

TO ALL KNOWN MEMBERS AND CREDITORS

21 December 2020

Ref: SJW/HJO/AH/PCF/ADM09F01
Email: SLGadministration@uk.ey.com

Dear Sirs

**Specialist Leisure Group Limited (“SLGL”)
Shearings Group Limited (“SGL”)
Shearings Holidays Limited (“SHOLL”)
Shearings Limited (“Shearings”)
National Holidays Tours Limited (“NHTL”)
National Holidays Limited (“NHL”)
Wallace Arnold Travel Limited (“WATL”)
UK Breakaways Limited (“UKB”)
all in administration and together (the “Companies”)**

I write further to the Companies entering administration on 22 May 2020 (the **“Date of Appointment”**), with S J Woodward and C P Dempster appointed to act as administrators (the **“Joint Administrators”**).

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016 (the **“Rules”**), to provide creditors with a report on the progress of the administrations. This report covers the period from 22 May 2020 to 21 November 2020 (the **“Period”**) and should be read in conjunction with the Joint Administrators’ Statement of Proposals dated 3 July 2020 (the **“Proposals”**).

Together with Shearings Hotels Limited (**“Hotels”**), the Companies formed part of the Specialist Leisure Group (the **“Group”**). As with the Proposals, the progress report for Hotels is prepared separately in accordance with Rule 3.93 of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018.

Approval of the Proposals

As detailed in the Proposals, the Companies have insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part in certain of the Companies, dependent on sufficient asset realisations. Consequently, in accordance with the provisions of paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986 (the **“Act”**), a decision of the creditors of the respective Companies on the approval of the Proposals was not sought.

As no request for a decision procedure was received from creditors, on 16 July 2020 the Proposals were deemed to be approved.

Summary of Progress during the Period

I have detailed below the principal workstreams progressed during the Period.

Further specific detail with regard to the receipts and payments received and incurred during the Period is attached at Appendix B. Please note that these accounts do not reflect future estimated realisations or costs, including the Joint Administrators' remuneration and disbursements.

Asset Realisations

Freehold Interchanges

The Joint Administrators engaged SIA Group ("**SIA**") to value and market Shearings' freehold interest in its two owned coach interchanges, located in Normanton and Stretton. The Joint Administrators completed a sale of both interchanges during the Period, details of which are as follows:

- ▶ The sale of the Stretton interchange was completed on 3 September 2020 for a sales consideration of £5.5m (plus VAT) to the Secretary of State for Housing Communities and Local Government.
- ▶ The sale of the Normanton interchange was agreed with Maritime Group Limited for £6.5m (plus VAT), with contracts exchanged on 19 August 2020. Completion of this deal was conditional on acknowledgement from HMRC that the property had been opted to tax, which was subsequently received on 20 October 2020, allowing for completion on the same date.

These assets are both subject to a fixed charge debenture in favour of Lloyds Bank Group Plc ("**LBG**") and the net proceeds will be made available to LBG under their fixed charge.

Intellectual Property ("**IP**")

The Joint Administrators have completed four separate transactions in respect of the various IP assets across the Group, realising a total of £1.4m.

Following publicity of the Group entering administration, the Joint Administrators were contacted by 50 parties who were interested in acquiring various IP assets of the Group. Following review and discussion with these interested parties, 41 were provided an NDA, which 31 parties signed and were granted access to a virtual data room with further information on the assets. A competitive sale process was conducted with interested parties being asked to submit offers for assets, with the highest value offers then progressing to completion.

The transactions completed are summarised as follows:

- ▶ On 23 June 2020 certain trademarks, domain names, customer data, bookings, software and social media accounts associated with the *Shearings* brand were sold to Sunway Travel (Coaching) Limited for total consideration of £502k. This amount was attributable to respective Companies as follows: SHOLL - £433k; Shearings - £23k; and, SGL - £46k.
- ▶ On 1 July 2020 certain data, website content, domain names, brand name and social media accounts associated with the *National Holidays* brand were sold to Just Go Holidays Limited for total consideration of £760k (£425k paid on completion, £335k deferred consideration payable on 1 April 2021). This is a realisation in NHTL.

- ▶ Following the transactions relating to the IP assets of Shearings and National Holidays (noted above) the Joint Administrators requested all interested parties in the remaining assets (Caledonian Travel and others) to resubmit offers for these assets. This was a competitive auction process which was won by SCN Holidays Limited (a new venture led by the previous management team of the National Holidays business) ("**SCN Holidays**") who offered the highest value for these assets.

Subsequently, on 3 July 2020 certain of the brands, customer databases, websites and domain names in relation to the brands of *Caledonian Travel* (a trading name of NHTL), *Wallace Arnold* and *UK Breakaways* were sold to SCN Holidays for total consideration of £100k. This amount was attributable to respective Companies as follows: NHTL - £83.3k (IP - £76.6k and Goodwill - £6.7k); UKB - £16.6k (IP - £15.3k and Goodwill - £1.3k); and, WATL - £5 (IP - £4 and £1 - Goodwill).

- ▶ On 17 July 2020, the landlord for 40 of the Group's 42 leasehold hotels ("**Propco**") acquired the Bay Hotels and Coast & Country Hotels brands for total consideration of £38.5k, with £11.7k attributable to SGL. This realisation was part of a wider transaction between Propco and Hotels, which is detailed further in the progress report of Hotels.

Tickets

At the Date of Appointment, certain of the Companies held a stock of event tickets that had historically been bought in advance to be included in the Group's variety of packaged offerings.

The Joint Administrators initially retained key staff members to assist in maximising realisations from this asset category, which an initial analysis of the Group's records indicated a book value of £2.2m.

Initial realisation expectations from this asset category were considered with appropriate prudence following a review, with the assistance of our appointed lawyers, of standard terms and conditions across much of the ticket categories, indicating some difficulties in accessing refunds for live tickets.

However, considering the evolving national lockdown measures introduced by the UK Government during the Period because of COVID-19, events where certain of the Companies have held tickets have been cancelled as we have progressed through the Period. Where cancellations of this nature have occurred there has been a valid entitlement to a refund on those tickets in the majority of cases.

Considering the above, total event ticket refunds of £1,393k have been achieved to date (NHTL - £1,174k and SHOLL - £219k).

The Joint Administrators continue discussions with various ticket vendors; however, it is not possible to estimate future realisations at this stage given i) remaining tranches of ticket realisations we pursue are subject to further reconciliation exercises between the records of the appropriate company and the vendor; and, ii) the ongoing stress in the live events sector caused by the uncertain backdrop of COVID-19 related restrictions. An update will be provided in our next progress report.

Site Clearance

The Joint Administrators appointed asset disposal specialists, SIA, to evaluate and execute an asset disposal strategy that would find any residual value from the Group's various operational locations.

Potential disposal strategies were significantly narrowed by the COVID-19 related lockdown measures, e.g. the ability to execute an on-site auction process was unavailable.

Total realisations achieved from this class of assets are £103k, and can be summarised as follows:

- ▶ **Interchange stock** – principally engineering parts and fuel held at the Companies' four main interchanges. During the Period £62.9k has been realised from this asset category (£47.5k - Shearings and £15.4k - NHL).
- ▶ **IT and office equipment** – a sale of IT and other office equipment at the Companies' head office and main interchanges realised value of £19.2k (all in Shearings).
- ▶ **Modular units** – the Group operated several modular units relating to the WATL business, located at various supermarket car park locations. After consideration of the potential buyers for these units, who were considered to be largely deterred by the cost of uninstalling and relocating the units from the current locations, a sale was successfully achieved to the original supplier for the sum of £15.0k (all in WATL).
- ▶ **Motor vehicles** – at the Date of Appointment Shearings had four owned vehicles, which were realised for a total value of £5.7k (all in Shearings).

Prepaid flights

As part of the packages offered to customers, SHOLL had prepaid for flights with various airlines.

The Joint Administrators initially retained key staff members so that data could be gathered in order to pursue refunds for these prepaid flights. Where flights were cancelled due to COVID-19 travel restrictions, SHOLL is/has been entitled to a refund on those flights.

The value of prepaid flights at the Date of Appointment, was estimated to be £328k, which can be categorised in summary as follows:

- ▶ flights cancelled due to the COVID-19 pandemic; and
- ▶ live bookings with flights departing as far ahead as October 2020.

This summary position was based on an assessment of the Companies' books and records, which it should be noted were out of date with regard to this asset class at the Date of Appointment due to a number of staff having been furloughed for the weeks leading up to appointment.

The Joint Administrators initially wrote to each of the airlines and requested refunds for those flights which had been cancelled due to COVID-19 travel restrictions. Several airlines have replied with evidence of a portion of prepaid flights having already been refunded prior to administration, which was not reflected in SHOLL's records.

In light of the above, to date refunds of £34k have been processed back to credit cards used by SHOLL to pay for the flights originally. We have been in discussions with the credit card provider and these sums will be paid over to the administration in due course.

We continue to pursue any potential value from this asset category; however, given the uncertainty of information available to us and the lack of interaction we have been able to achieve with some of the airlines to date, it is not possible to estimate any potential future realisations this stage. A further update will be provided in our next progress report.

Travel Agent Debtors

At the Date of Appointment, a number of third-party travel agents were holding funds due to both SHOLL and NHTL in relation to balances paid by customers which had not yet been transferred ("**Pipeline Monies**").

Any Pipeline Monies held by agents in respect of reservations including air travel are payable to the Air Travel Trust ("**ATT**") and the Joint Administrators have been working with the Civil Aviation Authority ("**CAA**") in order to collect these funds.

The directors' statement of affairs ("**SoA**") indicates that c.£325k is due to SHOLL (of which c.£130k is understood to be payable to the ATT) and c.£529k is due to NHTL.

Realistic prospects of collection of these debtor balances has been hindered by a number of factors, outlined below:

- ▶ a delay in establishing the true value of Pipeline Monies, largely driven by denied access to IT systems which resulted in the Joint Administrators seeking a court judgement to reinstate vital IT systems to enable access to this data;
- ▶ certain customers did not pay amounts which were due to travel agents given the COVID-19 situation, and therefore the true value of Pipeline Monies held by agents is now understood to be significantly lower than originally indicated by the Companies' records;
- ▶ certain travel agents have refunded amounts to customers directly following the cancellation of holidays; and
- ▶ in general, the Group's financial records were not up to date and there is some uncertainty regarding amounts which may have been paid across by travel agents in the weeks prior to administration.

Collections to date total £5.4k in SHOLL and £31.0k in NHTL. We continue to monitor collections; however, we do not anticipate any further significant realisations from these debtors in light of the reasons outlined above.

Insurance

During the Period the Joint Administrators have liaised with the pre appointment insurance providers directly and with the assistance of our insolvency insurance broker to understand the nature and recoverability of any prepaid insurance positions.

This work has resulted in insurance premium refunds totalling £32.9k being realised during the Period (SLGL - £23.3k and SGL – 9.6k).

No further realisations are anticipated in respect of this asset category.

Leased Coaches and Other Vehicles

All of the Group's 240 coaches were leased via operating leases from five separate leasing companies. Furthermore, the Group also operated 40 other leased vehicles (cars, vans, minibuses etc.).

Following the appointment of the Joint Administrators the relevant leasing companies were notified, and where applicable were assisted in co-ordinating the collection of these leased vehicles. At the date of this

progress report, all coaches have been collected and the majority of other vehicles have been collected with the exception of three.

Refunds relating to prepaid coach road licenses and other vehicle related taxes totalling £21.2k have been received in the Period (NHL - £17.4k and Shearings - £3.8k). No further realisations are anticipated in respect of this asset category.

Microsoft Licences

During the Period we engaged with specialists from Hilco Appraisal Limited to realise £20.0k from Microsoft licences in SGL.

No further realisations are expected from this asset category.

Business Rates Refunds

During the Period the Companies have received £9.0k in business rates refunds (NHTL - £8.4k and SHOLL - £0.6k).

The Joint Administrators are utilising business rates experts at EY to consider further challenges to historical business rates, however, at this stage we are unable to comment on the timing or quantum of any potential further realisations with any certainty.

Cash on Appointment

A total of £6.6k of cash was banked into administration bank accounts shortly following the appointment of Joint Administrators, a breakdown of which is detailed in respective receipts and payments account outlined at Appendix B.

A further c.£11k of cash was collected from various WATL stores shortly following the Date of Appointment. Due to various insurance and COVID-19 travel restrictions, this cash is currently secured at an EY office awaiting secure transit to the bank. For the avoidance of doubt, this balance is not currently included in the receipts and payments analysis detailed at Appendix B, as we are awaiting confirmation as to the exact amount.

Bank Interest

The Companies have received a total of £1.9k in bank interest to date, primarily in Shearings where the asset receipts are greater due to the interchanges sales.

Other Matters

Investigations

The Joint Administrators have undertaken an investigation into the Companies' affairs prior to our appointment pursuant to Statement of Insolvency Practice 2 (Investigations by Office Holders) and the Company Directors Disqualification Act 1986, with the necessary confidential returns made to the Insolvency Service on 19 August 2020. No investigations are continuing, and no third-party funding has been provided.

Administration Funding

As outlined in the Proposals, prior to the administrations, the Group had working capital facilities of £14.33m, provided by LBG. These facilities consisted of a Revolving Credit Facility (“**RCF**”) of £9.33m and an overdraft of £5m. At the Date of Appointment, the RCF was fully drawn and there was c.£1.9m of availability under the overdraft facility.

Prior to the administrations, the Joint Administrators agreed with LBG that the funds available under the overdraft facility would be made available to the Joint Administrators for the purposes of the administrations of the Group.

Accordingly, shortly following the appointment, LBG transferred £1.9m to the administration account of SLGL (the “**Funding**”). The Funding was made available to meet applicable fixed and floating costs across all Group administrations. During the Period, the Companies utilised the funding to meet both fixed and floating costs of the administration.

Taking account of realisations across the Group administrations the Joint Administrators are now in a position to enable the Group to repay the Funding in full.

In certain Group companies the realisations will be insufficient to meet the level of Funding utilised in said company. Should this be the case, fixed charge realisations will be utilised from other Group companies to ensure repayment of the Funding is made in full on a Group level. This will likely lead to post appointment intercompany positions crystallising between several of the administrations.

