

In accordance with
Rule 3.35 of the
Insolvency (England &
Wales) Rules 2016 &
Paragraph 49(4) of
Schedule B1 to the
Insolvency Act 1986

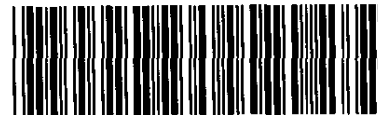
AM03

Notice of administrator's proposals



Companies House

FRIDAY



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COMPANIES HOUSE

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1 Company details

Company number 0 8 8 4 7 5 8 7

Company name in full PGP (Holdings) Limited

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

2 Administrator's name

Full forename(s) Michael

Surname Chamberlain

3 Administrator's address

Building name/number Resolution House

Street 12 Mill Hill

Post town Leeds

County/Region West Yorkshire

Postcode L S 1 5 D Q

Country United Kingdom

4 Administrator's name ①

Full forename(s)

Surname

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ①

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other administrator
Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

6

Statement of proposals



I attach a copy of the statement of proposals

7

Sign and date

Administrator's
Signature

Signature
x

M Chambel

x

Signature date

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AM03 Notice of Administrator's Proposals



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

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone



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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 and dated 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,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



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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

Administrator's Report and Statement of Proposals Pursuant to Paragraph 49 of Schedule B1

**PGP (Holdings) Limited -
In Administration**

8 February 2019

PGP (HOLDINGS) LIMITED - IN ADMINISTRATION

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PGP (HOLDINGS) LIMITED - IN ADMINISTRATION

1 Introduction and Background

- 1.1 The Company was incorporated on 16 January 2014. The Company's former registered office, which also serves as the Company's head office, is Suite 20, The Hall, Rugby Road, Wolston, Coventry, CV8 3FZ. This has now been changed to Resolution House, 12 Mill Hill, Leeds, LS1 5DQ
- 1.2 The Company was initially incorporated to act as the holding Company for Shoon (Trading) Limited ("Shoon") which operated 10 footwear retail outlets.
- 1.3 Following a review of the trading of Shoon it was determined that it needed to enter into a Company Voluntary Arrangement ("CVA") to manage the liabilities of this company. The CVA was approved on 22 May 2015 and was completed on 13 November 2015
- 1.4 The group was in a stable position following the completion of the CVA and, with the continuing support of its debenture holder, could see positive growth for the business
- 1.5 On 14 June 2016 the Company acquired the share capital of Shuropody Limited for a consideration of £5. Shuropody Limited ("Shuropody") owned 100% shares of Shuropody Footcare Limited ("Footcare").
- 1.6 On 24 November 2017 Shoon entered into administration
- 1.7 The Company continued to act as the holding company for Shuropody and Footcare following the administration of Shoon
- 1.8 The part of the group which traded as Shuropody and Footcare undertook a period of reconstruction from 2016 onwards under the direction of Mark Anthony Pinnock. Following a review of the Shuropody and Footcare's financial position in 2016 it was found that the financial controls were poor which had resulted in a number of third party contractors being paid too much and a number of legacy liabilities had been accrued
- 1.9 During 2016 and the early part of 2017 Shuropody and Footcare achieved significant cost reductions which included the renegotiation of delivery costs, reduction in head office costs and IT infrastructure costs. The management also conducted a review of the pricing structure to ensure that margins did not fall below business sustainable levels and made improvements in the web based sales platforms to increase turnover.
- 1.10 Whilst Shuropody and Footcare were able to achieve improvements to the costs and controls in the Company the fixed cost base also needed significant reduction in order to restore the viability of the Shuropody and Footcare going forward and it had hoped to restructure Shuropody without the use of a formal insolvency process. Whilst a number of the suppliers were supportive to the restructuring proposals a number of suppliers threatened to issue proceedings against Shuropody and it was necessary for Shuropody to propose a Company Voluntary Arrangement ("CVA") to its creditors.
- 1.11 The CVA was approved on 21 April 2017. As part of this 58 employees of Shuropody were made redundant and 11 unprofitable stores were closed and variations of lease terms were obtained on a number of stores. Shuropody made a lump sum payment into the CVA to address these liabilities and the CVA was completed in June 2017
- 1.12 Shuropody and Footcare continued to encounter difficult trading conditions and reduced turnover due to a significant downturn in high street retailing and the extreme weather conditions in early 2018. Profitability was also reduced by the termination of leases by one of its landlords at a number of profitable properties.
- 1.13 Due to the above difficulties, Shuropody needed to undergo further restructuring via a second CVA, which was approved on 13 June 2018. A lump sum contribution was made into the arrangement as a full and final settlement of the relevant creditors, a further two stores were vacated and 4 employees were made redundant. This CVA was completed in October 2018

