

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company TransBus International Limited	Company number 00970239
In the High Court, Chancery Division <small>(full name of court)</small>	Court case number 2255 of 2004

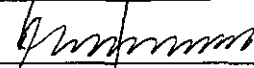
We
Nicholas James Dargan
Deloitte & Touche LLP
66 Shoe Lane
London
EC4A 3WA

John Charles Reid
Deloitte & Touche LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 0BR

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

From 1 October 2004	To 30 March 2005
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Signed


Joint Administrator

Dated

29 April 2005**Contact Details:**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form.

The contact information that you give will be visible to searchers of the public record

Simon Willmet
Deloitte & Touche LLP
66 Shoe Lane
London
EC4A 3WA

DX Number:

DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at:-
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



THE MAYFLOWER CORPORATION PLC	Case No. 2253 of 2004
TRANSBUS INTERNATIONAL LIMITED	Case No. 2255 of 2004 ✓
MAYFLOWER VEHICLE SYSTEMS PLC	Case No. 2252 of 2004
MAYFLOWER MANAGEMENT SERVICES LTD	Case No. 2254 of 2004
MAYFLOWER ENERGY LIMITED	Case No. 2322 of 2004
(ALL IN ADMINISTRATION) (together "the Companies")	

**ADMINISTRATORS' REPORT TO CREDITORS PURSUANT TO
RULE 2.47 OF THE INSOLVENCY RULES 1986**

21 APRIL 2005

This report has been prepared for the sole purpose of updating creditors pursuant to the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.

The Administrators act as agents of the Companies without personal liability.

N J Dargan, N G Edwards, J C Reid
W K Dawson, I Brown, A P Peters
Deloitte & Touche LLP
180 Strand
London
WC2R 1WL

ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used:

"Act"	Insolvency Act 1986 (as amended)
"the Administrators"	Refers to the Administrators of the specific entity: Plc: N J Dargan and N G Edwards TBI: N J Dargan and J C Reid MVS UK: N J Dargan, W K Dawson and A P Peters Services: N J Dargan and N G Edwards Energy: N J Dargan and I Brown
"Cameron's"	CMS Cameron Mckenna
"the Companies"	The administration entities
"DWS"	Denton Wilde Sapte
"Energy"	Mayflower Energy Limited
"Group"	<i>The Mayflower Corporation Plc and its subsidiaries</i>
"Lenders"	RBS and various other banks
"MVS Inc"	Mayflower Vehicle Systems Inc
"MVS UK"	Mayflower Vehicle Systems plc
"Noteholders"	Holders of \$75m 8.32% & \$30m 8.42% private placement notes
"Plc"	The Mayflower Corporation Plc
"RBS"	The Royal Bank of Scotland Plc
"Resolution"	The Mayflower Resolution
"RVS Inc"	Roadlease Vehicle Systems Inc (formerly MVS Inc)
"Services"	Mayflower Management Services Limited
"TBI"	TransBus International Limited
"Wyles"	Wyles Hardy & Co

2. THE ADMINISTRATORS' PROPOSALS

2.1 Introduction

As previously reported to creditors, the Administrators concluded that the first prescribed objective under Rule 3(1) (a) namely "rescuing the company (the legal entity) as a going concern" was not achievable in respect of any of the companies in administration given their level of debt.

Consequently, the Administrators have performed their functions in relation to each company with the objective set out in Rule 3(1) (b) which is "to achieve a better result for the company's creditors as a whole than would be likely if the company were wound up".

The Administrators' proposals, which were approved by the creditors of each company, are as follows:

1. the Administrators continue to manage the affairs and assets of the Companies including the continued trading operations of TBI and MVS UK, the collection of debts due to the Companies, completion of the sales of the businesses and assets of the Companies and the settlement of all administration expenses;
2. the Administrators continue with their enquiries into the conduct of the directors of the Companies and continue to assist any regulatory authorities with their investigations into the affairs of the Companies;
3. the Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against each company unless the Administrators conclude, in their reasonable opinion, that a company will have no assets available for distribution;
4. the Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and in relation to distributions to unsecured creditors when the court gives permission;
5. that in the event the creditors of each company so determine, at the meetings of creditors, appoint a Creditors' Committee in each administration comprising of not more than five and not less than three creditors of each company;
6. that in respect of each company the Creditors' Committee or if one is not appointed the creditors agree that the Administrators' fees and expenses be fixed by reference to the time given in attending to matters arising in the administrations;
7. the Administrators' fees and expenses for each company for the period to 30 April 2004 as set out in section 5 (per the report to creditors dated 10 May 2004), be approved for payment by the creditors of each company;
8. the Administrators' fees and expenses in respect of the period from 30 April 2004 be approved in relation to each company by the Creditors Committee should one be appointed but failing that the Administrators be authorised by the creditors to draw remuneration and expenses based on their time costs on a monthly basis; and

The Plc Administrators are overseeing the work of RVS Inc management on a significant number of outstanding matters in the US, including the agreement of tax and other liabilities and the recovery of retained book debts.