As at the date of this report it is too early to accurately comment on the intercompany positions noted above, principally as we are yet to finalise realisations across all of the Group companies. In this regard, we anticipate detailing this position in our next report when realisations should be finalised.

Customer Communications

As previously outlined in the Proposals, holidays booked for c.65,000 customers of the Group before 22 May 2020, were cancelled and not rescheduled. Many of these holidays were expected to have protection under the Group’s various bonding arrangements and customers may be able to access other forms of consumer protection or insurance in order to claim a refund.

Shortly following the Date of Appointment, the Joint Administrators commenced a communications cascade to customers to assist them in understanding the impact of the administrations and their options to claim a refund for their cancelled bookings. The Joint Administrators have worked closely with ABTA, the CAA, the Confederation of Passenger Transport and Bonded Coach Holidays throughout the administrations to remain aligned on messaging to customers.

As part of this communications cascade, the Joint Administrators leveraged a number of the Group’s existing communications channels to contact affected customers, notifying them of the appointments and directing them to the Group’s website for support and guidance on their next steps in addition to several other actions as previously reported in the Proposals.

The Joint Administrators will continue to provide updates to customers regarding the administrations through the Group’s website at www.specialistleisuregroup.com and the customer FAQs on our dedicated website at www.ey.com/en_uk/ey-slg-administration.

Employees

The table below highlights i) the number of employees relevant Companies had at the Date of Appointment; ii) the number of employees retained in relevant Companies to assist in completing the Joint Administrators duties; and, iii) the total employee costs incurred during the Period:

| Company | # of Employees | Retained Employees | Staff costs in the Period (£)* |
|--------------|----------------|--------------------|--------------------------------|
| SLGL | 3 | 2 | 10,437.70 |
| Shearings | 622 | 52 | 139,940.45 |
| NHL | 369 | 15 | 75,103.69 |
| Total | 994 | 69 | 225,481.84 |

*Staff costs include salaries, employers' pension contributions and associated taxes.

The table above does not include 1,468 employees employed by Hotels at the Date of Appointment, where further details are included in the Hotels progress report referred to in previous sections.

Employees not retained were made redundant on the Date of Appointment, and final redundancies of the retained employees were made in August 2020. The Joint Administrators engaged ERA Solutions Limited to assist employees who have been made redundant with making their statutory claims.

Retention of Title

The Joint Administrators have received 16 retention of title claims in relation to items held at the interchanges or head office, all of which have been reviewed and concluded. There are no ongoing retention of title claims.

Leasehold Premises

The Group leased a number of properties, including:

- ▶ the Group's head office in Wigan;
- ▶ two interchanges at Hull and Washington;
- ▶ various car parking areas at motorway service stations;
- ▶ various retail locations used by WATL and NHL; and
- ▶ various ancillary offices.

Of these properties, the head office in Wigan and the two additional interchanges in Hull and Washington were temporarily retained by the Joint Administrators for the purposes of the administrations and have subsequently been handed back to the respective landlords.

Surrender of the interchange leases at Hull and Washington were finalised on 22 May 2020 and 1 July 2020 respectively and a surrender of the head office lease was agreed on 22 September 2020.

All retail locations were already closed due to COVID-19 restrictions and immediately following our appointment a surrender by operation of law was requested.

Corporation Tax

The Joint Administrators have instructed EY tax specialists to prepare corporation tax returns for the Companies as the Date of the Appointment, and for subsequent periods during the administrations, as required. These returns will be prepared and submitted in due course.

VAT

The Joint Administrators sent notice of their appointment via the prescribed Form VAT769 shortly following the Date of Appointment. HMRC are experiencing delays in producing VAT returns due to the COVID-19 pandemic and we await the necessary VAT forms in order to file returns for the period since our appointment.

Distributions to Creditors

Secured Creditors

Based on the SoA of the Companies, at the Date of Appointment the Companies owed c.£19.6m to its secured creditor, LBG.

The Joint Administrators anticipate making a distribution of £7.1m to LBG from fixed charge realisations across the Group shortly following the Period.

Further distributions to LBG are expected, however, it is anticipated that LBG will still suffer a significant shortfall against its overall exposure.

Preferential Creditors

Based on the SoA of the Companies, at the Date of Appointment it is estimated that preferential creditor claims are in the region of £653k, representing claims for unpaid employees' salaries, holiday pay and pension contributions. This is comprised as follows:

- ▶ NHL - £224k;
- ▶ Shearings - £397k; and
- ▶ SLG - £31.9k.

The Joint Administrators do not currently anticipate sufficient floating charge realisations to facilitate a distribution to preferential creditor in any of the three companies noted above.

Non-preferential Creditors

Based on the SoA of the Companies at the Date of Appointment, it is estimated that total non-preferential claims will be in the region of £405m, detailed in the table below:

| Company | Statement of Affairs | | Claims received to date | |
|--------------|----------------------|---|-------------------------|---------------------|
| | No of creditors | Value of non-preferential liabilities (£) | No of claims | Value of claims (£) |
| SLGL | 1 | 746,408 | 26 | 1,041,795 |
| SGL | 7 | 116,866,214 | 17 | 12,463,811 |
| SHOLL | 51,885 | 86,491,214 | 201 | 5,138,571 |
| SHEARINGS | 445 | 51,321,144 | 17 | 2,866,832 |
| NHTL | 44,014 | 119,686,201 | 327 | 2,559,862 |
| NHL | 144 | 21,807,936 | 175 | 1,547,967 |
| WATL | 316 | 1,326,498 | 59 | 22,042 |
| UKB | 4,161 | 6,254,330 | 120 | 399,267 |
| Total | 100,973 | 404,499,946 | 942 | 26,040,147 |

The value of non-preferential creditors can be summarised in the following categories: i) trade creditors - £134m; ii) customers - £32m; and, iii) intercompany creditors - £239m.

A total of 942 creditor claims have been received to date totalling £26m. All the claims submitted to date are from trade creditors.

It is not envisaged that there will be any funds available for a distribution to the unsecured creditors of the Companies, with the exception of funds which may become available under the prescribed part in NHTL, detailed further below.

Prescribed Part

The prescribed part is a proportion of floating charge realisations set aside for unsecured creditors pursuant to section 176A of the Insolvency Act 1986. The prescribed part applies to floating charges created on or after 15 September 2003.

As the Companies' floating charges were created after 15 September 2003, the prescribed part applies to the Companies'.

Based on the latest estimated outcomes across the administrations, the Joint Administrators currently estimate that a prescribed part balance will materialise in only one of the Companies, NHTL (currently estimated at c.£121k). The final value of the prescribed part balance is dependent upon the outcome of floating charge realisations, principally event tickets.

In consideration of the number of creditors in NHTL, estimated to be 44,000 with an anticipated claims value of £120m per the SoA, and having sought appropriate legal advice on this matter, the Joint Administrators consider that the costs of adjudicating and processing a prescribed part distribution to unsecured creditors is currently estimated to likely be disproportionate to the benefits of making said distribution.

In light of the above, which is stated with appropriate consideration of the content of Section 176A of the Act, the Joint Administrators are intending to seek direction from the courts to disapply the prescribed part in NHTL.

There are insufficient floating charge realisations within the other Companies to enable a distribution under the prescribed part.

Joint Administrators' Remuneration

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

As a result of no creditors' decision procedure or a creditors' committee being formed, as well as there being no intention to make a distribution to preferential creditors in any of the Companies, the Joint Administrators have sought the authority for their remuneration to be fixed by the secured creditor in accordance with rule 18.18 of the Rules.

The Joint Administrators' remuneration has subsequently been fixed on the basis of time properly spent by the Joint Administrators and their staff in dealing with matters arising in the administrations by the secured creditor by resolution on 3 August 2020.

An analysis of the time spent across each of the Companies, in accordance with Statement of Insolvency Practice 9 ("**SIP9**"), and a comparison with the respective fee estimates dated 3 July 2020 (the "**Fee Estimate**"), is attached at Appendix D to this report. In support of the SIP9 analysis is a description of work carried out in the Period. It should be noted that each category of work has been carried out in all Companies, unless specifically stated.

During the Period, the Joint Administrators have incurred time costs across the Companies totalling £3,677k. This represents an aggregate positive variance of £19.3k to the Fee Estimate, which outlined time costs would total £3,697k across the administrations of all Companies. This position is outlined in summary in the table below:

| Company | Time Costs incurred during the Period (£) | Time costs per Fee Estimate (£) | Variance (£) |
|--------------|---|---------------------------------|---------------|
| SLGL | 119,870 | 155,888 | 36,018 |
| SGL | 198,167 | 184,803 | (13,364) |
| SHOLL | 953,150 | 885,992 | (67,158) |
| Shearings | 691,952 | 570,502 | (121,450) |
| NHTL | 868,624 | 818,555 | (50,069) |
| NHL | 339,693 | 317,977 | (21,716) |
| WATL | 274,398 | 423,304 | 148,906 |
| UKB | 231,440 | 339,631 | 108,191 |
| Total | 3,677,294 | 3,696,652 | 19,358 |

As outlined in the table above, the Fee Estimate has been exceeded in a number of entities. Outlined below, are the principle reasons for the negative variances between time costs incurred to date versus the Fee Estimate:

Shearings:

- **Property/interchange sales** – reaching agreement on the Normanton interchange sale involved more protracted negotiations than initially anticipated, principally over points of detail with the prospective purchaser in reaching a deal which has resulted in a significant positive variance in terms of asset realisations in comparison to initial expectations.

SHOLL and NHTL:

- **Event tickets** – as outlined in the body to this report, initial value expectations from this asset category were prudent, which aligned to the Joint Administrators estimate of time costs associated with this work stream in the Fee Estimate. However, as the prospects of achieving a better outcome has evolved more time has been spent in performing a thorough review of incomplete information provided by the Group.
- **Customers** – an initial view of time required in managing customer communications included in the Fee Estimate was calculated in consideration of i) the volume of customers involved (c.65k); and, ii) in consideration of the dynamic multi-stakeholder landscape involved in managing both communications and potential claims. These two factors made an assessment of time required inherently difficult to forecast.

Whilst the Joint Administrators have sought to keep communications and procedural processes as efficient as possible, the volume of correspondence and time requirements in contributing to the alignment of stakeholder messaging has been significantly higher than anticipated.

Shearings and NHL:

- **Employees** – the administration team has compiled information relating to numerous pension schemes across the Group; assessed the arrears position in relation to employees' and employer's contributions; and, completed 21 statutory forms to enable claims to be made with the Redundancy Payments Office in relation to any arrears.

All Companies:

- ▶ **Creditors** – time spent managing trade creditors has been significantly higher than anticipated. This has been largely driven by a lack of quality of information provided to the Companies on the Date of Appointment, which has meant continued gaps in the creditor ledger. This has meant additional time has been incurred meeting our statutory obligations in creditor communications.
- ▶ **Group dynamics (inc. Funding)** – since the Date of Appointment the process of managing and accurately recording the use of Funding across the Group has been more complex than originally anticipated, driven by the integration of central Group costs.

The Joint Administrators do not anticipate remuneration to be billed at a level higher than those outlined in the Fee Estimate.

No remuneration has been drawn in the Period by the Joint Administrators.

Disbursements

The Joint Administrators have incurred a total of £27.8k of category 1 disbursements across the Companies within the Period. In line with SIP9, it is the Joint Administrators' policy to disclose category 1 disbursements, as detailed in Appendix D, but not seek approval to draw them.

The Joint Administrators received approval on 3 August 2020, via resolution from the secured creditor, to draw category 2 disbursements. A total of £0.2k category 2 disbursements has been incurred across the Companies within the Period.

The Joint Administrators have not drawn either category 1 or 2 disbursements in the Period.

Pre-administration Costs

Pre-administration costs totalling £196k were outstanding as at the Date of Appointment.

On 3 August 2020 the payment of the unpaid pre-administration costs was approved by the secured creditor and has subsequently been processed.

Payments to Other Professionals

The Joint Administrators engaged the following professionals to assist in the administrations of the Companies. They were chosen on the bases of their experience in similar assignments.

| Name of firm | Nature of service | How contracted to be paid | Amount paid in Period (£) |
|---------------------------------------|---|----------------------------|---------------------------|
| Addleshaw Goddard LLP | Legal services | Time cost basis | 20,015 |
| Datasite UK Limited | Virtual dataroom hosting | Time cost basis | 19,332 |
| DLA Piper UK LLP | Legal services | Time cost basis | 172,545* |
| ERA Solutions Limited | Assistance of employee matters | Time cost basis | 40,455 |
| Hilco Appraisal Limited | Valuation of Intellectual Property | Time cost basis | 20,500 |
| Met Engineers Limited | Environmental surveys | Time cost basis | 9,620 |
| Met Geo Environmental Limited | Environmental surveys | Time cost basis | 10,455 |
| Moorcroft Property Management Limited | Property management and security services | Time cost basis | 74,482 |
| SIA Group Limited | Valuation and marketing services | Percentage of realisations | 231,240 |
| Total | | | 598,644 |

*Note: costs do not include any pre-administrations costs

Details of the fees paid to date are included in the receipts and payments account attached at Appendix B.

Joint Administrators' Statement of Expenses incurred

During the Period the Joint Administrators have incurred expenses (excluding disbursements and pre-administration costs) totalling £1.21m plus applicable VAT. A breakdown of expenses incurred in the Period and to date is included at Appendix C to this report, including a comparison against the estimate of expenses dated 3 July 2020 of £1.47m.

Remaining Work

The Joint Administrators will continue to carry out their statutory duties and to deal with matters in order to achieve the objectives of the administrations, as set out in the Proposals. Future tasks will include, but may not be limited to, the following;

- ▶ continue to realise assets within the Companies including: refunds from pre-paid tickets and flights; collection of deferred consideration on the IP sale; and, business rates refunds as set out earlier in this report;
- ▶ prepare and submit the necessary corporation tax and VAT returns to HMRC for the period of the administration;
- ▶ continue to assist employees, customers and trade creditors with their claims against the Companies;
- ▶ in respect of the Funding, finalise necessary Group intercompany positions;
- ▶ continue to prepare and deliver necessary reports to stakeholders; and
- ▶ any such actions the Joint Administrators consider, in their reasonable opinion, are necessary and/or expedient to fulfil the purpose of the administrations and to bring it to a conclusion.