PGP (HOLDINGS) LIMITED - IN ADMINISTRATION

- 1.14 Despite the foregoing restructuring Shuropody and Footcare were still incurring losses and the trading companies were marketed for sale on a going concern basis by the director and nominated agents in October 2018. The Group was advertised for sale on line as well as being brought to the attention of potential purchasers across the industry sector and elsewhere. Whilst a number of interested parties received information on the Group only two offers were received; one of the offers was for the purchase of the shares of the Group and the other for the purchaser of the Group's business and assets via an administration process. Whilst the marketing process was undertaken Shuropody issued three notices of intention to appoint an administrator to protect the assets of Shuropody.
- 1.15 On 4 December 2018 FCFM Group Investments III Limited ("FCFM III") bought the shares of the Company and £4.055m of secured debt. They undertook a further review of the financial position of the Group and concluded that the Group was insolvent on both a cashflow and balance sheet basis. The Company had already utilised the CVA process twice to reduce the cost base but it was still loss making with substantial legacy liabilities. It was considered that there may still be a viable core to the business after more radical restructuring and cost cutting. Consequently an Administration was considered to be the most appropriate form of insolvency process to try and save some of the business. As a consequence of this the director contacted Michael Chamberlain to review the financial position of the group and advise accordingly. At a meeting of the board of directors on 11 December 2018 the decision was taken to file a notice of intention to appoint an administrator and the notice was sent to the Company's secured creditors that same day.
- 1.16 Upon review of the notice of intention to appoint the administrators by solicitors it was advised that there was a potential defect and an urgent application was made to court to confirm the validity of the filing of the documents. At a hearing on 14 December 2018 the Court confirmed that although there were defects they were insufficient to invalidate the process.
- 1.17 As a result, Michael Chamberlain of Chamberlain & Co, Resolution House, 12 Mill Hill, Leeds, LS1 5DQ was appointed Administrator of the Company by the Directors on 17 December 2018. Michael Chamberlain is licensed to act as an insolvency practitioner in the UK by the ICAEW.
- 1.18 Information about the way that we will use, and store personal data in relation to insolvency appointments can be found on our website www.chamberlain-co.co.uk and is located in General Data Protection Regulation (GDPR) in the Resources section. If you are unable to download this, please contact my office and a hard copy will be provided to you.
- 1.19 The EU Regulation on Insolvency Proceedings 2000 applies to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.
- 1.20 This report incorporates the Administrator's statement of proposals made under paragraph 49 of Schedule B1, which will be treated as delivered to creditors on 8 February 2019.

2 Administration Strategy and Objective

- 2.1 The Administrator must perform his 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.*

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- 2.2 The Administrator's functions are being carried out with the objective of achieving a better realisation for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration). The Administrator believes this will result in realisations being available to the secured creditors and a distribution to creditors pursuant to Section 176 of the Insolvency Act 1986 of the Company which also fulfils a purpose of the Administration under Paragraph 3 of Schedule B1 of the Insolvency Act 1986.

Progress since Appointment

Administration (including statutory compliance and reporting)

- 2.3 Following my appointment, the strategy for the Administration was carefully assessed to ensure that a coherent planned process for the case could be achieved. This work will, where appropriate, have included liaison with solicitors to deal with any legal considerations surrounding the Company's insolvency (such as assessing the validity of any 3rd party security in relation to the assets) and liaising with valuation agents about the most appropriate means of realising the value in the Company's business and assets.
- 2.4 I have also dealt with a number of statutory formalities which are required of me under related legislation. Typically, this includes issuing and filing all appointment notices with creditors and the Registrar of Companies and also advertising my appointment in the London Gazette.
- 2.5 Other statutory duties performed are outlined in further detail in the fees estimate/fees information which can be found at Appendix E. Please note that much of this work will have been performed to comply with statutory requirements and as such may not necessarily add any value to the insolvent estate.

Realisation of assets

Cash at Bank

- 2.6 The Company's cash at bank held at Barclays Bank plc has realised £105,704.49. Due to the Bank's internal procedures this took far longer to resolve than originally anticipated, with the funds only being received on 11 January 2019. I am currently unaware of any other assets which are to be realised.
- 2.7 The work undertaken by the Administrator and his staff to date in realising the Company's assets has been necessary in order to maximise the likelihood of a return to creditors being made. Where assets remain to be realised, these will be dealt with as the Administration progresses and further updates will be provided to creditors in my progress reports.
- 2.8 Further information on the estimated outcome of the Administration can be found in section 9 below.

Investigations

- 2.9 Some of the work the Administrator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 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 Administrator or the Liquidator can pursue for the benefit of creditors.
- 2.10 Shortly after appointment, I 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 any information provided by both the directors and the creditors thus far. I can advise that I am not currently aware of any matters that will require further investigation, however should any matters be brought to my attention I will then review and consider if further investigations will result in any realisations for the benefit of creditors.