In particular, the Plc Administrators led the negotiations with Mercedes Benz over a disputed claim that caused Mercedes Benz to withhold the final amount due under their contract with the Charleston Plant (\$3.08m). A series of discussions culminating in a meeting at Mercedes Benz offices in Alabama resulted in the claim being dropped and the debt paid in full.

The Plc Administrators are currently involved in completing the negotiations with the purchaser of the Truck business over the level of working capital in the business at completion to minimise any additional claims and working with management on the final debtor collections.

The post sale run-off strategy agreed between the Plc Administrators and the RVS Inc management, which is to maintain the status quo, is key to maximising realisations from the retained funds that are held in escrow until February 2007.

3.3 Other Matters

In addition to the issues referred to above, the Administrators have received notice of a proprietary claim by HSBC Plc ("HSBC"). Until the claim is resolved, the Administrators cannot distribute the net proceeds of the floating charge assets to the Lenders and Noteholders. The Administrators also cannot determine the amount that should be set aside as the Prescribed Parts in all the Companies until the HSBC claim has been resolved and the value of the net floating charge funds verified.

In view of the various issues referred to above and in order to fulfil the proposals agreed by the creditors, it was necessary for the Administrators to apply to the court to extend the administrations of the Companies. We have summarised below the current status of the nine proposals:

	TBI	MVS UK	Energy	Plc
1	<p>Business sold</p> <p>Majority of book debts collected (£140,000 to collect)</p> <p>ROT claims totalling approximately £1.1m still to be determined</p> <p>Currently establishing whether any excess tax losses available for which value can be obtained</p>	<p>Business sold</p> <p>Majority of book debts collected</p> <p>Potential recovery from Leyland Daf liquidation</p> <p>Currently establishing whether any excess tax losses available for which value can be obtained</p>	<p>Resolution sold</p> <p>Only outstanding asset is debt due in respect of North Hoyle contract which is subject to settlement negotiations</p> <p>Currently establishing whether any excess tax losses available for which value can be obtained</p>	<p>RVS Inc business and assets sold</p> <p>Mayflower House freehold property sold</p> <p>All other tangible assets have been realised</p> <p>Currently establishing whether any excess tax losses available for which value can be obtained</p>
2	<p>Directors' returns submitted</p> <p>Other investigations continuing and assistance provided to regulatory authorities</p>	<p>Directors' returns submitted</p> <p>Other investigations continuing and assistance provided to regulatory authorities</p>	<p>Directors' returns submitted</p> <p>No further investigations anticipated</p>	<p>Directors' returns submitted</p> <p>Other investigations continuing and assistance provided to regulatory authorities</p>

Services

We previously reported that the administration of Services could be concluded within 12 months. However, following the recovery of various insurance refunds, there are now funds of approximately £91,000 available for distribution. In addition, it is now necessary to finalise Services pre and post administration tax liabilities and consequently it was necessary to apply for a six month extension to the administration of Services.

Further information in respect of the realisation of assets, the status of liabilities and the estimated outcome for the Companies is contained in the following sections of the report.

4. RECEIPTS AND PAYMENTS SINCE TO 30 MARCH 2005

Receipts and payments accounts as at 30 March 2005 for the Companies are attached at Appendix 1. The accounts include receipts and payments for the six months to 30 September 2004 and the six months to 30 March 2005. We have summarised below details of the realisations achieved and the payments made in each administration since the previous progress report:

PLC

The sale of the business and assets of RVS Inc was concluded on 7 February 2005 for consideration in the region of £75m which is anticipated to result in a net realisation of £41m after providing for outstanding liabilities and costs of sale. For reporting purposes we have shown the recovery from the sale of RVS Inc under Plc, the ultimate holding company, however, in the estimated outcome statement we have shown the recovery separately under "RVS Inc".

Proceeds from the sale are caught under the Lenders' and Noteholders' guarantees and therefore the funds do not flow directly into Plc. However, for the purposes of reconciling the receipts and payments account to the estimated outcome statement we have recorded these funds under Plc in the receipts and payments account. The Lenders and Noteholders have received approximately \$67m (£36m) to date and it is anticipated that they will receive the balance of the net sale proceeds as and when RVS Inc's liabilities are agreed.

The principal asset in Plc was the Mayflower House freehold property which was sold in November 2004 for £1.2m plus VAT.

Payments to date are broadly in line with the estimated costs previously reported to creditors.