The End of the Administrations

The administrations will automatically end 12 months after the Date of Appointment. The administrations can be extended by a period up to 12 months with consent of creditors or longer by court if necessary.

It is proposed that if at the end of the administrations (21 May 2021) the Companies have no property which might permit a distribution to their creditors, the Joint Administrators will send a notice to that effect to the registrar of companies. On registration of the notice the Joint Administrators' appointments will come to an end. In accordance with the provisions of paragraph 84(6) of Schedule B1 to the Act the Companies will be deemed to be dissolved three months after the registration of the notice.

Next Report

Should you have any remaining questions about the administrations, please do not hesitate to contact Soban Memon at this office by emailing at SLGadministration@uk.ey.com.

We will report to you again at the conclusion of the administrations or in six months' time, whichever is the sooner.

Yours faithfully
for the Companies



S J Woodward
Joint Administrator

Enclosed:

- Appendix A Statutory information
- Appendix B Joint Administrators' receipts and payments account for the Period
- Appendix C Summary of Joint Administrators' expenses incurred in the Period
- Appendix D Summary of the Joint Administrators' time costs incurred in the Period

S J Woodward is licensed in the United Kingdom to act as an Insolvency Practitioner by The Institute of Chartered Accountants in England and Wales and C P Dempster is licensed in the United Kingdom to act as an Insolvency Practitioner by The Institute of Chartered Accountants of Scotland.

The affairs, business and property of the Companies are being managed by the Joint Administrators, S J Woodward and C P Dempster, who act as agents of the Companies only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Companies may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Appendix A

Statutory Information

Information about the proceedings, the Companies and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Specialist Leisure Group Limited

| | |
|---|--|
| Name of court: | High Court of Justice, Business, and Property Courts in Leeds, Insolvencies and Companies list (ChD) |
| Court reference: | CR-2020-LDS-000453 |
| Registered name of the company: | Specialist Leisure Group Limited |
| Registered office address of the company: | c/o Ernst & Young LLP, 2 St. Peter's Square, Manchester M2 3EY |
| Registered number: | 09009187 |
| Country of incorporation (for a company incorporated outside the United Kingdom): | n/a |
| Date of appointment of the joint administrators: | 22-May-20 |
| Details of any changes of administrator: | None |
| Full names of the administrators: | Samuel James Woodward and Colin Peter Dempster |
| Office holder number(s): | 12030 and 8908 |
| Administrators' address(es): | Ernst & Young LLP 2 St. Peter's Square, Manchester M2 3EY; and Ernst & Young LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX |
| Telephone number: | +44 161 333 3294 |
| Name of alternative person to contact with enquiries about the case: | Soban Memon |

Shearings Group Limited

| | |
|---|--|
| Name of court: | High Court of Justice, Business, and Property Courts in Leeds, Insolvencies and Companies list (ChD) |
| Court reference: | CR-2020-LDS-000443 |
| Registered name of the company: | Shearings Group Limited |
| Registered office address of the company: | c/o Ernst & Young LLP, 2 St. Peter's Square, Manchester M2 3EY |
| Registered number: | 05272464 |
| Country of incorporation (for a company incorporated outside the United Kingdom): | n/a |
| Date of appointment of the joint administrators: | 22-May-20 |
| Details of any changes of administrator: | None |
| Full names of the administrators: | Samuel James Woodward and Colin Peter Dempster |
| Office holder number(s): | 12030 and 8908 |
| Administrators' address(es): | Ernst & Young LLP 2 St. Peter's Square, Manchester M2 3EY; and Ernst & Young LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX |
| Telephone number: | +44 161 333 3294 |
| Name of alternative person to contact with enquiries about the case: | Soban Memon |

Shearings Holidays Limited

| | |
|---|--|
| Name of court: | High Court of Justice, Business, and Property Courts in Leeds, Insolvencies and Companies list (ChD) |
| Court reference: | CR-2020-LDS-000444 |
| Registered name of the company: | Shearings Holidays Limited |
| Registered office address of the company: | c/o Ernst & Young LLP, 2 St. Peter's Square, Manchester M2 3EY |
| Registered number: | 00218550 |
| Country of incorporation (for a company incorporated outside the United Kingdom): | n/a |
| Date of appointment of the joint administrators: | 22-May-20 |
| Details of any changes of administrator: | None |
| Full names of the administrators: | Samuel James Woodward and Colin Peter Dempster |
| Office holder number(s): | 12030 and 8908 |
| Administrators' address(es): | Ernst & Young LLP 2 St. Peter's Square, Manchester M2 3EY; and Ernst & Young LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX |
| Telephone number: | +44 161 333 3294 |
| Name of alternative person to contact with enquiries about the case: | Soban Memon |

Shearings Limited

| | |
|---|---|
| Name of court: | High Court of Justice, Business, and Property Courts in Leeds, Insolvencies and Companies list (ChD) |
| Court reference: | CR-2020-LDS-000452 |
| Registered name of the company: | Shearings Limited |
| Registered office address of the company: | c/o Ernst & Young LLP, 2 St. Peter's Square, Manchester M2 3EY |
| Registered number: | 00753110 |
| Country of incorporation (for a company incorporated outside the United Kingdom): | n/a |
| Date of appointment of the joint administrators: | 22-May-20 |
| Details of any changes of administrator: | None |
| Full names of the administrators: | Samuel James Woodward and Colin Peter Dempster |
| Office holder number(s): | 12030 and 8908 |
| Administrators' address(es): | Ernst & Young LLP 2 St. Peter's Square, Manchester M2 3EY; and Ernst & Young LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX |
| Telephone number: | +44 161 333 3294 |
| Name of alternative person to contact with enquiries about the case: | Soban Memon |

National Holidays Tours Limited

| | |
|---|---|
| Name of court: | High Court of Justice, Business, and Property Courts in Leeds, Insolvencies and Companies list (ChD) |
| Court reference: | CR-2020-LDS-000441 |
| Registered name of the company: | National Holidays Tours Limited |
| Registered office address of the company: | c/o Ernst & Young LLP, 2 St. Peter's Square, Manchester M2 3EY |
| Registered number: | 03213927 |
| Country of incorporation (for a company incorporated outside the United Kingdom): | n/a |
| Date of appointment of the joint administrators: | 22-May-20 |
| Details of any changes of administrator: | None |
| Full names of the administrators: | Samuel James Woodward and Colin Peter Dempster |
| Office holder number(s): | 12030 and 8908 |
| Administrators' address(es): | Ernst & Young LLP 2 St. Peter's Square, Manchester M2 3EY; and Ernst & Young LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX |
| Telephone number: | +44 161 333 3294 |
| Name of alternative person to contact with enquiries about the case: | Soban Memon |

National Holidays Limited

| | |
|---|---|
| Name of court: | High Court of Justice, Business, and Property Courts in Leeds, Insolvencies and Companies list (ChD) |
| Court reference: | CR-2020-LDS-000442 |
| Registered name of the company: | National Holidays Limited |
| Registered office address of the company: | c/o Ernst & Young LLP, 2 St. Peter's Square, Manchester M2 3EY |
| Registered number: | 02100628 |
| Country of incorporation (for a company incorporated outside the United Kingdom): | n/a |
| Date of appointment of the joint administrators: | 22-May-20 |
| Details of any changes of administrator: | None |
| Full names of the administrators: | Samuel James Woodward and Colin Peter Dempster |
| Office holder number(s): | 12030 and 8908 |
| Administrators' address(es): | Ernst & Young LLP 2 St. Peter's Square, Manchester M2 3EY; and Ernst & Young LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX |
| Telephone number: | +44 161 333 3294 |
| Name of alternative person to contact with enquiries about the case: | Soban Memon |

Wallace Arnold Travel Limited

| | |
|---|---|
| Name of court: | High Court of Justice, Business, and Property Courts in Leeds, Insolvencies and Companies list (ChD) |
| Court reference: | CR-2020-LDS-000447 |
| Registered name of the company: | Wallace Arnold Travel Limited |
| Registered office address of the company: | c/o Ernst & Young LLP, 2 St. Peter's Square, Manchester M2 3EY |
| Registered number: | 00749317 |
| Country of incorporation (for a company incorporated outside the United Kingdom): | n/a |
| Date of appointment of the joint administrators: | 22-May-20 |
| Details of any changes of administrator: | None |
| Full names of the administrators: | Samuel James Woodward and Colin Peter Dempster |
| Office holder number(s): | 12030 and 8908 |
| Administrators' address(es): | Ernst & Young LLP 2 St. Peter's Square, Manchester M2 3EY; and Ernst & Young LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX |
| Telephone number: | +44 161 333 32940 |
| Name of alternative person to contact with enquiries about the case: | Soban Memon |

UK Breakaways Limited

| | |
|---|--|
| Name of court: | High Court of Justice, Business, and Property Courts in Leeds, Insolvencies and Companies list (ChD) |
| Court reference: | CR-2020-LDS-000448 |
| Registered name of the company: | UK Breakaways Limited |
| Registered office address of the company: | c/o Ernst & Young LLP, 2 St. Peter's Square, Manchester M2 3EY |
| Registered number: | 02769943 |
| Country of incorporation (for a company incorporated outside the United Kingdom): | n/a |
| Date of appointment of the joint administrators: | 22-May-20 |
| Details of any changes of administrator: | None |
| Full names of the administrators: | Samuel James Woodward and Colin Peter Dempster |
| Office holder number(s): | 12030 and 8908 |
| Administrators' address(es): | Ernst & Young LLP 2 St. Peter's Square, Manchester M2 3EY; and Ernst & Young LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX |
| Telephone number: | +44 161 333 3294 |
| Name of alternative person to contact with enquiries about the case: | Soban Memon |

Appendix B

Joint Administrators' Summary of Receipts and Payments for the Period

Specialist Leisure Group Limited

| Statement of affairs estimated to realise (£) | Note | 22 May 2020 to 21 November 2020 (£) |
|---|---------------------------------|--|
| | Fixed charge receipts | |
| | | - |
| | Floating charge receipts | |
| | Secured lender funding | 118,374.81 |
| | Insurance premium refund | 23,299.86 |
| | Bank interest | 0.56 |
| | | 141,675.23 |
| - | * | Total receipts |
| | | 141,675.23 |
| | Fixed charge payments | |
| | | - |
| | Floating charge payments | |
| | 1 | Irrecoverable VAT |
| | | 20,846.41 |
| | | Employee costs |
| | | 10,437.70 |
| | | Pre appointment Joint Administrators' fees |
| | | 6,562.85 |
| | | Legal fees |
| | | 6,251.55 |
| | | Rent |
| | | 4,480.72 |
| | | Pre appointment legal fees |
| | | 4,265.40 |
| | | IT costs |
| | | 4,090.00 |
| | | Postage |
| | | 519.00 |
| | | Waste disposal costs |
| | | 408.79 |
| | 2 | Other professional fees |
| | | 275.00 |
| | | Public notices |
| | | 35.44 |
| | | Security costs |
| | | 28.80 |
| | | Storage costs |
| | | 16.10 |
| | | Bank charges |
| | | 0.30 |
| | | 58,218.06 |
| | * | Total payments |
| | | 58,218.06 |
| | | Balances in hand |
| | | 83,457.17 |
| | Represented by: | |
| | 3 | Cash at bank |
| | | 22,970.12 |
| | 4 | Interco balance |
| | | 60,487.05 |
| | | 83,457.17 |
| Notes | | |
| 1 SLGL is not VAT registered and cannot recover the VAT amounts paid invoiced directly to itself. | | |
| 2 Other professional fees represents amounts paid to ERA Solutions Ltd in respect of processing employee redundancies. | | |
| 3 All funds are held in interest bearing accounts. | | |
| 4 Interco balances represent amounts due from / (to) other Group companies in respect of amounts invoiced to and paid by certain of the Group companies on behalf of other Group companies and subsequently recharged. | | |
| * This receipts and payments account is shown net of VAT and has been prepared on a cash basis and does not reflect debts not collected or liabilities not paid. | | |

Shearings Group Limited

| Statement of affairs estimated to realise (£) | Note | 22 May 2020 to 21 November 2020 (£) |
|---|--|---|
| | Fixed charge receipts | |
| | Secured lender funding | 412,869.00 |
| 50,000.00 | Intellectual property | 57,758.77 |
| | Bank interest | 361.28 |
| | | 470,989.05 |
| | Floating charge receipts | |
| | Microsoft licence | 20,000.00 |
| | Secured lender funding | 19,700.96 |
| | Insurance premium refund | 9,649.05 |
| | Sundry income | 1,846.27 |
| 1 | Unallocated receipts | 1,247.26 |
| | Bank interest | 73.91 |
| | | 52,517.45 |
| 50,000.00 | * | Total receipts |
| | | 523,506.50 |
| | Fixed charge payments | |
| | Agents' fees | 1,245.88 |
| | Bank charges & interest | 12.90 |
| | Legal fees | 0.37 |
| | | 1,259.15 |
| | Floating charge payments | |
| | Pre appointment legal fees | 18,826.54 |
| | IT costs | 14,052.37 |
| | Employee costs | 12,961.58 |
| | Pre appointment Joint Administrators' fees | 6,562.85 |
| | Legal fees | 6,251.49 |
| | Rent | 4,480.66 |
| | Agents' fees | 3,000.00 |
| | Postage | 519.00 |
| | Waste disposal costs | 408.82 |
| | Bank charges | 108.30 |
| | Public notices | 35.42 |
| | Security costs | 28.80 |
| | Storage costs | 16.10 |
| | | 67,251.93 |
| | * | Total payments |
| | | 68,511.08 |
| | | Balances in hand |
| | | 454,995.42 |
| | Represented by: | |
| 2 | Cash at bank | 90,914.71 |
| 3 | Interco balance | 370,019.42 |
| 4 | VAT receivable / (payable) | (5,938.71) |
| | | 454,995.42 |

Notes

1 Unallocated receipts represent amounts received into SGL's bank accounts awaiting remittance advice.

2 All funds are held in interest bearing accounts.

3 Interco balances represent amounts due from / (to) other Group companies in respect of amounts invoiced to and paid by certain of the Group companies on behalf of other Group companies and subsequently recharged.