PGP (HOLDINGS) LIMITED - IN ADMINISTRATION

- 2.11 I can confirm that I have yet to submit my report on the conduct of the directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I will be unable to disclose the contents

3 Administrator's Receipts and Payments

- 3.1 A summary of receipts and payments for the Administration period from the date of my appointment to 6 February 2019 is attached at Appendix B.

4 Financial Position

- 4.1 A Statement of the Company's Affairs has not yet been received despite been requested from the director he has advised that he does not have the information available to him to complete the statement of affairs. Attached at Appendix C is a summary of the Estimated Financial Position of the Company as at 6 February 2019, together with a list of creditors' names and addresses along with details of their debts (including details of any security held by them). Creditors should note that the estimated financial position is before the costs of the Administration procedure are considered

5 Proposals

- 5.1 It is proposed that the Administrator will continue to manage the affairs of the Company in order to achieve the objective of the Administration. In the circumstances it is proposed that
- 5.2 If having realised the assets of the Company, the Administrator thinks that a distribution will be made to the unsecured creditors from the fund created out of the Company's net floating charge property (known as the **Prescribed Part**) by virtue of section 176A(2)(a), this will be distributed by the Administrator in the Administration and the Company will thereafter proceed to dissolution
- 5.3 If, however, having realised the assets of the Company the Administrator thinks that a distribution will be made to the unsecured creditors other than by virtue of section 176A(2)(a) as noted above, he proposes filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the Administrator to an end and will move the Company automatically into Creditors' Voluntary Liquidation (CVL) in order that the distribution can be made. In these circumstances, it is proposed that the Administrator in office at the date of conversion to CVL will become the Liquidator in the CVL.
- 5.4 Court approval is not required to enable the Administrator to make a distribution to the unsecured creditors of the Prescribed Part. If however, a distribution to unsecured creditors not limited to the Prescribed Part is anticipated, the Administrator may consider making an application to Court to seek permission to distribute this in the Administration. If permission is granted, the Company will exit into dissolution once the distribution has been made and the Administration is concluded.
- 5.5 If the Administrator thinks that the Company has no property which might permit a distribution to its creditors, he will file a notice with the Court and the Registrar of Companies for the dissolution of the Company
- 5.6 See Section 6 below on **Exit Routes** for further information on the exit routes available from Administration.
- 5.7 The Administrator shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration

PGP (HOLDINGS) LIMITED - IN ADMINISTRATION

- 5.8 If the Administrator considers it necessary to extend the period of the Administration, he will seek the consent of creditors or the approval of the Court to the extension. Creditors may consent to an extension for a period of up to one year and the Court can order that the Administrator's term of office be extended for a specified period determined by it.
- 5.9 Should the creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Administrator's remuneration and disbursements and any proposed act on the part of the Administrator without the need to report back to creditors generally, to include any decision regarding the most appropriate exit route from the Administration.
- 5.10 The basis of the Administrator's remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by him
- As a percentage of the value of the assets he has to deal with, or
 - By reference to time properly spent by the Administrator and his staff managing the Administration, or
 - As a set amount
- 5.11 In accordance with Statement of Insolvency Practice 9, issued by the Association of Business Recovery Professionals, the Administrator be authorised to draw Category 2 disbursements as and when funds are available, in accordance with his firm's published tariff. Details of Category 2 disbursements charged by the firm can be found at Appendix E.
- 5.12 Where no Creditors' Committee is appointed the remuneration and disbursements of the Administrator shall be fixed by a decision of creditors or where the Administrator thinks that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with insolvency legislation. The Administrator will also seek approval for any unpaid pre-administration costs detailed in this report and his discharge from liability in the same manner.
- 5.13 In this case, the Administrator is seeking to approve the basis of his remuneration as follows
- By reference to the time properly spent by the Administrator and his staff in attending to matters arising in the Administration,
- Further details about the proposed fee basis can be found in Section 8 below and Appendix E.
- 5.14 The Administrator will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon his appointment as Administrator ceasing to have effect.

6 Exit Routes

- 6.1 All Administrations automatically comes to an end after the period of one year, unless the Company's creditors agree to extend this period, or the Court orders the Administrator's term of office be extended for a specified period of time.
- 6.2 At the time of drafting these Proposals I do not believe that an extension to the period of Administration will be necessary, however I will confirm the position to creditors in a subsequent progress report in due course.
- 6.3 Based on information currently available, the information on the exit route(s) we believe may be appropriate in this Administration are set out below

PGP (HOLDINGS) LIMITED - IN ADMINISTRATION

Dissolution of the Company

- 6.4 Based on present information, the Administrator thinks that a distribution will be available to the unsecured creditors from the Prescribed Part by virtue of section 176A(2)(a). This will be distributed in due course within the Administration and a notice will thereafter be filed at Court and with the Registrar of Companies with the Administrator's final report, for the dissolution of the Company.
- 6.5 The Administrator's appointment will end following the registration of the notice by the Registrar of Companies.

