ADCA : Cashiering	0.10	1.50	7.50	2.20	11.30	2,974.50	263.23
ADCR : Case Reviews	0.20	0.00	5.20	0.00	5.40	1,557.50	288.43
ADDI : Directors/Client	0.00	0.00	3.20	0.00	3.20	802.00	250.62
ADGA : File Maintenance	2.50	0.00	12.90	0.30	15.70	4,398.50	276.34
ADSC : Statutory and Compliance	1.80	0.00	98.00	2.40	102.20	26,984.00	263.84
ADSO : Strategic Overview	3.10	0.00	29.88	0.00	32.98	10,730.28	325.33
Admin and Planning	8.00	1.50	160.08	5.00	174.58	40,866.78	279.91
CRCL : Creditors Claims	0.00	0.00	0.30	0.00	0.30	102.00	340.00
CRCO : Communications with Creditors	2.60	0.00	4.60	4.80	12.00	3,163.50	263.63
CREM : Employees	0.10	0.00	3.30	0.00	3.40	809.00	237.94
CRTV : Tax and VAT	0.00	0.00	0.90	0.00	0.90	256.50	285.00
Creditors	2.70	0.00	9.10	4.80	16.60	4,331.00	260.90
INDR : CDDA Report	0.20	0.00	8.60	0.00	8.80	3,216.50	365.51
INRE : Investigation and Review	0.00	0.00	9.50	2.20	11.70	2,504.00	214.02
Investigations	0.20	0.00	18.10	2.20	20.50	5,720.50	279.05
REDC : Debt Collection	0.00	0.00	2.00	0.00	2.00	658.00	329.00
REIS : Identifying,Securing and Insuring	1.20	0.60	4.60	4.70	11.10	3,212.00	289.37
REPB : Property, Business and Asset Sales	10.58	0.00	43.30	0.00	53.88	19,705.50	365.71
Realisation of Assets	11.78	0.60	49.90	4.70	66.98	23,575.50	351.96
Total Hours	22.68	2.10	237.18	16.70	278.67	82,493.78	296.03

Appendix C

Additional information in relation to the Joint Administrators' fees, expenses & disbursements

1 Staff allocation and the use of sub-contractors

- 1.1 The general approach to resourcing assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 On this case the Joint Administrators are proposing to use the services of the following sub-contractors

Employee claims processing	UKELC	Agreed fixed fee	£2,500 plus VAT

- 1.4 In considering the instruction of UKELC, the Joint Administrators gave regard to the fact that, as stated in the sections above and in the Proposals, the Company had 75 employees, for whom they required TUPE figures. The Joint Administrators deemed that UKELC could complete this more efficiently at a lower cost than it would for the Joint Administrators to complete. It was considered that it would take the case Administrator at least 14 hours to calculate these figures, equating to the estate being burdened with costs of at least £4,115 whereas UKELC only charge £2,500 plus VAT. On this basis, the use of UKELC for the TUPE calculation represented a better use of the funds held or being realised for the benefit of the Administration. Creditors should note that the work undertaken by UKELC is monitored and approved by the Joint Administrators prior to any submission of claims.

2 Professional advisors

- 2.1 On this assignment the Joint Administrators have used the professional advisors listed below. The Joint Administrators have also indicated alongside, the basis of their fee arrangement with them, which is subject to review on a regular basis.

Addleshaw Goddard LLP (legal advice)	Time costs	£11,550 plus VAT
CDLH (valuation and disposal advice)	Agreed fixed fee	£6,750 plus VAT

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

3 Joint Administrators' expenses & disbursements

- 3.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the Administration was provided to creditors in the Proposals a copy of which is set out below:

Agents' costs - CDLH	6,750.00
Insurance	160.00
Statutory advertising	142.00
Specific penalty bond	71.00
External storage of company's books and records	80.00
Postage, stationery & photocopying	13.50
Case related travel & subsistence	486.00
ERA consultancy UKELC	1,500.00
Pension consultancy UKELC	1,000.00
Legal fees pre appointment Addleshaw Goddard	5,000.00
Legal fees post appointment Addleshaw Goddard	13,000.00
Licencing outlay	330.00
Insolvency software fee	65.00
Company payroll	250.00
Prescribed part distribution advertisement	71.00
Collection of books and records	142.00
Administrators' pre appointment costs	21,245.50
Administrators' post appointment costs (estimate)	95,765.50
Category 2 disbursements charged by the firm:	
Business mileage	150.00
Document upload fee	150.00

Current position of Joint Administrators' expenses

- 3.2 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

Category 1 disbursements			
ERA consultancy fees	2,500.00	Nil	2,500.00
Harmony payroll services	250.00	Nil	250.00
Legal fees – Pre	Nil	4,000.00	4,000.00
Legal fees – Post	11,550.00	8,400.00	19,950.00
Pre-appointment fees	Nil	21,246.00	21,246.00
Post appointment fees	Nil	82,493.78	82,493.78
Bank charges	408.11	Nil	408.11
Licence transfer fees	698.00	Nil	698.00
Specific bond	512.00	Nil	512.00
Statutory advertising	152.40	74.00	226.40
Valuers fees	6,025.00	Nil	6,025.00
Mileage	85.95	81.00	166.95
Total	22,181.46	116,294.78	138,476.24

- 3.3 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.
- 3.4 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to

the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided in the Proposals and approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

4 Charge-out rates

- 4.1 Wilson Field's current charge-out rates effective from 1 July 2018 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

WILSON FIELD LIMITED CHARGE OUT RATES AND DISBURSEMENT POLICY

In accordance with SIP 9 covering fees and disbursements, we are required to disclose to you our policy for recovering non-specific disbursements, and the charge out rates for the various grades of staff who may be involved in this case.

Remuneration

The office holder(s) will seek approval from creditors to draw remuneration on a time cost basis, in accordance with the rates detailed below.

	Hourly charge out rate (£)			
Grade	01/02/2014 to 31/10/2014	to 01/11/2014 onwards	01/11/2017 onwards	01/07/2018 onwards
Director/Insolvency Practitioner	350-500	500	500	500
Manager	260-400	400	400	400
Assistant Manager	N/A	395	395	N/a
Team Leader	N/A	390	390	390
Senior Administrator	240	330	330	395
Administrator (1-5 years experience)	120-240	230-300	230-300	230 - 300
Trainee Administrator	-	-	180	180
Assistants & Support staff	100-130	130	130	130 - 240

All time is recorded in 6-minute units.

Category 1 Disbursements

In accordance with SIP 9, these do not require the approval of creditors and are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include advertising, insurance, travel expenses etc.

Category 2 Disbursements

In accordance with SIP 9, these require the prior approval of creditors.

Category 2 disbursements are charged in accordance with the liquidator's prevailing recovery policy at the time the disbursement is incurred. The rates applicable from 1 July 2018 are detailed below:

Disbursement	Charge	Period charged
Document Upload Centre charge	£150 for life of case	On appointment
Room Hire where held at a Wilson Field office	£100 per meeting	On appointment
Mileage	45p per mile	On appointment (where appropriate)
Storage of books and records	£80 per box per year	Once records are logged and then annually

In common with all professional firms, our charge out and disbursements rates increase from time to time. We reserve the right to change the rates without prior notice to you. Any change will be reported in the next statutory report to creditors.