4 VAT liabilities have been prepared on the basis of VAT invoices raised and settled during the Period.

* This receipts and payments account is shown net of VAT and has been prepared on a cash basis and does not reflect debts not collected or liabilities not paid.

Shearings Holidays Limited

| Statement of affairs estimated to realise (£) | Note | 22 May 2020 to 21 November 2020 (£) |
|---|--|---|
| 225,000.00 | Fixed charge receipts | |
| | Intellectual property | 432,916.00 |
| | Bank interest | 47.57 |
| | | 432,963.57 |
| 385,076.51 | Floating charge receipts | |
| | Ticket refunds | 219,247.81 |
| 80,561.98 | Secured lender funding | 121,562.54 |
| | Debtors | 5,394.86 |
| | Rates refund | 629.00 |
| 20.00 | Cash on appointment | 288.56 |
| | Bank interest | 20.56 |
| | | 347,143.33 |
| 690,658.49 | * Total receipts | 780,106.90 |
| | Fixed charge payments | |
| | Legal fees | 22,737.82 |
| | Agents' fees | 11,706.66 |
| | | 34,444.48 |
| | Floating charge payments | |
| | Employee costs | 73,043.54 |
| | Pre appointment Joint Administrators' fees | 40,000.00 |
| | IT costs | 28,789.08 |
| | Legal fees | 22,105.61 |
| | Pre appointment legal fees | 8,194.01 |
| | Rent | 4,480.66 |
| | Postage | 519.00 |
| | Waste disposal costs | 408.79 |
| | Public notices | 35.44 |
| | Security costs | 28.80 |
| | Storage costs | 16.10 |
| | | 177,621.03 |
| | * Total payments | 212,065.51 |
| | Balances in hand | 568,041.39 |
| | Represented by: | |
| | 1 Cash at bank | 745,127.56 |
| | 2 Interco balance | (116,015.13) |
| | 3 VAT receivable / (payable) | (61,071.04) |
| | | 568,041.39 |
| Notes | | |
| 1 All funds are held in interest bearing accounts. | | |
| 2 Interco balances represent amounts due from / (to) other Group companies in respect of amounts invoiced to and paid by certain of the Group companies on behalf of other Group companies and subsequently recharged. | | |
| 3 VAT liabilities have been prepared on the basis of VAT invoices raised and settled during the Period. | | |
| * This receipts and payments account is shown net of VAT and has been prepared on a cash basis and does not reflect debts not collected or liabilities not paid. | | |

Shearings Limited

| Statement of affairs estimated to realise (£) | Note | 22 May 2020 to 21 November 2020 (£) |
|--|--|---|
| | Fixed charge receipts | |
| 7,000,000.00 | Property | 12,000,000.00 |
| | Secured lender funding | 202,085.12 |
| 25,000 | Intellectual property | 23,028.00 |
| | Bank interest | 1,298.00 |
| | | 12,226,411.12 |
| | Floating charge receipts | |
| 86,362.21 | Secured lender funding | 342,464.75 |
| 5,000.00 | Stock | 47,500.00 |
| 2,000.00 | Office equipment | 19,196.67 |
| | Motor vehicles | 5,700.00 |
| | Vehicle tax refund | 3,835.92 |
| 242,861.66 | Cash on appointment | 2,771.00 |
| | Sundry income | 263.09 |
| | 1 Pre-appt furlough arrears | 181.15 |
| | Bank interest | 2.04 |
| | | 421,914.62 |
| 7,361,223.87 | * Total receipts | 12,648,325.74 |
| | Fixed charge payments | |
| | Agents' fees | 159,638.94 |
| | Security costs | 49,281.61 |
| | Legal fees | 31,110.98 |
| | Professional fees | 20,075.00 |
| | Bank charges & interest | 5.30 |
| | | 260,111.83 |
| | Floating charge payments | |
| | Employee costs | 139,940.45 |
| | Agents' fees | 50,997.89 |
| | Pre appointment Joint Administrators' fees | 40,000.00 |
| | 2 Other professional fees | 25,170.00 |
| | IT costs | 13,029.32 |
| | Legal fees | 8,277.59 |
| | Pre appointment legal fees | 4,674.76 |
| | Rent | 4,480.66 |
| | Repayment of charity donations | 745.04 |
| | Postage | 519.00 |
| | Security costs | 508.93 |
| | Waste disposal costs | 408.79 |
| | Bank charges | 89.50 |
| | Public notices | 35.44 |
| | Storage costs | 16.10 |
| | | 288,893.47 |
| | * Total payments | 549,005.30 |
| | Balances in hand | 12,099,320.44 |
| | Represented by: | |
| | 3 Cash at bank | 14,100,673.22 |
| | 4 Interco balance | 337,654.05 |
| | 5 VAT receivable / (payable) | (2,339,006.83) |
| | | 12,099,320.44 |
| Notes | | |
| 1 Balance received from HMRC for onward payment to employees in respect of furlough arrears. Awaiting bank details to facilitate onward payment. | | |
| 2 Other professional fees represent amounts paid to ERA Solutions Ltd in respect of processing employee redundancies. | | |
| 3 All funds are held in interest bearing accounts. | | |
| 4 Interco balances represent amounts due from / (to) other Group companies in respect of amounts invoiced to and paid by certain of the Group companies on behalf of other Group companies and subsequently recharged. | | |
| 5 VAT liabilities have been prepared on the basis of VAT invoices raised and settled during the Period. | | |
| * This receipts and payments account is shown net of VAT and has been prepared on a cash basis and does not reflect debts not collected or liabilities not paid. | | |

National Holidays Tours Limited

| Statement of affairs estimated to realise (£) | Note | 22 May 2020 to 21 November 2020 (£) |
|--|--|---|
| | Fixed charge receipts | |
| 300,000.00 | Intellectual property | 501,707.00 |
| | Goodwill | 6,653.00 |
| | Bank interest | 41.19 |
| | | 508,401.19 |
| | Floating charge receipts | |
| 1,085,405.96 | Ticket refunds | 1,174,021.87 |
| | Secured lender funding | 99,660.06 |
| 153,262.79 | Debtors | 31,006.89 |
| | Rates refund | 8,381.00 |
| 4,220.00 | Cash on appointment | 739.10 |
| | Bank interest | 22.28 |
| | | 1,313,831.20 |
| 1,242,888.75 | * Total receipts | 1,822,232.39 |
| | Fixed charge payments | |
| | Legal fees | 30,821.03 |
| | Agents' fees | 22,806.34 |
| | | 53,627.37 |
| | Floating charge payments | |
| | Employee costs | 75,116.06 |
| | IT costs | 23,845.20 |
| | Pre appointment Joint Administrators' fees | 20,000.00 |
| | Legal fees | 14,899.38 |
| | Rent | 13,647.88 |
| | Pre appointment legal fees | 10,540.18 |
| | Postage | 519.00 |
| | Waste disposal costs | 408.79 |
| | Public notices | 35.44 |
| | Property Holding costs | 28.80 |
| | Sundry expenses | 25.00 |
| | Storage costs | 16.10 |
| | | 159,081.83 |
| | * Total payments | 212,709.20 |
| | Balances in hand | 1,609,523.19 |
| | Represented by: | |
| | 1 Cash at bank | 1,822,074.71 |
| | 3 VAT receivable / (payable) | (74,280.22) |
| | 2 Interco balance | (138,271.30) |
| | | 1,609,523.19 |
| <p>1 All funds are held in interest bearing accounts.</p> <p>2 VAT liabilities have been prepared on the basis of VAT invoices raised and settled during the Period.</p> <p>3 Interco balances represent amounts due from / (to) other Group companies in respect of amounts invoiced to and paid by certain of the Group companies on behalf of other Group companies and subsequently recharged.</p> <p>* This receipts and payments account is shown net of VAT and has been prepared on a cash basis and does not reflect debts not collected or liabilities not paid.</p> | | |

National Holidays Limited

| Statement of affairs estimated to realise (£) | Note | 22 May 2020 to 21 November 2020 (£) |
|---|--|---|
| | Fixed charge receipts | |
| | | - |
| | Floating charge receipts | |
| | Secured lender funding | 137,617.65 |
| | Stock | 15,400.00 |
| | Motor vehicles | 17,352.50 |
| 1,330.00 | Road licence refund | 2,338.85 |
| | Bank interest | 0.85 |
| | | 172,709.85 |
| 1,330.00 | * Total receipts | 172,709.85 |
| | Fixed charge payments | |
| | Legal fees | 557.61 |
| | | 557.61 |
| | Floating charge payments | |
| | Employee costs | 75,103.69 |
| | Legal fees | 15,815.63 |
| | 1 Other professional fees | 15,010.00 |
| | IT costs | 13,029.35 |
| | Agents fees | 10,848.12 |
| | Pre appointment Joint Administrators' fees | 6,562.85 |
| | Pre appointment legal fees | 4,674.76 |
| | Rent | 4,480.66 |
| | Waste disposal costs | 858.80 |
| | Postage | 840.00 |
| | Sundry expenses | 95.00 |
| | Bank charges | 50.40 |
| | Public notices | 35.44 |
| | Security costs | 28.80 |
| | Storage costs | 16.10 |
| | | 147,449.60 |
| | * Total payments | 148,007.21 |
| | Balances in hand | 24,702.64 |
| | Represented by: | |
| | 2 Cash at bank | 42,918.55 |
| | 3 VAT receivable / (payable) | 7,783.24 |
| | 4 Interco balances | (25,999.15) |
| | | 24,702.64 |
| Notes | | |
| 1 Other professional fees represent amounts paid to ERA Solutions Ltd in respect of processing employee redundancies. | | |
| 2 All funds are held in interest bearing accounts. | | |
| 3 VAT liabilities have been prepared on the basis of VAT invoices raised and settled during the Period. | | |
| 4 Interco balances represent amounts due from / (to) other Group companies in respect of amounts invoiced to and paid by certain of the Group companies on behalf of other Group companies and subsequently recharged. | | |
| * This receipts and payments account is shown net of VAT and has been prepared on a cash basis and does not reflect debts not collected or liabilities not paid. | | |

Wallace Arnold Travel Limited

| Statement of affairs estimated to realise (£) | Note | 22 May 2020 to 21 November 2020 (£) |
|--|--|---|
| | Fixed charge receipts | |
| | Intellectual property | 4.00 |
| | Goodwill | 1.00 |
| | | 5.00 |
| | Floating charge receipts | |
| 15,836.50 | Secured lender funding | 21,204.03 |
| 186,174.67 | Modular units | 15,000.00 |
| | Cash at appointment | 490.25 |
| | Bank interest | 0.14 |
| | | 36,694.42 |
| 202,011.17 | * Total receipts | 36,699.42 |
| | Fixed charge payments | |
| | Legal fees | 1.84 |
| | | 1.84 |
| | Floating charge payments | |
| | IT costs | 24,699.08 |
| | Legal fees | 20,518.66 |
| | Employee costs | 12,809.61 |
| | Agents' fees | 10,566.35 |
| | Pre appointment legal fees | 6,434.38 |
| | Pre appointment Joint Administrators' fees | 6,562.85 |
| | Rent | 4,480.66 |
| | Postage | 519.00 |
| | Waste disposal costs | 408.79 |
| | Public notices | 35.44 |
| | Property holding costs | 28.80 |
| | Storage costs | 16.10 |
| | | 87,079.72 |
| | * Total payments | 87,081.56 |
| | Balances in hand | (50,382.14) |
| | Represented by: | |
| 1 | VAT receivable / (payable) | 10,379.33 |
| 2 | Cash at bank | 5,816.77 |
| 3 | Interco balance | (66,578.24) |
| | | (50,382.14) |
| <p>1 VAT liabilities have been prepared on the basis of VAT invoices raised and settled during the Period.</p> <p>2 Interco balances represent amounts due from / (to) other Group companies in respect of amounts invoiced to and paid by certain of the Group companies on behalf of other Group companies and subsequently recharged.</p> <p>3 All funds are held in interest bearing accounts.</p> <p>* This receipts and payments account is shown net of VAT and has been prepared on a cash basis and does not reflect debts not collected or liabilities not paid.</p> | | |

UK Breakaways Limited

| Statement of affairs estimated to realise (£) | Note | 22 May 2020 to 21 November 2020 (£) |
|---|--|---|
| | Fixed charge receipts | |
| | Intellectual property | 15,307.00 |
| | Goodwill | 1,327.00 |
| | Bank interest | 1.16 |
| | | 16,635.16 |
| | Floating charge receipts | |
| | Secured lender funding | 23,872.32 |
| | | 23,872.32 |
| - | * | Total receipts |
| | | 40,507.48 |
| | Fixed charge payments | |
| | Legal fees | 6,107.72 |
| | Agents' fees | 449.93 |
| | | 6,557.65 |
| | Floating charge payments | |
| | IT costs | 21,013.70 |
| | Employee costs | 15,156.90 |
| | Legal fees | 7,102.11 |
| | Pre appointment Joint Administrators' fees | 6,562.85 |
| | Pre appointment legal fees | 5,261.30 |
| | Rent | 4,480.66 |
| | Postage | 840.00 |
| | Waste disposal costs | 408.79 |
| | Public notices | 35.44 |
| | Security costs | 28.80 |
| | Storage costs | 16.10 |
| | | 60,906.65 |
| | * | Total payments |
| | | 67,464.30 |
| | | Balances in hand |
| | | (26,956.82) |
| | Represented by: | |
| 1 | Cash at bank | 19,961.96 |
| 2 | VAT receivable / (payable) | 4,779.80 |
| 3 | Interco balance | (51,698.58) |
| | | (26,956.82) |
| Notes | | |
| 1 All funds are held in interest bearing accounts. | | |
| 2 VAT liabilities have been prepared on the basis of VAT invoices raised and settled during the Period. | | |
| 3 Interco balances represent amounts due from / (to) other Group companies in respect of amounts invoiced to and paid by certain of the Group companies on behalf of other Group companies and subsequently recharged. | | |
| * This receipts and payments account is shown net of VAT and has been prepared on a cash basis and does not reflect debts not collected or liabilities not paid. | | |