7 Pre-administration Costs

- 7.1 Pre-administration costs are defined as:

- (i) Fees charged, and
- (ii) Expenses incurred

by the Administrator, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

- 7.2 Below is information on the pre-administration costs incurred in this case, together with details of any amounts which remain unpaid, where applicable.

- 7.3 Pre-appointment fees charged and expenses incurred by the Administrator are as follows:

Charged by	Brief description of services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
Chamberlain & Co	Filing notice of intention of appoint	£3,584	£nil		£3,584
Irwin Mitchell	Validity of appointment and application to court to confirm validity of appointment	£3,535	£nil		£3,535
Total		£7,119	£nil		£7,119

- 7.4 The payment of unpaid pre-administration costs set out above as an expense of the Administration is subject to the approval of creditors, separately to the approval of the Administrator's proposals. As the Administrator thinks that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with insolvency legislation.

8 Administrator's Remuneration

- 8.1 As Administrator, I am required to provide creditors with details of the work I propose to undertake in the Administration and the expenses I consider will be, or are likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which my remuneration will be fixed.
- 8.2 In addition to this, where an Administrator seeks agreement to the basis of his remuneration by reference to time properly spent by him and his staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided.

PGP (HOLDINGS) LIMITED - IN ADMINISTRATION

- 8.3 In this case, I am seeking to agree that my remuneration be based on the time properly spent by me and my staff in dealing with the affairs of the Company. My fees estimate and details of the work I propose to undertake in the Administration can be found at Appendix E and further information on the work done since my appointment to the date of this report can be found in section 2.
- 8.4 Please note that where appropriate, the fees estimate may be to a particular stage of the case only and if I consider the estimate will be exceeded during the Administration, I am obliged to seek further approval for any increase in my remuneration. The fees estimate provides details of these matters where relevant and appropriate approval to the basis of my remuneration will be sought as outlined in section 5 of this report.
- 8.5 For information, attached at Appendix D is a time matrix outlining the time spent by me and my staff since the date of my appointment as Administrator. This time is included within the overall fees estimate provided with this report.
- 8.6 In circumstances where my initial investigations reveal matters for further detailed investigation or previously unknown assets to be realised, I reserve the right to refer back to creditors to establish how I am to be remunerated for such additional work, which may be proposed on a time cost basis. If such work proves necessary, I will revert to creditors with my fees estimate for approval.
- 8.7 I will provide updates on the expenses I consider will be, or are likely to be, incurred during this case with my progress reports in due course.
- 8.8 An Administrator may include details of the remuneration he anticipates will be charged and the expenses he anticipates will be incurred if he becomes the Liquidator in the subsequent CVL. This can be done when seeking approval to the basis of his remuneration as Administrator, or alternatively his fees estimate for the CVL can be provided once the Company has moved into CVL. Please refer to Appendix E to this report for further information.
- 8.9 A copy of "A Creditors' Guide to Administrators' Fees, Version 4" is available on request or can be downloaded from our website www.chamberlain-co.co.uk and is located in Creditors Guides to Fees in the Resources section. If you would prefer this to be sent to you in hard copy please contact David Render of this office on 0113 2420808.

9 Estimated Outcome

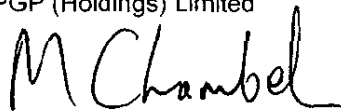
- 9.1 An estimate of the outcome of the Administration as at 8 February 2018 is attached as Appendix C.
- 9.2 Based on the Estimated Financial Position of the Company the estimated value of the preferential creditors is NIL and the value of unsecured creditors is £10,000.
- 9.3 The Company granted a floating charge to TNUI Asset Finance Limited and Peter John Phillips on 14 June 2016 and 21 January 2014. These charges were both assigned to FCFM III on 4 December 2018 as part of the acquisition of the shares in the Company and the group. Accordingly, I am required to create a fund out of the Company's net floating charge property for the benefit of unsecured creditors (known as the **Prescribed Part**).
- 9.4 Based on present information, I estimate the value of the Company's net floating charge property to be £77,155. Arising from this, the value of the unsecured creditors' fund is estimated to be £18,631. Please be aware that the value of this fund is likely to fluctuate during the course of the Administration and further updates will be provided in my progress reports in due course.

PGP (HOLDINGS) LIMITED - IN ADMINISTRATION

10 Proposals approval and next report

- 10.1 I am seeking a decision of creditors on the approval of my proposals by deemed consent. The letter issued to creditors with this report (or the link to this report) contains further information about this decision process.
- 10.2 As I think the Company has insufficient property to enable it to make a distribution to its unsecured creditors (other than a potential distribution of the prescribed part fund of any net floating charge property), I am not required to seek a decision from the unsecured creditors on the approval of my Proposals.
- 10.3 An Administrator is required to provide a progress report within one month of the end of the first six months of the Administration and I will report to you again at this time.

For and on behalf of
PGP (Holdings) Limited

A handwritten signature in black ink, appearing to read 'M Chamberlain', written over a horizontal line.

Michael Chamberlain
Administrator

Enc

PGP (HOLDINGS) LIMITED - IN ADMINISTRATION

Appendix A

Statutory Information

1 Company information

Company name	PGP (Holdings) Limited
Trading name(s)	None
Registered number	08847587
Registered office address	Resolution House 12 Mill Hill Leeds LS1 5DQ
Former registered office address	Suite 20, the Hall Rugby Road Wolston Coventry CV8 3FZ
Trading address(es)	Suite 20, the Hall Rugby Road Wolston Coventry CV8 3FZ
Court details	High Court of Justice Business and Property Courts in Leeds
Court reference number	1278 of 2018

2 Details of the Company's Directors, Secretary and Shareholdings

	Date appointed	Date resigned	Shares held
Director(s)			
William Nicholson-Coulson	19 December 2018		None
Mark Pinnock	17 February 2015	19 December 2018	None
Kenneth Bartle	16 January 2014	17 February 2015	None
Peter Phillips	17 January 2014	17 February 2015	None
Secretary			
Mark Pinnock	17 February 2015		

3 Administrator's Details

Name of Administrator	Michael Chamberlain
Address	Resolution House 12 Mill Hill Leeds LS1 5DQ
Telephone Number	0113 2420808
Fax Number	0113 2420866
Administrator's IP Number	0/008735/01
Authorising Body	ICAEW
Date of Appointment	17 December 2018

PGP (HOLDINGS) LIMITED - IN ADMINISTRATION

Appendix B

Receipts and Payments Account for the Period from 17 December 2018 to 6 February 2019

**PGP (Holdings) Limited
(In Administration)
Administrator's Summary of Receipts & Payments**

Statement of Affairs £	From 17/12/2018 To 06/02/2019 £	From 17/12/2018 To 06/02/2019 £
ASSET REALISATIONS		
Cash at Bank	105,726.49	105,726.49
	<u>105,726.49</u>	<u>105,726.49</u>
COST OF REALISATIONS		
Specific Bond	780.00	780.00
Irrecoverable VAT	14.20	14.20
Statutory Advertising	71.00	71.00
	<u>(865.20)</u>	<u>(865.20)</u>
	<u>104,861.29</u>	<u>104,861.29</u>
REPRESENTED BY		
Current A/c		104,861.29
		<u>104,861.29</u>

Note:



Michael Chamberlain
Administrator

PGP (HOLDINGS) LIMITED - IN ADMINISTRATION

Appendix C

Estimated Financial Position of the Company as at 6 February 2019

PGP (HOLDINGS) LIMITED

ESTIMATED OUTCOME STATEMENT

AS AT FEBRUARY 2019	Notes	PGP (Holdings) Limited Administration
		£
<u>Assets specifically pledged</u>		
Loan Notes	1	(26,000)
Fixed Charge Assets		<u>(26,000)</u>
<u>Assets not specifically pledged</u>		
Cash at Bank		<u>105,701</u>
Floating Charge Assets		<u>105,701</u>
Total Assets Available Floating Charge		105,701
Less: estimated costs incurred in insolvency proceedings	2	27,546
Balance available for preferential creditors		78,155
Arrears of Wages		0
Holiday Pay		0
Balance available to floating charge holders		78,155
Prescribed Part	3	18,631
Balance available to floating charge holders after prescribed part		59,524
Shortfall to Floating Chargeholders c/d		(26,000)
Shortfall to Floating Chargeholders		(166,476)
Prescribed Part		18,631
Balance available for unsecured creditors		18,631
Creditors		(10,000)
Estimated (deficit)		(457,845)

PGP (Holdings) Limited

Notes to Estimated Outcome Statement

- 1) The Loan Note balance is the amount owed by the Company and associated companies Shuropody Limited and Shuropody Footcare Limited. It is claimable in full against each Company up to a total value of £526,000
- 2) The estimated costs in respect of floating charge realisations are detailed on the attached schedule
- 3) The calculation of the prescribed part is purely an estimate at this time and will ultimately depend on the final position in respect of costs (both direct trading costs and the professional costs of realisations)