Appendix C

Summary of Joint Administrators' expenses incurred in the Period and a comparison to the initial estimate dated 3 July 2020 ("Original Expense Estimate")

Specialist Leisure Group

| Type of Expense | Per Original Estimate (£) | Paid in the Period (£) | Outstanding (£) | Revised Estimate (£) | Comparison to Original Estimate (£) |
|---|---------------------------|------------------------|------------------|----------------------|-------------------------------------|
| Payments made from the estate which are not disbursements (Note 1) | | | | | |
| Property costs | 15,837.78 | 4,480.72 | 11,357.06 | 15,837.78 | - |
| Security holding costs | - | 28.80 | - | 28.80 | (28.80) |
| Insurance | 4,000.00 | - | 4,000.00 | 4,000.00 | - |
| IT | 6,000.00 | 4,090.00 | 1,910.00 | 6,000.00 | - |
| Employee costs | 7,139.51 | 10,437.70 | - | 10,437.70 | (3,298.19) |
| ERA solutions costs | - | 275.00 | - | 275.00 | (275.00) |
| Legal fees | 10,000.00 | 3,749.71 | 6,250.29 | 10,000.00 | - |
| Legal fees relating to the appointment | 2,335.16 | 2,501.84 | - | 2,501.84 | (166.68) |
| Storage costs | 1,000.00 | 16.10 | 983.90 | 1,000.00 | - |
| Waste disposal costs | - | 408.79 | - | 408.79 | (408.79) |
| Public notices | - | 35.44 | 35.44 | 70.88 | (70.88) |
| Bank charges | - | 0.30 | - | 0.30 | (0.30) |
| Irrecoverable VAT | - | 20,846.41 | - | 20,846.41 | (20,846.41) |
| Postage | - | 519.00 | - | 519.00 | (519.00) |
| | 46,312.45 | 47,389.81 | 24,536.69 | 71,926.50 | (25,614.05) |
| Category 1 disbursements (Note 2) | | | | | |
| Travel costs (exc. Mileage) | 400.00 | - | 400.00 | 400.00 | - |
| Specific bond | 40.00 | 10.00 | 30.00 | 40.00 | - |
| Postage and printing | 69.75 | 61.85 | 7.90 | 69.75 | - |
| | 509.75 | 71.85 | 437.90 | 509.75 | - |
| Category 2 disbursements (Note 2) | | | | | |
| Mileage | 250.00 | - | 250.00 | 250.00 | - |
| | 250.00 | - | 250.00 | 250.00 | - |
| Pre-administration costs unpaid as at date of administration | | | | | |
| | 10,657.63 | 10,828.25 | - | 10,828.25 | (170.62) |
| Total | 57,729.83 | 58,289.91 | 25,224.59 | 83,514.50 | (25,784.67) |

Expenses exceeding Original Estimate

| Cost category | Explanation of negative expense variance |
|--|---|
| Security holding costs | A central cost recharged across the Group, incurred to ensure properties were secured and safe for the benefit of all administrations. |
| Employee costs | Initial estimates exceeded given the necessity to retain senior members of staff for longer than anticipated to ensure complexities of the administration were managed appropriately. |
| ERA solutions costs | Staff levels in SLGL not previously accounted for. Costs subsequently incurred to assist with any redundancy related queries. |
| Legal fees relating to the appointment | Marginally higher than initially estimated once final billing reconciled and processed. |
| Waste disposal costs | Costs relating to site clearance, which was more complex than initially anticipated given the widespread nature of the Companies' records. |
| Public notices | Costs incurred to meet statutory obligations not previously reported. |
| Bank charges | Costs incurred to ensure certain payments were made to meet certain processing requirements (i.e. time). |
| Irrecoverable VAT | VAT incurred on costs which were unable to be recharged across the Group. Given SLGL is not a VAT registered company, there is an inability to recover the VAT on such costs. |
| Postage | Costs incurred for mail redirections. |

Shearings Group Limited

| Type of Expense | Per Original Estimate (£) | Paid in the Period (£) | Outstanding (£) | Revised Estimate (£) | Comparison to Original Estimate (£) |
|---|---------------------------|------------------------|------------------|----------------------|-------------------------------------|
| Payments made from the estate which are not disbursements (Note 1) | | | | | |
| Property costs | 15,837.78 | 4,480.66 | 11,357.12 | 15,837.78 | - |
| Security holding costs | - | 28.80 | - | 28.80 | (28.80) |
| Insurance | 4,000.00 | - | 4,000.00 | 4,000.00 | - |
| IT | 12,808.33 | 14,052.37 | - | 14,052.37 | (1,244.04) |
| Employee costs | 10,931.10 | 12,961.58 | - | 12,961.58 | (2,030.48) |
| Legal fees | 40,000.00 | 3,750.04 | 36,249.96 | 40,000.00 | - |
| Legal fees relating to the appointment | 2,335.16 | 2,501.82 | - | 2,501.82 | (166.66) |
| Agent costs | - | 4,258.78 | - | 4,258.78 | (4,258.78) |
| Storage costs | 1,000.00 | 16.10 | 983.90 | 1,000.00 | - |
| Waste disposal costs | - | 408.82 | - | 408.82 | (408.82) |
| Public notices | - | 35.42 | 35.42 | 70.84 | (70.84) |
| Bank charges | - | 121.20 | - | 121.20 | (121.20) |
| Postage | - | 519.00 | - | 519.00 | (519.00) |
| | 86,912.37 | 43,134.59 | 52,626.40 | 95,760.99 | (8,848.62) |
| Category 1 disbursements (Note 2) | | | | | |
| Travel costs (exc. Mileage) | 400.00 | - | 400.00 | 400.00 | - |
| Specific bond | 10.00 | 10.00 | - | 10.00 | - |
| Postage and printing | 67.40 | 315.78 | - | 315.78 | (248.38) |
| | 477.40 | 325.78 | 400.00 | 725.78 | (248.38) |
| Category 2 disbursements (Note 2) | | | | | |
| Mileage | 250.00 | 18.00 | 232.00 | 250.00 | - |
| | 250.00 | 18.00 | 232.00 | 250.00 | - |
| Pre-administration costs unpaid as at date of administration | | | | | |
| | 24,636.33 | 25,389.39 | - | 25,389.39 | (753.06) |
| Total | 112,276.10 | 68,867.76 | 53,258.40 | 122,126.16 | (9,850.06) |

Expenses exceeding Original Estimate

| Cost category | Explanation of negative expense variance |
|--|--|
| Security holding costs | A central cost recharged across the Group, incurred to ensure properties were secured and safe for the benefit of all administrations. |
| IT | Costs associated with ensuring operational continuity was maintained to facilitate completion of information gathering exercises to assist with statutory duties and asset realisation strategies. |
| Employee costs | Initial estimates exceeded given the necessity to retain certain members of staff for longer than anticipated to ensure complexities of the administration were managed appropriately. |
| Legal fees relating to the appointment | Marginally higher than initially estimated once final billing reconciled and processed. |
| Agents' costs | Costs incurred in relation to successful asset realisations from Microsoft Licences and IP sales (detailed in the report). |
| Waste disposal costs | Costs relating to site clearance, which was more complex than initially anticipated given the widespread nature of the Companies records. |
| Public notices | Costs incurred to meet statutory obligations not previously reported. |
| Bank charges | Costs incurred to ensure certain payments were made to meet certain processing requirements (i.e. time). |
| Postage | Costs incurred for mail redirections. |

Shearings Holidays Limited

| Type of Expense | Per Original Estimate (£) | Paid in the Period (£) | Outstanding (£) | Revised Estimate (£) | Comparison to Original Estimate (£) |
|---|---------------------------|------------------------|------------------|----------------------|-------------------------------------|
| Payments made from the estate which are not disbursements (Note 1) | | | | | |
| Property costs | 15,837.78 | 4,480.66 | 11,357.12 | 15,837.78 | - |
| Security holding costs | - | 28.80 | - | 28.80 | (28.80) |
| Insurance | 4,000.00 | - | 4,000.00 | 4,000.00 | - |
| IT | 35,251.19 | 28,789.08 | 6,462.11 | 35,251.19 | - |
| Employee costs | 94,028.17 | 73,043.54 | 20,984.63 | 94,028.17 | - |
| Legal fees | 30,000.00 | 42,341.61 | - | 42,341.61 | (12,341.61) |
| Legal fees relating to the appointment | 2,335.16 | 2,501.82 | - | 2,501.82 | (166.66) |
| Agent costs | - | 11,706.66 | - | 11,706.66 | (11,706.66) |
| Storage costs | 1,000.00 | 16.10 | 983.90 | 1,000.00 | - |
| Waste disposal costs | - | 408.79 | - | 408.79 | (408.79) |
| Public notices | - | 35.44 | 35.44 | 70.88 | (70.88) |
| Postage | - | 519.00 | - | 519.00 | (519.00) |
| | 182,452.30 | 163,871.50 | 43,823.20 | 207,694.70 | (25,242.40) |
| Category 1 disbursements (Note 2) | | | | | |
| Travel costs (exc. Mileage) | 400.00 | - | 400.00 | 400.00 | - |
| Specific bond | 10.00 | 10.00 | - | 10.00 | - |
| Postage and printing | 13,770.27 | 10,505.16 | 3,265.11 | 13,770.27 | - |
| | 14,180.27 | 10,515.16 | 3,665.11 | 14,180.27 | - |
| Category 2 disbursements (Note 2) | | | | | |
| Mileage | 250.00 | - | 250.00 | 250.00 | - |
| | 250.00 | - | 250.00 | 250.00 | - |
| Pre-administration costs unpaid as at date of administration | | | | | |
| | 47,866.25 | 48,194.01 | - | 48,194.01 | (327.76) |
| Total | 244,748.82 | 222,580.67 | 47,738.31 | 270,318.98 | (25,570.16) |

Expenses exceeding Original Estimate

| Cost category | Explanation of negative expense variance |
|--|--|
| Security holding costs | A central cost recharged across the Group, incurred to ensure properties were secured and safe for the benefit of all administrations. |
| Legal fees | Higher than initially anticipated given the increased complexity of various workstreams, specifically managing customers appropriately and advice with regard to pursuing debtor balances. |
| Legal fees relating to the appointment | Marginally higher than initially estimated once final billing reconciled and processed. |
| Agents' costs | Costs incurred in relation to successful asset realisations from IP sales (detailed in the report). |
| Waste disposal costs | Costs relating to site clearance, which was more complex than initially anticipated given the widespread nature of the Companies records. |
| Public notices | Costs incurred to meet statutory obligations not previously reported. |
| Postage | Costs incurred for mail redirections. |

Shearings Limited

| Type of Expense | Per Original Estimate (£) | Paid in the Period (£) | Outstanding (£) | Revised Estimate (£) | Comparison to Original Estimate (£) |
|---|---------------------------|------------------------|-------------------|----------------------|-------------------------------------|
| Payments made from the estate which are not disbursements (Note 1) | | | | | |
| Property costs | 45,913.78 | 24,555.66 | 21,358.12 | 45,913.78 | - |
| Security holding costs | 50,000.00 | 49,790.53 | 209.47 | 50,000.00 | - |
| Insurance | 24,000.00 | - | 24,000.00 | 24,000.00 | - |
| IT | 28,667.86 | 13,029.32 | 15,638.54 | 28,667.86 | - |
| Employee costs | 179,227.66 | 139,940.45 | 39,287.21 | 179,227.66 | - |
| ERA solutions costs | 20,000.00 | 25,170.00 | - | 25,170.00 | (5,170.00) |
| Legal fees | 60,000.00 | 36,886.75 | 23,113.25 | 60,000.00 | - |
| Legal fees relating to the appointment | 2,335.16 | 2,501.82 | - | 2,501.82 | (166.66) |
| Agent costs | 121,066.67 | 210,636.83 | - | 210,636.83 | (89,570.16) |
| Storage costs | 1,000.00 | 16.10 | 983.90 | 1,000.00 | - |
| Waste disposal costs | - | 408.79 | - | 408.79 | (408.79) |
| Public notices | - | 35.44 | 35.44 | 70.88 | (70.88) |
| Repayment of charitable donations | - | 745.04 | - | 745.04 | (745.04) |
| Bank charges | - | 94.80 | - | 94.80 | (94.80) |
| Postage | - | 519.00 | - | 519.00 | (519.00) |
| | 532,211.13 | 504,330.53 | 124,625.93 | 628,956.46 | (96,745.33) |
| Category 1 disbursements (Note 2) | | | | | |
| Travel costs (exc. Mileage) | 400.00 | - | 400.00 | 400.00 | - |
| Specific bond | 105.00 | 105.00 | - | 105.00 | - |
| Postage and printing | 139.50 | 189.16 | - | 189.16 | (49.66) |
| | 644.50 | 294.16 | 400.00 | 694.16 | (49.66) |
| Category 2 disbursements (Note 2) | | | | | |
| Mileage | 250.00 | 89.10 | 160.90 | 250.00 | - |
| | 250.00 | 89.10 | 160.90 | 250.00 | - |
| Pre-administration costs unpaid as at date of administration | | | | | |
| | 44,487.77 | 44,674.76 | - | 44,674.76 | (186.99) |
| Total | 577,593.40 | 549,388.55 | 125,186.83 | 674,575.38 | (96,981.98) |

Expenses exceeding Original Estimate

| Cost category | Explanation of negative expense variance |
|--|---|
| ERA solutions costs | Costs associated with helping staff process redundancy claims. Staff levels were higher than originally anticipated. |
| Legal fees relating to the appointment | Marginally higher than initially estimated once final billing reconciled and processed. |
| Agents' costs | Agents' costs associated with freehold sales were linked to a % of realisations, and were higher as actual realisations were materially higher than initial expectations. |
| Waste disposal costs | Costs relating to site clearance, which was more complex than initially anticipated given the widespread nature of the Companies records. |
| Public notices | Costs incurred to meet statutory obligations not previously reported. |
| Repayment of charitable donations | Monies identified as being collected for charity were paid onwards to said charity. |
| Bank charges | Costs incurred to ensure certain payments were made to meet certain processing requirements (i.e. time). |
| Postage | Costs incurred for mail redirections. |