PGP (HOLDINGS) LIMITED

ESTIMATED COSTS

	PGP (Holdings) Limited Administration Actual
Statutory Advertising	144.00
Specific Bond	780.00
Court Fee	50.00
Legal Fees - Pre Appointment	3,109.00
Legal Disbursements - Pre Appointment	426.00
Administrator's Costs Pre Appointment	3,584.00
Administrator's Remuneration	15,000.00
VAT	4,452.60
	27,545.60

Chamberlain & Co
PGP (Holdings) Limited
B - Company Creditors

Key	Name	Address	£
CF00	FCFM Group Limited	39 Sloane Street, London, SW1X 9LP	526,000.00
CP00	Mr M Pinnock	50 Sommerville Gardens, Leigh-on-Sea, SS9 1DD	10,000.00
2 Entries Totalling			536,000.00

Signature

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PGP (HOLDINGS) LIMITED - IN ADMINISTRATION

Appendix D

Time Analysis for the Period from 17 December 2018 to 6 February 2019

Chamberlain & Co

TIME & CHARGEOUT SUMMARIES

PGP (Holdings) Ltd

17/12/2018 to 06/02/2019

HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	1.70	5 50	3.80	0.60	11 60	2,828 50	243 84
Investigations	0.00	0 60	0.00	0 00	0 60	159 00	265 00
Realisation of Assets	1.50	5 60	0 00	0 00	7 10	2,306 00	324 79
Trading	0.00	0 10	0.00	0 00	0 10	31 00	310 00
Creditors	0.30	11 30	0 00	0 00	11 60	3,414 50	294 35
Total Time Cost	1,382.50	6,699.00	618.00	39 50		8,739 00	
Total Hours	3 50	23 10	3 80	0 60	31 00		
Average Rate	395.00	290 00	162.63	65 83			
Total Fees Claimed						0 00	

PGP (HOLDINGS) LIMITED - IN ADMINISTRATION

Appendix E

Additional Information in Relation to Administrator's Fees

1 Fee Basis

- 1.1 The Administrator is seeking to agree the basis of his remuneration in this case as time properly spent by him and his staff in dealing with the affairs of the Company. Attached to this appendix are details of the work the Administrator proposes to undertake and the expenses the Administrator considers will be, or are likely to be, incurred. Information about the work done to date can be found in the body of the Administrator Report and Statement of Proposals at Section 2.
- 1.2 Where a time cost basis is being sought, the Administrator's fees estimate will be included in this information, which also provides details of the rates the Administrator and his staff propose to charge for each part of that work and the time he anticipates each part of that work will take.
- 1.3 The fees estimate is based on information about the Company's affairs available to the Administrator at the present time. Should any matters arise which impact on this estimate, such as additional investigatory matters or potential realisable assets, further time or cost will be incurred and it may be necessary to revise the Administrator's estimate of fees.
- 1.4 In this case, I do not anticipate that it will be necessary to seek further approval to increase the level of the fees estimate if the time incurred is in excess of the fees estimate enclosed with this report.

2 Staff Allocation and the Use of Sub-Contractors

- 2.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 2.2 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. Where the basis of the Administrator's remuneration is being proposed on a time cost basis, details of our current charge-out rates can be found below.
- 2.3 I am not proposing to utilise the services of any sub-contractors in this case.

3 Administrator's Disbursements

- 3.1 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. Any Category 1 disbursements we anticipate being incurred in this case are included in the table of expenses above.
- 3.2 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.

PGP (HOLDINGS) LIMITED - IN ADMINISTRATION

- 3.3 I would confirm that this firm does not seek to charge any Category 2 disbursements
- 3.4 Separate approval will be sought for the authorisation of this firm's Category 2 disbursements from creditors

4 Charge-out Rates

- 4.1 A schedule of Chamberlain & Co charge-out rates for this assignment effective from 1 September 2018 is detailed below. Please note this firm records its time in minimum units of 6 minutes.

	£ per hour 01/09/2018
Director	315-395
Manager	215-310
Administrator	105-210
Support	30-100

Chamberlain & Co

Time & Chargeout Summaries

PGP (Holdings) Limited

Classification of work function	ESTIMATED		
	Total	Time	Average
Administration and planning	21 00	5,400 00	257.14
Investigations	5 00	1,536 00	307.20
Realisation of assets	12.00	3,575.00	297.92
Trading	0.00	0 00	0 00
Creditors	19.00	5,175 00	272.37
Total	57.00		15,686.00

PGP (Holdings) Limited (the Company)

Fees Information in accordance with The Insolvency (England and Wales) Rules 2016 and Statement of Insolvency Practice 9

Fees Overview

Prior to an insolvency practitioner agreeing the basis of his remuneration as Administrator, details of the work proposed to be done and the expenses it is considered will be, or are likely to be, incurred in dealing with a company's affairs must be provided to creditors.