National Holidays Tours Limited

| Type of Expense | Per Original Estimate (£) | Paid in the Period (£) | Outstanding (£) | Revised Estimate (£) | Comparison to Original Estimate (£) |
|---|---------------------------|------------------------|------------------|----------------------|-------------------------------------|
| Payments made from the estate which are not disbursements (Note 1) | | | | | |
| Property costs | 45,913.78 | 13,647.88 | 32,265.90 | 45,913.78 | - |
| Security holding costs | 5,000.00 | 28.80 | 4,971.20 | 5,000.00 | - |
| Insurance | 4,000.00 | - | 4,000.00 | 4,000.00 | - |
| IT | 43,501.19 | 23,845.20 | 19,655.99 | 43,501.19 | - |
| Employee costs | 67,550.84 | 75,116.06 | - | 75,116.06 | (7,565.22) |
| Legal fees | 60,000.00 | 43,218.59 | 16,781.41 | 60,000.00 | - |
| Legal fees relating to the appointment | 2,335.16 | 2,501.82 | - | 2,501.82 | (166.66) |
| Agent costs | 5,000.00 | 22,806.34 | - | 22,806.34 | (17,806.34) |
| Storage costs | 1,000.00 | 16.10 | 983.90 | 1,000.00 | - |
| Waste disposal costs | - | 408.79 | - | 408.79 | (408.79) |
| Public notices | - | 35.44 | 35.44 | 70.88 | (70.88) |
| Sundry expenses | - | 25.00 | - | 25.00 | (25.00) |
| Postage | - | 519.00 | - | 519.00 | (519.00) |
| | 234,300.97 | 182,169.02 | 78,693.84 | 260,862.86 | (26,561.89) |
| Category 1 disbursements (Note 2) | | | | | |
| Travel costs (exc. Mileage) | 400.00 | - | 400.00 | 400.00 | - |
| Specific bond | 10.00 | 10.00 | - | 10.00 | - |
| Postage and printing | 11,871.50 | 9,651.13 | 2,220.37 | 11,871.50 | - |
| | 12,281.50 | 9,661.13 | 2,620.37 | 12,281.50 | - |
| Category 2 disbursements (Note 2) | | | | | |
| Mileage | 250.00 | 89.10 | 160.90 | 250.00 | - |
| | 250.00 | 89.10 | 160.90 | 250.00 | - |
| Pre-administration costs unpaid as at date of administration | | | | | |
| | 30,118.57 | 30,540.18 | - | 30,540.18 | (421.61) |
| Total | 276,951.04 | 222,459.43 | 81,475.11 | 303,934.54 | (26,983.50) |

Expenses exceeding Original Estimate

| Cost category | Explanation of negative expense variance |
|--|--|
| Security holding costs | A central cost recharged across the Group, incurred to ensure properties were secured and safe for the benefit of all administrations. |
| Employee costs | Initial estimates exceeded given the necessity to retain certain members of staff for longer than anticipated to ensure complexities of the administration were managed appropriately. |
| Legal fees relating to the appointment | Marginally higher than initially estimated once final billing reconciled and processed. |
| Agents' costs | Costs incurred in relation to successful asset realisations from IP sales (detailed in the report). |
| Waste disposal costs | Costs relating to site clearance, which was more complex than initially anticipated given the widespread nature of the Companies records. |
| Public notices | Costs incurred to meet statutory obligations not previously reported. |
| Sundry expenses | Adhoc expenses incurred relating to ensuring continuity of operations as required. |
| Postage | Costs incurred for mail redirections. |

National Holidays Limited

| Type of Expense | Per Original Estimate (£) | Paid in the Period (£) | Outstanding (£) | Revised Estimate (£) | Comparison to Original Estimate (£) |
|---|---------------------------|------------------------|------------------|----------------------|-------------------------------------|
| Payments made from the estate which are not disbursements (Note 1) | | | | | |
| Property costs | 45,913.78 | 4,480.66 | 41,433.12 | 45,913.78 | - |
| Security holding costs | 5,000.00 | 28.80 | 4,971.20 | 5,000.00 | - |
| Insurance | 8,000.00 | - | 8,000.00 | 8,000.00 | - |
| IT | 14,676.19 | 13,029.35 | 1,646.84 | 14,676.19 | - |
| Employee costs | 74,441.99 | 75,103.69 | - | 75,103.69 | (661.70) |
| ERA solutions costs | 20,000.00 | 15,010.00 | 4,990.00 | 20,000.00 | - |
| Legal fees | 10,000.00 | 13,871.42 | - | 13,871.42 | (3,871.42) |
| Legal fees relating to the appointment | 2,335.16 | 2,501.82 | - | 2,501.82 | (166.66) |
| Agent costs | 3,266.67 | 10,848.12 | - | 10,848.12 | (7,581.45) |
| Storage costs | 1,000.00 | 16.10 | 983.90 | 1,000.00 | - |
| Waste disposal costs | - | 858.80 | - | 858.80 | (858.80) |
| Public notices | - | 35.44 | 35.44 | 70.88 | (70.88) |
| Sundry expenses | - | 95.00 | - | 95.00 | (95.00) |
| Bank charges | - | 50.40 | - | 50.40 | (50.40) |
| Postage | - | 840.00 | - | 840.00 | (840.00) |
| | 184,633.79 | 136,769.60 | 62,060.50 | 198,830.10 | (14,196.31) |
| Category 1 disbursements (Note 2) | | | | | |
| Travel costs (exc. Mileage) | 400.00 | - | 400.00 | 400.00 | - |
| Specific bond | 40.00 | 40.00 | - | 40.00 | - |
| Postage and printing | 139.50 | 137.55 | 1.95 | 139.50 | - |
| | 579.50 | 177.55 | 401.95 | 579.50 | - |
| Category 2 disbursements (Note 2) | | | | | |
| Mileage | 250.00 | - | 250.00 | 250.00 | - |
| | 250.00 | - | 250.00 | 250.00 | - |
| Pre-administration costs unpaid as at date of administration | | | | | |
| | 11,050.62 | 11,237.61 | - | 11,237.61 | (186.99) |
| Total | 196,513.91 | 148,184.76 | 62,712.45 | 210,897.21 | (14,383.30) |

Expenses exceeding Original Estimate

| Cost category | Explanation of negative expense variance |
|--|--|
| Employee costs | Initial estimates exceeded given the necessity to retain certain members of staff for longer than anticipated to ensure complexities of the administration were managed appropriately. |
| Legal fees | Higher than initially anticipated given the increased complexity of various workstreams, specifically managing customers appropriately and obligations with regard to certain interchange site clearance activity. |
| Legal fees relating to the appointment | Marginally higher than initially estimated once final billing reconciled and processed. |
| Agents' fees | Costs incurred in relation to successful asset realisations from stock and motor vehicle sales (detailed in the report). |
| Waste disposal costs | Costs relating to site clearance, which was more complex than initially anticipated given the widespread nature of the Companies records. |
| Public notices | Costs incurred to meet statutory obligations not previously reported. |
| Sundry expenses | Adhoc expenses incurred relating to ensuring continuity of operations as required. |
| Bank charges | Costs incurred to ensure certain payments were made to meet certain processing requirements (i.e. time). |
| Postage | Costs incurred for mail redirections. |

Wallace Arnold Travel Limited

| Type of Expense | Per Original Estimate (£) | Paid in the Period (£) | Outstanding (£) | Revised Estimate (£) | Comparison to Original Estimate (£) |
|---|---------------------------|------------------------|------------------|----------------------|-------------------------------------|
| Payments made from the estate which are not disbursements (Note 1) | | | | | |
| Property costs | 15,837.78 | 4,480.66 | 11,357.12 | 15,837.78 | - |
| Security holding costs | - | 28.80 | - | 28.80 | (28.80) |
| Insurance | 4,000.00 | - | 4,000.00 | 4,000.00 | - |
| IT | 37,876.19 | 24,699.08 | 13,177.11 | 37,876.19 | - |
| Employee costs | 15,998.17 | 12,809.61 | 3,188.56 | 15,998.17 | - |
| Legal fees | 10,000.00 | 18,018.68 | - | 18,018.68 | (8,018.68) |
| Legal fees relating to the appointment | 2,335.16 | 2,501.82 | - | 2,501.82 | (166.66) |
| Agent costs | 3,266.67 | 10,566.35 | - | 10,566.35 | (7,299.68) |
| Storage costs | 1,000.00 | 16.10 | 983.90 | 1,000.00 | - |
| Waste disposal costs | - | 408.79 | - | 408.79 | (408.79) |
| Public notices | - | 35.44 | 35.44 | 70.88 | (70.88) |
| Postage | - | 519.00 | - | 519.00 | (519.00) |
| | 90,313.97 | 74,084.33 | 32,742.13 | 106,826.46 | (16,512.49) |
| Category 1 disbursements (Note 2) | | | | | |
| Travel costs (exc. Mileage) | 400.00 | - | 400.00 | 400.00 | - |
| Specific bond | 10.00 | 10.00 | - | 10.00 | - |
| Postage and printing | 3,946.16 | 3,103.31 | 842.85 | 3,946.16 | - |
| | 4,356.16 | 3,113.31 | 1,242.85 | 4,356.16 | - |
| Category 2 disbursements (Note 2) | | | | | |
| Mileage | 250.00 | - | 250.00 | 250.00 | - |
| | 250.00 | - | 250.00 | 250.00 | - |
| Pre-administration costs unpaid as at date of administration | | | | | |
| | 12,739.86 | 12,997.23 | - | 12,997.23 | (257.37) |
| Total | 107,659.99 | 90,194.87 | 34,234.98 | 124,429.85 | (16,769.86) |

Expenses exceeding Original Estimate

| Cost category | Explanation of negative expense variance |
|--|---|
| Security holding costs | A central cost recharged across the Group, incurred to ensure properties were secured and safe for the benefit of all administrations. |
| Legal fees | Higher than initially anticipated given the increased complexity of various workstreams, specifically managing customers appropriately. |
| Legal fees relating to the appointment | Marginally higher than initially estimated once final billing reconciled and processed. |
| Agents' fees | Costs incurred in relation to successful asset realisations from modular unit sales and site clearance activities generally (detailed in the report). |
| Waste disposal costs | Costs relating to site clearance, which was more complex than initially anticipated given the widespread nature of the Companies records. |
| Public notices | Costs incurred to meet statutory obligations not previously reported. |
| Postage | Costs incurred for mail redirections. |

UK Breakaways Limited

| Type of Expense | Per Original Estimate (£) | Paid in the Period (£) | Outstanding (£) | Revised Estimate (£) | Comparison to Original Estimate (£) |
|---|---------------------------|------------------------|------------------|----------------------|-------------------------------------|
| Payments made from the estate which are not disbursements (Note 1) | | | | | |
| Property costs | 15,837.78 | 4,480.66 | 11,357.12 | 15,837.78 | - |
| Security holding costs | - | 28.80 | - | 28.80 | (28.80) |
| Insurance | 4,000.00 | - | 4,000.00 | 4,000.00 | - |
| IT | 39,776.19 | 21,013.70 | 18,762.49 | 39,776.19 | - |
| Employee costs | 28,913.78 | 15,156.90 | 13,756.88 | 28,913.78 | - |
| Legal fees | 20,000.00 | 10,708.01 | 9,291.99 | 20,000.00 | - |
| Legal fees relating to the appointment | 2,335.16 | 2,501.82 | - | 2,501.82 | (166.66) |
| Agent costs | - | 449.93 | - | 449.93 | (449.93) |
| Storage costs | 1,000.00 | 16.10 | 983.90 | 1,000.00 | - |
| Waste disposal costs | - | 408.79 | - | 408.79 | (408.79) |
| Public notices | - | 35.44 | 35.44 | 70.88 | (70.88) |
| Postage | - | 840.00 | - | 840.00 | (840.00) |
| | 111,862.91 | 55,640.15 | 58,187.82 | 113,827.97 | (1,965.06) |
| Category 1 disbursements (Note 2) | | | | | |
| Travel costs (exc. Mileage) | 400.00 | - | 400.00 | 400.00 | - |
| Specific bond | 10.00 | 10.00 | - | 10.00 | - |
| Postage and printing | 3,932.92 | 3,658.84 | 274.08 | 3,932.92 | - |
| | 4,342.92 | 3,668.84 | 674.08 | 4,342.92 | - |
| Category 2 disbursements (Note 2) | | | | | |
| Mileage | 250.00 | - | 250.00 | 250.00 | - |
| | 250.00 | - | 250.00 | 250.00 | - |
| Pre-administration costs unpaid as at date of administration | | | | | |
| | 11,613.70 | 11,824.15 | - | 11,824.15 | (210.45) |
| Total | 128,069.53 | 71,133.14 | 59,111.90 | 130,245.04 | (2,175.51) |

Expenses exceeding Original Estimate

| Cost category | Explanation of negative expense variance |
|--|---|
| Security holding costs | A central cost recharged across the Group, incurred to ensure properties were secured and safe for the benefit of all administrations. |
| Legal fees relating to the appointment | Marginally higher than initially estimated once final billing reconciled and processed. |
| Agents' cost | Costs incurred in relation to successful asset realisations from IP sales (detailed in the report). |
| Waste disposal costs | Costs relating to site clearance, which was more complex than initially anticipated given the widespread nature of the Companies records. |
| Public notices | Costs incurred to meet statutory obligations not previously reported. |
| Postage | Costs incurred for mail redirections. |

Further Explanatory Notes:

- SIP 9 defines expenses as amounts properly payable from the insolvency estate which are not otherwise categorised as office holders' remuneration or distributions to creditors.
- SIP 9 defines disbursements as a type of expense which is met by, and reimbursed to, an office holder in connection with an insolvency appointment. Disbursements fall into two categories: category 1 and category 2.
 - Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment; and
 - Category 2 disbursements are expenses which are directly referable to the appointment but not a payment to an independent third party. They may include shared and allocated costs.