In addition, where the Administrator proposes to take all or any part of this remuneration based on the time he and his staff will spend dealing with the affairs of the insolvent company, a *fees estimate* must also be provided. This will outline the anticipated cost of that work, how long it is anticipated the work will take and whether any further approvals may be needed from creditors in due course.

It should be noted that a *fees estimate* may be provided to a particular milestone or for a designated period in a case, where it is not possible to accurately estimate the work that will need to be done at the outset.

Creditors should be aware that the *fees estimate* is based on all of the information available now and may be subject to change due to unforeseen circumstances that may arise during the Administration. If it is considered that the *fees estimate* will be exceeded, the Administrator will provide an update and seek approval to increase the previously agreed *fees estimate*.

Work anticipated and the likely return to creditors

Some of the work undertaken by an insolvency practitioner is required by statute and may not necessarily provide a financial benefit to creditors. Examples of this work include investigations required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 or dealing with the claims of former employees via the National Insurance Fund.

Where the work to be done is anticipated to produce a financial benefit to creditors, this will be stated and it may be necessary for the Administrator to instruct third parties to assist in this process because of a particular expertise that the third party may bring such as valuation, tax or legal advice.

Where it is practical to do so, an Administrator will provide an indication of the likely return to creditors when seeking approval for the basis of his remuneration. Again due to the complex nature of the work undertaken by insolvency practitioners and the uncertainties that may exist in relation to the realisation of a company's assets at the outset of a case, this may not be possible. An Administrator is however, required by statute to provide periodic reports to creditors on the progress of a case which will include an update as to the likely return creditors may expect.

Proposed Fee Basis

In this case, it is being proposed that the basis of my remuneration as Administrator will be based on the time spent by me and my staff in dealing with the Company's affairs. Attached to this document is my *fees estimate*, together with an explanation of the work I propose undertaking.

Each part of the work to be undertaken will necessarily require different levels of expertise and therefore related cost. In order to aid understanding, for the purposes of my *fees estimate*, I have indicated an average blended rate of the grades of staff such as myself, the case manager, the case administrator and cashier when estimating the total hours to be spent on each part of the work.

This *fees estimate* is produced on the basis of all the work I currently propose will be necessary in the Administration. It is currently estimated that the case will be open for no longer than one year. If I consider the *fees estimate* will be exceeded I will notify creditors accordingly, provide a revised estimate and seek further approval for my increased fees.

Outline of work to be done by the Administrator

Below are details of the work I propose undertaking in support of the above *fees estimate* for the Administration:

Administration (including statutory compliance & reporting)

Administrators are required to carry out certain tasks in nearly every insolvency assignment, namely administrative duties and dealing with the Company's creditors. Whilst these tasks are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not necessarily produce any direct financial benefit for creditors, but nonetheless still have to be undertaken.

This work includes:

- Notifying creditors of the Administrator's appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House
- Lodging periodic returns with the Registrar of Companies for the Administration
- Complying with statutory duties in respect of the Administrator's specific penalty bond
- Creation and update of case files on the firm's insolvency software
- Redirection of the Company's mail to the Administrator's office where necessary
- Securing the Company's books and records
- Pension regulatory reporting and auto-enrolment cancellation
- Completion and filing of the notice of the Company's insolvency to HMRC
- Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter)
- Opening, maintaining and managing the Administration estate cashbook and bank account(s)
- Dealing with all post-appointment corporation tax compliance

Realisation of assets

As outlined in the Administrator's proposals, the Company's cash at bank has been realised for the benefit of creditors. Significant correspondence was required with the Company's bank in order that the cash at bank could be realised.

Work done by the Administrator, his staff and any third parties engaged to assist the Administrator in realising the Company's assets will, it is anticipated, provide a financial benefit to creditors. This may involve realising assets to facilitate a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any 3rd party security, result in a distribution to the preferential and/or unsecured creditors of the Company. Further information on the likely outcome of the Administration process will be provided in the Administrator's subsequent progress reports.

Creditors (claims, distributions and reporting)

As Administrator, I will deal with all secured, preferential and unsecured creditor correspondence and claims as received, including any claims of creditors under retention of title. Based in the Company's accounting information, I currently think that after taking into consideration the costs of realising the assets and dealing with the statutory formalities of the Administration process and the related costs and expenses, a distribution may be available to the secured creditor and to the unsecured creditors via the Prescribed Part only. I will either deal with the review and adjudication of creditors' claims in the Administration or if appointed liquidator, in the subsequent liquidation, if and when it is determined that a dividend is to be declared to creditors.