Appendix D

Summary of Joint Administrators' time costs incurred in the Period and a comparison with the Fee Estimate

Specialist Leisure Group Limited (in Administration)

| | Per fee estimate dated 3 July 2020 | | | Actual time costs incurred in the Period | | |
|-------------------------------|------------------------------------|----------------|-------------------------|--|----------------|-------------------------|
| | Total hours | Time costs (£) | Average hourly rate (£) | Total hours | Time costs (£) | Average hourly rate (£) |
| Administration & Planning | 83.7 | 32,679 | 390 | 48.8 | 18,016 | 369 |
| Creditors | 46.4 | 15,419 | 332 | 83.7 | 21,425 | 256 |
| Customers & Bonds | - | - | - | - | - | - |
| Debtors | - | - | - | - | - | - |
| Employees | 10.0 | 5,425 | 543 | 6.1 | 3,261 | 535 |
| Enquiries & Investigations | 22.0 | 7,907 | 359 | 27.6 | 8,204 | 297 |
| Environmental Issues | 2.8 | 1,464 | 523 | - | - | - |
| Immediate Tasks | 22.1 | 7,167 | 324 | 29.6 | 8,234 | 278 |
| Job Acceptance & Strategy | 2.5 | 1,266 | 506 | 3.1 | 1,105 | 356 |
| Legal Issues | 12.6 | 7,693 | 611 | - | - | - |
| Members | 6.2 | 4,540 | 732 | - | - | - |
| Other Matters | 33.0 | 13,679 | 415 | 14.9 | 6,328 | 425 |
| Prescribed Part Distribution | - | - | - | - | - | - |
| Property | 17.0 | 7,509 | 442 | 13.5 | 5,220 | 387 |
| Public Relations issues | 9.0 | 5,619 | 624 | 1.9 | 1,594 | 839 |
| Realisations of Assets | 10.0 | 2,642 | 264 | 2.5 | 746 | 298 |
| Reporting | 19.9 | 8,235 | 414 | 26.4 | 15,015 | 569 |
| Retention of Title | - | - | - | - | - | - |
| Sale of Business | - | - | - | - | - | - |
| Statutory Duties | 30.5 | 11,974 | 393 | 76.2 | 22,890 | 300 |
| Trading/Wind Down of Business | 28.5 | 13,788 | 484 | 17.4 | 6,716 | 386 |
| VAT & Taxation | 21.0 | 8,882 | 423 | 2.8 | 1,116 | 399 |
| Total | 377.2 | 155,888 | 413 | 354.5 | 119,870 | 338 |

Note: Time is charged in six minute intervals

Shearings Group Limited (in Administration)

| | Per fee estimate dated 3 July 2020 | | | Actual time costs incurred in the Period | | |
|-------------------------------|------------------------------------|----------------|-------------------------|--|----------------|-------------------------|
| | Total hours | Time costs (£) | Average hourly rate (£) | Total hours | Time costs (£) | Average hourly rate (£) |
| Administration & Planning | 103.7 | 41,132 | 397 | 206.4 | 65,845 | 319 |
| Creditors | 51.4 | 17,114 | 333 | 76.8 | 19,653 | 256 |
| Customers & Bonds | - | - | - | - | - | - |
| Debtors | - | - | - | - | - | - |
| Employees | - | - | - | - | - | - |
| Enquiries & Investigations | 22.0 | 7,907 | 359 | 28.2 | 8,244 | 292 |
| Environmental Issues | - | - | - | - | - | - |
| Immediate Tasks | 43.1 | 12,185 | 283 | 37.5 | 11,559 | 308 |
| Job Acceptance & Strategy | 2.5 | 1,266 | 506 | 2.6 | 956 | 368 |
| Legal Issues | 12.6 | 7,693 | 611 | 0.8 | 598 | 748 |
| Members | 3.2 | 2,270 | 709 | - | - | - |
| Other Matters | 28.0 | 8,629 | 308 | 15.2 | 5,341 | 351 |
| Prescribed Part Distribution | - | - | - | - | - | - |
| Property | 20.0 | 8,020 | 401 | 11.4 | 3,400 | 298 |
| Public Relations issues | 2.9 | 1,590 | 548 | - | - | - |
| Realisations of Assets | - | - | - | - | - | - |
| Reporting | 39.9 | 16,636 | 417 | 53.4 | 20,553 | 385 |
| Retention of Title | - | - | - | - | - | - |
| Sale of Business | 35.0 | 23,335 | 667 | 19.5 | 12,910 | 662 |
| Statutory Duties | 30.5 | 11,974 | 393 | 53.7 | 19,298 | 359 |
| Trading/Wind Down of Business | 33.5 | 16,171 | 483 | 48.0 | 21,570 | 449 |
| VAT & Taxation | 21.0 | 8,881 | 423 | 17.7 | 8,240 | 466 |
| Total | 449.3 | 184,803 | 411 | 571.2 | 198,167 | 347 |

Note: Time is charged in six minute intervals

Shearings Holidays Limited (in Administration)

| | Per fee estimate dated 3 July 2020 | | | Actual time costs incurred in the Period | | |
|-------------------------------|------------------------------------|----------------|-------------------------|--|----------------|-------------------------|
| | Total hours | Time costs (£) | Average hourly rate (£) | Total hours | Time costs (£) | Average hourly rate (£) |
| Administration & Planning | 107.3 | 42,384 | 395 | 93.1 | 40,993 | 440 |
| Creditors | 145.0 | 48,389 | 334 | 278.7 | 76,905 | 276 |
| Customers & Bonds | 1,493.4 | 429,779 | 288 | 1,830.0 | 557,765 | 305 |
| Debtors | 203.9 | 81,555 | 400 | 212.8 | 80,004 | 376 |
| Employees | - | - | - | - | - | - |
| Enquiries & Investigations | 47.3 | 17,948 | 379 | 47.2 | 13,304 | 282 |
| Environmental Issues | - | - | - | - | - | - |
| Immediate Tasks | 29.6 | 12,373 | 418 | 36.3 | 9,904 | 273 |
| Job Acceptance & Strategy | 9.1 | 5,062 | 556 | 7.7 | 2,838 | 369 |
| Legal Issues | 25.4 | 15,586 | 614 | - | - | - |
| Members | 3.2 | 2,270 | 709 | - | - | - |
| Other Matters | 38.7 | 14,810 | 383 | 26.1 | 8,720 | 334 |
| Prescribed Part Distribution | - | - | - | - | - | - |
| Property | - | - | - | - | - | - |
| Public Relations issues | 14.5 | 8,731 | 602 | 0.8 | 488 | 610 |
| Realisations of Assets | 139.9 | 54,961 | 393 | 175.7 | 60,743 | 346 |
| Reporting | 59.5 | 23,132 | 389 | 23.1 | 12,655 | 548 |
| Retention of Title | 9.0 | 4,287 | 476 | 7.8 | 2,326 | 298 |
| Sale of Business | 52.1 | 30,006 | 576 | 43.2 | 27,040 | 626 |
| Statutory Duties | 91.3 | 35,921 | 393 | 68.7 | 24,612 | 358 |
| Trading/Wind Down of Business | 66.9 | 32,153 | 481 | 56.0 | 27,688 | 494 |
| VAT & Taxation | 62.6 | 26,645 | 426 | 18.5 | 7,165 | 387 |
| Total | 2,598.7 | 885,992 | 341 | 2,925.7 | 953,150 | 326 |

Note: Time is charged in six minute intervals

Shearings Limited (in Administration)

| | Per fee estimate dated 3 July 2020 | | | Actual time costs incurred in the Period | | |
|-------------------------------|------------------------------------|----------------|-------------------------|--|----------------|-------------------------|
| | Total hours | Time costs (£) | Average hourly rate (£) | Total hours | Time costs (£) | Average hourly rate (£) |
| Administration & Planning | 134.5 | 53,235 | 396 | 138.6 | 59,991 | 433 |
| Creditors | 72.5 | 24,195 | 334 | 125.5 | 31,315 | 250 |
| Customers & Bonds | - | - | - | - | - | - |
| Debtors | 20.5 | 7,986 | 390 | 8.0 | 2,386 | 298 |
| Employees | 223.2 | 114,322 | 512 | 364.6 | 173,498 | 476 |
| Enquiries & Investigations | 23.7 | 10,191 | 430 | 38.9 | 10,904 | 280 |
| Environmental Issues | 8.0 | 4,392 | 549 | - | - | - |
| Immediate Tasks | 32.1 | 13,286 | 414 | 43.0 | 12,787 | 297 |
| Job Acceptance & Strategy | 2.5 | 1,266 | 506 | 7.7 | 2,838 | 369 |
| Legal Issues | 15.3 | 9,312 | 609 | 15.5 | 7,297 | 471 |
| Members | 3.2 | 2,270 | 709 | - | - | - |
| Other Matters | 103.7 | 38,760 | 374 | 75.8 | 25,545 | 337 |
| Prescribed Part Distribution | - | - | - | - | - | - |
| Property | 220.8 | 99,752 | 452 | 321.1 | 156,055 | 486 |
| Public Relations issues | 9.0 | 5,619 | 624 | 11.9 | 3,549 | 298 |
| Realisations of Assets | 75.9 | 29,933 | 394 | 55.5 | 33,725 | 608 |
| Reporting | 59.5 | 23,659 | 398 | 75.7 | 40,275 | 532 |
| Retention of Title | 19.6 | 7,855 | 401 | 19.8 | 7,529 | 380 |
| Sale of Business | 40.0 | 19,277 | 482 | 49.9 | 31,091 | 623 |
| Statutory Duties | 91.3 | 35,921 | 393 | 106.1 | 39,762 | 375 |
| Trading/Wind Down of Business | 93.7 | 42,626 | 455 | 77.2 | 35,309 | 457 |
| VAT & Taxation | 62.6 | 26,645 | 426 | 48.5 | 18,096 | 373 |
| Total | 1,311.6 | 570,502 | 435 | 1,583.3 | 691,952 | 437 |

Note: Time is charged in six minute intervals

National Holidays Tours Limited (in Administration)

| | Per fee estimate dated 3 July 2020 | | | Actual time costs incurred in the Period | | |
|-------------------------------|------------------------------------|----------------|-------------------------|--|----------------|-------------------------|
| | Total hours | Time costs (£) | Average hourly rate (£) | Total hours | Time costs (£) | Average hourly rate (£) |
| Administration & Planning | 121.0 | 46,061 | 381 | 80.9 | 36,725 | 454 |
| Creditors | 145.0 | 48,389 | 334 | 223.2 | 60,883 | 273 |
| Customers & Bonds | 1,075.8 | 308,881 | 287 | 1,351.4 | 435,914 | 323 |
| Debtors | 50.0 | 20,527 | 411 | 105.9 | 39,683 | 375 |
| Employees | - | - | - | - | - | - |
| Enquiries & Investigations | 35.6 | 13,688 | 384 | 49.0 | 13,469 | 275 |
| Environmental Issues | 2.8 | 1,464 | 523 | - | - | - |
| Immediate Tasks | 37.6 | 17,501 | 465 | 47.0 | 13,263 | 282 |
| Job Acceptance & Strategy | 9.1 | 5,062 | 556 | 7.7 | 2,838 | 369 |
| Legal Issues | 17.8 | 8,920 | 501 | - | - | - |
| Members | 3.2 | 2,270 | 709 | - | - | - |
| Other Matters | 38.7 | 16,568 | 428 | 27.6 | 11,834 | 429 |
| Prescribed Part Distribution | 206.3 | 67,744 | 328 | - | - | - |
| Property | - | - | - | - | - | - |
| Public Relations issues | 5.5 | 4,008 | 729 | - | - | - |
| Realisations of Assets | 139.9 | 55,777 | 399 | 227.8 | 91,021 | 400 |
| Reporting | 49.5 | 19,430 | 393 | 28.7 | 15,569 | 542 |
| Retention of Title | 34.0 | 14,620 | 430 | 7.8 | 2,326 | 298 |
| Sale of Business | 132.1 | 79,721 | 603 | 168.9 | 99,686 | 590 |
| Statutory Duties | 91.3 | 35,921 | 393 | 79.5 | 27,936 | 351 |
| Trading/Wind Down of Business | 46.9 | 25,358 | 541 | 33.0 | 15,051 | 456 |
| VAT & Taxation | 62.6 | 26,645 | 426 | 7.3 | 2,426 | 332 |
| Total | 2,304.7 | 818,555 | 355 | 2,445.7 | 868,624 | 355 |

Note: Time is charged in six minute intervals

National Holidays Limited (in Administration)

| | Per fee estimate dated 3 July 2020 | | | Actual time costs incurred in the Period | | |
|-------------------------------|------------------------------------|----------------|-------------------------|--|----------------|-------------------------|
| | Total hours | Time costs (£) | Average hourly rate (£) | Total hours | Time costs (£) | Average hourly rate (£) |
| Administration & Planning | 103.7 | 41,610 | 401 | 90.9 | 38,358 | 422 |
| Creditors | 72.5 | 24,195 | 334 | 135.8 | 34,701 | 256 |
| Customers & Bonds | - | - | - | - | - | - |
| Debtors | 30.5 | 10,628 | 348 | 11.9 | 5,906 | 496 |
| Employees | 132.6 | 68,714 | 518 | 189.4 | 99,085 | 523 |
| Enquiries & Investigations | 22.0 | 7,907 | 359 | 36.5 | 10,167 | 279 |
| Environmental Issues | 2.8 | 1,464 | 523 | - | - | - |
| Immediate Tasks | 30.1 | 12,798 | 425 | 35.0 | 11,477 | 328 |
| Job Acceptance & Strategy | 2.5 | 1,266 | 506 | 5.6 | 2,212 | 395 |
| Legal Issues | 5.1 | 3,069 | 602 | - | - | - |
| Members | 3.2 | 2,270 | 709 | - | - | - |
| Other Matters | 25.7 | 8,763 | 341 | 20.8 | 7,573 | 364 |
| Prescribed Part Distribution | - | - | - | - | - | - |
| Property | 60.6 | 27,022 | 446 | 119.3 | 43,799 | 367 |
| Public Relations issues | 9.0 | 5,619 | 624 | 0.3 | 183 | 610 |
| Realisations of Assets | 18.1 | 9,037 | 499 | 17.2 | 6,592 | 383 |
| Reporting | 44.7 | 18,558 | 415 | 26.1 | 14,556 | 558 |
| Retention of Title | 9.9 | 3,927 | 397 | - | - | - |
| Sale of Business | 25.0 | 16,700 | 668 | 25.0 | 16,700 | 668 |
| Statutory Duties | 60.8 | 23,947 | 394 | 82.7 | 28,097 | 340 |
| Trading/Wind Down of Business | 26.9 | 12,719 | 473 | 37.0 | 16,934 | 458 |
| VAT & Taxation | 41.6 | 17,764 | 427 | 9.7 | 3,353 | 346 |
| Total | 727.3 | 317,977 | 437 | 843.2 | 339,693 | 403 |