It should be noted that the above is based on the Company's accounting information director(s) estimated statement of affairs and the projected realisable value of the Company's assets which at this stage is *unconfirmed*, together with the anticipated costs of the Administration. I will confirm the likely return to creditors in my future progress reports

This work will include:

- Preparing and issuing the Administrator's statement of proposals for achieving the purpose of the Administration and thereafter providing periodic progress reports to members and creditors (typically every 6 months)
- Establishing and holding periodic meetings of the creditors' committee and associated filing formalities (if a committee is appointed)
- Liaison with secured creditors, obtaining charge documents and validating the security

Investigations

As Administrator, I am required to conduct investigations into the conduct of the director(s) of the Company and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986 and Statement of Insolvency Practice 2 (Investigations by Office Holders in Administrations and Insolvent Liquidations).

This work may not necessarily lead to any financial benefit to creditors yet is work I am required to undertake by statute. I have included the time I consider will be needed to comply with the above legislation within ***Administration*** above.

If however, my initial investigations reveal that further recoveries may be available for the insolvent estate, all work undertaken to pursue these recoveries will be estimated within this time category

At this stage, I do not foresee any substantial investigation work will be required but if following the conclusion of my initial investigations I consider that further investigation work is then required to pursue assets of the Company, I will provide creditors with an update on my *fees estimate* in due course

This work will include:

- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA) including the review of the Company's books and records and the identification of potential further asset realisations which may be pursued in the Administration
- Submitting a statutory report to the Insolvency Service under the CDDA

Administrator's Expenses

As also noted, I am required to provide creditors with details of the expenses I consider will be, or are likely to be, incurred in the Administration. These may include expenses such as agent's costs for assisting in the disposal and realisation of the company's physical assets or other routine expenses associated with an insolvency case such as statutory advertising costs or the office holder's specific penalty bond.

Below is a summary of the expenses I consider will be, or are likely to be, incurred in this case. I will provide a further update to creditors in my subsequent progress reports.

Expense	Provider	Basis of fee arrangement	Cost to date £
Statutory advertising	EPE Reynell Advertising Limited	Cost	144 00
Administrator's bond	Marsh Limited	Cost	780 00

Chamberlain & Co's Charge-out rates and Category 2 disbursements policy

Attached to this document are details of my firm's current charge out rates and policy regarding the re-charge of Category 2 disbursements.

Category 2 disbursements 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. Any Category 2 disbursements which this firm proposes to charge in this case are reflected in the table of expenses above. Approval to charge these will be sought from creditors when the basis of my remuneration as Administrator is fixed.

It should be noted that my firm's charge-out rates may increase periodically. If any such increases impact on the ***fees estimate*** for the Administrator, creditors will be notified accordingly.

Administrator's Fees Estimate

Below is my ***fees estimate*** for the Administration. The work the Administrator anticipates undertaking in relation to this estimate has been outlined above. It is an estimate for the entire Administration which is estimated to last 12 months. If I consider this estimate will be exceeded, I will advise creditors and seek approval for my revised ***fees estimate*** as appropriate.

Statement of Administrator's Remuneration Pursuant to Statement of Insolvency Practice No.9

Charging and Disbursement Policy

Administrator's charging policy for fees

The Insolvency Rules 2016 provide that the Administrator's remuneration may be fixed on the basis of time properly spent by the Administrator and his staff in attending to matters arising in the Administration

The Administrator has engaged managers and other staff to work on the Liquidation. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by cashiers dealing with the company's bank accounts and statutory compliance diaries, and other support services and filing clerks. Work carried out by all staff is subject to the overall supervision of the Administration.

All time spent by staff working directly on case-related matters is charged to a time code established for each case. Each member of staff has a specific hourly rate, which is subject to change over time. The basis of charging is in six minutes units. The hourly rate for each category of staff over the duration of the administration is shown below:

Grade	£ per hour 01/09/18
Directors	315-395
Managers	215-315
Other Senior Professionals	105-210
Assistants and Support Staff	30-100

A copy of 'A Creditors' Guide to Administrator's Fees' Version 4 is available on request or can be downloaded from our website www.chamberlain-co.co.uk and is located in the Creditors Guides to Fees in the Resources section.

Administrator's charging policy for disbursements

Statement of Insolvency Practice No 9 divides disbursements into two categories

Category 1 disbursements are defined as specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No 9, it is my firm's policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. I am prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

Category 2 disbursements are charges made by the office holder's firm that include elements of shared or overhead costs. Statement of Insolvency Practice No.9 provides that such disbursements are subject to approval as if they were remuneration. Although approval to charge Category 2 disbursements will be sought from creditors when the basis of my remuneration as administrator is fixed, it is my firm's current policy not to charge Category 2 disbursements.