Note: Time is charged in six minute intervals

Wallace Arnold Travel Limited (in Administration)

| | Per fee estimate dated 3 July 2020 | | | Actual time costs incurred in the Period | | |
|-------------------------------|------------------------------------|----------------|-------------------------|--|----------------|-------------------------|
| | Total hours | Time costs (£) | Average hourly rate (£) | Total hours | Time costs (£) | Average hourly rate (£) |
| Administration & Planning | 107.3 | 42,384 | 395 | 52.3 | 18,570 | 355 |
| Creditors | 56.4 | 20,729 | 368 | 75.7 | 18,891 | 250 |
| Customers & Bonds | 454.0 | 147,389 | 325 | 491.4 | 139,640 | 284 |
| Debtors | 15.0 | 7,530 | 502 | 1.1 | 222 | 202 |
| Employees | - | - | - | - | - | - |
| Enquiries & Investigations | 23.7 | 10,191 | 430 | 33.4 | 9,986 | 299 |
| Environmental Issues | - | - | - | - | - | - |
| Immediate Tasks | 18.8 | 8,751 | 465 | 26.1 | 7,243 | 278 |
| Job Acceptance & Strategy | 4.7 | 2,531 | 539 | 4.9 | 1,642 | 335 |
| Legal Issues | 15.3 | 9,312 | 609 | 1.0 | 900 | 900 |
| Members | 3.2 | 2,270 | 709 | - | - | - |
| Other Matters | 25.7 | 9,171 | 357 | 8.4 | 2,505 | 298 |
| Prescribed Part Distribution | - | - | - | - | - | - |
| Property | 110.6 | 49,876 | 451 | 84.7 | 30,138 | 356 |
| Public Relations issues | 9.9 | 5,773 | 583 | - | - | - |
| Realisations of Assets | 23.1 | 9,679 | 419 | 1.4 | 687 | 491 |
| Reporting | 49.7 | 22,564 | 454 | 20.1 | 10,450 | 520 |
| Retention of Title | 9.9 | 3,927 | 397 | - | - | - |
| Sale of Business | - | - | - | - | - | - |
| Statutory Duties | 60.8 | 23,947 | 394 | 64.1 | 23,254 | 363 |
| Trading/Wind Down of Business | 56.9 | 29,517 | 519 | 21.7 | 9,611 | 443 |
| VAT & Taxation | 41.6 | 17,763 | 427 | 2.0 | 659 | 330 |
| Total | 1,086.6 | 423,304 | 390 | 888.3 | 274,398 | 309 |

Note: Time is charged in six minute intervals

UK Breakaways Limited (in Administration)

| | Per fee estimate dated 3 July 2020 | | | Actual time costs incurred in the Period | | |
|-------------------------------|------------------------------------|----------------|-------------------------|--|----------------|-------------------------|
| | Total hours | Time costs (£) | Average hourly rate (£) | Total hours | Time costs (£) | Average hourly rate (£) |
| Administration & Planning | 107.3 | 42,384 | 395 | 50.8 | 18,450 | 363 |
| Creditors | 66.4 | 25,018 | 377 | 85.0 | 20,841 | 245 |
| Customers & Bonds | 287.0 | 108,147 | 377 | 408.1 | 122,152 | 299 |
| Debtors | 20.5 | 7,986 | 390 | - | - | - |
| Employees | - | - | - | - | - | - |
| Enquiries & Investigations | 23.7 | 9,436 | 398 | 31.3 | 9,424 | 301 |
| Environmental Issues | 2.8 | 1,464 | 523 | - | - | - |
| Immediate Tasks | 23.8 | 9,868 | 415 | 29.5 | 8,204 | 278 |
| Job Acceptance & Strategy | 4.7 | 2,531 | 539 | 4.9 | 1,642 | 335 |
| Legal Issues | 15.3 | 10,197 | 666 | - | - | - |
| Members | 3.2 | 2,270 | 709 | - | - | - |
| Other Matters | 15.7 | 6,529 | 416 | 7.4 | 2,207 | 298 |
| Prescribed Part Distribution | - | - | - | - | - | - |
| Property | - | - | - | - | - | - |
| Public Relations issues | 9.0 | 5,619 | 624 | - | - | - |
| Realisations of Assets | 18.1 | 7,567 | 418 | 1.3 | 250 | 192 |
| Reporting | 39.7 | 17,710 | 446 | 13.7 | 7,238 | 528 |
| Retention of Title | 9.9 | 3,927 | 397 | - | - | - |
| Sale of Business | 30.0 | 13,752 | 458 | 4.0 | 3,310 | 828 |
| Statutory Duties | 60.8 | 23,947 | 394 | 68.9 | 24,232 | 352 |
| Trading/Wind Down of Business | 48.5 | 23,516 | 485 | 28.5 | 13,063 | 458 |
| VAT & Taxation | 41.6 | 17,763 | 427 | 0.7 | 427 | 610 |
| Total | 828.0 | 339,631 | 410 | 734.1 | 231,440 | 315 |

Note: Time is charged in six minute intervals

Outlined in the table below is supporting narrative explanation as to the work undertaken during the Period. This information is detailed on a category by category basis, aligned to the reporting of time costs in the tables on the preceding pages of this appendix.

Detail of workstreams are presented on a level covering all Companies, unless certain of the Companies are referred to explicitly. This supporting information should be read in conjunction with all sections of this report.

| Category of work | Description of work completed in the Period |
|-------------------------------|--|
| Accounting and Administration | <ul style="list-style-type: none"> ▶ Case management of statutory tasks and compliance. This has included ensuring statutory compliance diaries are completed to reflect work done on the appropriate date. ▶ Treasury and accounting functions including: processing payments for services appropriately; processing receipts from asset realisations appropriately; ensuring bank accounts have been reconciled regularly; and, ensuring appropriate allocation of secured lender funding and intercompany recharges. ▶ Time cost reports have been produced for the purposes of the Proposals and progress report. |
| Creditors | <ul style="list-style-type: none"> ▶ All of the creditors on the Companies' records have been written to with information on how to make a claim. ▶ We have monitored several mailboxes and corresponded with creditors who were not registered as at the Date of Appointment and had therefore not been provided with information on how to make a claim. ▶ Appropriate recognition and filing of claims has been completed throughout the Period. ▶ Continued correspondence with creditors has progressed through the Period, including responding to various queries, updates on claim status and general interest in process. ▶ Assisted creditors and their credit insurers with confirmation of debt forms in order for their insurance claims to be processed. ▶ Liaised with utility companies across all the Companies' properties, including providing closing meter readings where possible in order to minimise claims. |
| Customers and Bonds | <ul style="list-style-type: none"> ▶ Given the nature of the business, there have been multiple customer queries to resolve through email, letter and phone calls. ▶ The Joint Administrators have worked closely with ABTA, the CAA, the Confederation of Passenger Transport, Bonded Coach Holidays and the merchant service provider throughout the administrations to remain aligned on messaging to customers. ▶ A thorough and regularly updated FAQ has been sent to customers in response to emails with easy to follow guidance on their specific queries. ▶ Where applicable we have supported customers on submitting a claim with Bonded Coach Holidays for cancelled holidays which had coach travel included. |
| Debtors | <ul style="list-style-type: none"> ▶ NHTL – correspondence has been sent to 128 travel agents requesting repayment of Pipeline Monies, and in turn we have managed responses and follow-on queries. ▶ SHOLL – correspondence has been sent to 21 travel agents requesting appropriate funds be paid over to the CAA, and in turn we have managed responses with continued correspondence with the CAA. |
| Employee Matters | <ul style="list-style-type: none"> ▶ We addressed staff immediately upon appointment and made initial redundancies as outlined in the body of this report. ▶ During the Period there has been continued liaison with ERA Solutions Limited and provision of necessary information for them to be able to assist employees in making their claims for redundancy, arrears of pay and holidays. ▶ Relevant information was provided to the Redundancy Payment Service so that employees receive payment that is due to them as a result of their redundancy. ▶ Weekly payroll has been processed for retained employees. ▶ We have had correspondence with pension providers, including providing necessary statutory forms to allow for any outstanding pension contributions to be claimed from the Redundancy Payment Service. |
| Environmental Issues | <ul style="list-style-type: none"> ▶ As part of securing the interchange sites where we maintained a presence post appointment, we undertook environmental assessments in preparation to dispose of the assets. |

| Category of work | Description of work completed in the Period |
|----------------------------|--|
| Enquiries & Investigations | <ul style="list-style-type: none"> ▶ We produced a report on the conduct of directors in the period prior to administration under the Company Directors Disqualification Act 1986 (CDDA) in accordance with statute. |
| Immediate Tasks | <ul style="list-style-type: none"> ▶ Preparation and execution of immediate strategy to secure certain sites of the Companies and ensure operational continuity where required (e.g. head office, leasehold shops and interchanges). ▶ Secured books, records, data and intellectual property of the Companies ensuring necessary IT suppliers had been contacted to ensure the continuation of service to IT platforms and servers as necessary to preserve data. ▶ Completion of other work streams requiring immediate attention following appointment in order to effectively execute the strategy outlined in the Proposals. |
| Job Acceptance & Strategy | <ul style="list-style-type: none"> ▶ Planned the strategy to be undertaken during the administrations based on the best outcome for creditors through consultation with management and understanding the business. |
| Legal Issues | <ul style="list-style-type: none"> ▶ Liaised with appointed legal advisors where necessary with regards to a variety of ongoing issues, including assistance in ensuring operational continuity regarding the Companies' IT systems and managing a variety of claims (including public liability, personal injury and accident and motor claims). |
| Members | <ul style="list-style-type: none"> ▶ Corresponded with shareholders where applicable. |
| Other Matters | <ul style="list-style-type: none"> ▶ Organised for the collection of the coaches and company cars that were leased from finance companies and ensured paperwork showing transfer of ownership was completed to remove any liability for the vehicles going forward. ▶ Completion of Statutory Off Road Notifications to apply for tax refunds to be issued to the respective Companies where due. ▶ Dealing with assets owned by third parties and assisting with the collection of these assets. |
| Property | <ul style="list-style-type: none"> ▶ Executed a sales process for Shearings freehold interests in the interchanges. ▶ Managed the surrender of various leases. ▶ Arranged with landlords that the Companies' can continue to occupy some leasehold properties post appointment, particularly the head office, interchanges in Washington and Hull. ▶ Liaised with our appointed property agents in relation to those properties which we retained occupation of. Ensuring necessary steps were taken to secure properties and respond to any threats to the security of these properties. ▶ Calculating the outstanding business rates and council tax costs associated with the occupied properties to organise for payment to be made. ▶ Provided an undertaking for the costs incurred post appointment due to occupation of properties to several utility providers. ▶ Liaised with local authorities to apply for business rate exemptions where applicable. |
| Public Relations | <ul style="list-style-type: none"> ▶ Issued statements to the press notifying our appointment over the Companies. ▶ Set up a designated website where documents are uploaded when made available and issued correspondence to creditors with information on how to access the website. Documents such as the Proposals and progress report have and will continue to be made available through the website. |
| Realisations of Assets | <ul style="list-style-type: none"> ▶ Engaged agents to dispose of other assets such as stock and fixtures and fittings. ▶ Work was undertaken to realise value in other assets such as prepayments, event tickets and flights. This included securing data relating these assets and working with retained employees to compile data in order to facilitate effective collections. |
| Reporting | <ul style="list-style-type: none"> ▶ Maintained regular contact with the secured lender and providing updates based on agreed timeframes on the realisations to date and costs incurred in making the realisations. ▶ Provided updates on secured lender funding in accordance with the funding agreement. ▶ Preparation of the Proposals and six-month progress report for all Companies. |
| Retention of Title | <ul style="list-style-type: none"> ▶ Assessment and settlement of claims for retention of title from the Companies suppliers. |
| Sale of Business | <ul style="list-style-type: none"> ▶ A sales and marketing process was undertaken to find any potential value in the Companies' IP assets. This subsequently resulted in the successful sales outlined in the body of this report. |

| Category of work | Description of work completed in the Period |
|-------------------------------|--|
| Statutory Duties | <ul style="list-style-type: none"> ▶ Filed appropriate documentation with Companies House notifying the Joint Administrators' appointment. ▶ Statutory advertising of appointment of administrators, notification of appointment to creditors and members. ▶ Notified the directors of the requirement to prepare the SoA in relation to each of the Companies and file the necessary forms with the Registrar of Companies. ▶ Completion of Proposals as well as ensuring all documents are appropriately filed in line with the statutory requirements. |
| Trading/Wind Down of Business | <ul style="list-style-type: none"> ▶ Producing and monitoring the cash flow forecast post appointment to ensure secured lender funding was managed appropriately. ▶ Engaged with 17 different suppliers that were identified as critical for the purposes of the administrations. Issued undertakings for supply so that these services could continue. ▶ Arranged payments relating to these undertakings and released undertakings when necessary. |
| VAT & Taxation | <ul style="list-style-type: none"> ▶ Complexities associated with HM Revenue & Customs administration of the VAT group has involved significant time spent in this area. ▶ Preparing statutory forms in order to deregister the VAT group. ▶ Assessment of the VAT and tax treatment of transactions and agreements entered into during the administrations. ▶ Option to Tax enquiries made in relation to the freehold properties, ensuring appropriate tax is charged on sale transactions. ▶ The Joint Administrators will prepare corporation tax returns and VAT returns, with input from EY VAT and tax specialists, for each of the Companies. |