TBI

Asset recoveries since 30 September 2004 comprise principally book debts and trading receipts of some £2m and bank interest of some £715,000. The net administration trading loss was previously forecast at £9m but following negotiated reduction of liabilities and recovery of VAT on these payments the revised net trading loss is in the region of £7.7m. There are still several ROT and other liabilities to resolve for which prudent provisions have been made.

	Estimated Outcome at 30.9.2004 £'000	30.3.2005 £'000	Movement £'000
Fixed Charge Realisations	63,004	86,597	23,593
Fixed Charge Costs	<u>(6,424)</u>	<u>(9,329)</u>	<u>(2,905)</u>
Estimated Net Fixed Charge Assets	<u>56,580</u>	<u>77,268</u>	<u>20,688</u>
 Floating Charge Realisations	 43,036	 44,789	 1,753
Floating Charge Costs	<u>(7,919)</u>	<u>(9,119)</u>	<u>(1,200)</u>
	35,117	35,670	553
Preferential Creditors	(1,290)	(697)	593
Estimated Prescribed Part	<u>(1,445)</u>	<u>(1,275)</u>	<u>170</u>
Estimated Net Floating Charge Assets	32,382	33,699	1,317
Estimated Cash at Bank	<u>7,800</u>	<u>7,800</u>	<u>-</u>
Estimated Total Floating Charge Assets	<u>40,182</u>	<u>41,499</u>	<u>1,317</u>

- The cash at bank of £7.8m represents credit balances held by the Group's bankers at the date of administration and over which they exercised set-off.
- The principal improvement in relation to the fixed charge realisations is the increased value obtained for the business and assets of RVS Inc. The amount included under fixed charge realisations at 30 September reflected a value of £20m attributable to RVS Inc and, as stated on page 6, the sale is now anticipated to realise £41m.
- The increase in the net floating charge realisations is primarily due to a reduction in preferential creditors' claims together with a reduction in reservation of title liabilities that had been provided for at 30 September 2004 and further anticipated debtor realisations and interest. It will be noted in Appendix 2 that the realisable value of Energy's debtors is currently "uncertain" which is due to the current status of the settlement negotiations.

Creditors' interests

The amounts ultimately available for the different classes of creditors will depend on the validity of certain security granted by the Group and subject to that, the different creditor priorities.

In the following sections we refer to various issues that might impact on the final outcome for the different classes of creditors.

The Prescribed Part

It is currently expected that there will be distributions to Plc, TBI, MVS UK and Services unsecured creditors under the Prescribed Part. There will also be a Prescribed Part in Energy in the event that the current settlement negotiations in respect of the North Hoyle contract debt are successful. All known unsecured creditors of TBI and MVS UK have been requested to submit details of their claims. The unsecured claims, excluding the Lenders, Noteholders and intercompany claims, against Plc and Services are minimal. As at 30 March 2005 the following claims had been received and admitted:

(Value - £'000)	Statements of affairs		Claims submitted		Claims admitted	
	Number	Value	Number	Value	Number	Value
TBI	3,023	203,000*	1,057	55,789	987	53,511
* includes trade & expense creditors of £53m						
MVS	419	76,000*	254	9,779	185	4,703
* includes trade & expense creditors of £10m						

It is not possible, at present, to confirm the amount and timing of distributions of the Prescribed Parts as this is subject to court approval and also the costs in respect of the agreement of claims, together with the matters referred to under "Areas of Investigation" in this report.

Unsecured creditors

Distributions to unsecured creditors (excluding distributions under the Prescribed Part as referred to above) will depend on the final floating charge proceeds available and the amount due to the floating chargeholders. It is not possible, at present, to confirm, at this stage, whether there will be distributions to the unsecured creditors of Plc, TBI, MVS UK, Energy and Services but creditors will be advised of developments in this respect in due course.

7. AREAS OF INVESTIGATION

Security review

As previously reported, the Group granted security to various Lenders and Noteholders to whom some £238m was due at the date of administration. The security was granted in December 2003 and March 2004.

The December 2003 security was limited to £29m plus costs and interest, and the March 2004 security purported to secure all monies. As is usual in such circumstances lawyers and leading counsel were instructed to advise on the validity of the security.

Following receipt of their advice, interim distributions were made to the Lenders and Noteholders under their fixed charges and the Ship Mortgage. However, on the basis of legal advice further work was carried out in respect of the validity of the floating charges. This arises from the provisions of Section 245 of the Insolvency Act 1986, which can be summarised as stating that a floating charge created within 12 months of administration is only valid to the extent of the value provided to the company as consideration for the charge, if the company granting the security was insolvent at the date the security was created.

General Investigations (antecedent transactions, conduct of auditors etc)

As is usual in such circumstances the Administrators have been carrying out general investigations and the findings of those enquiries will be made known to the Creditors' Committees in due course.

Investigation by regulatory bodies

The Accounting Investigation and Discipline Board ("AIDB") has been carrying out an investigation into the conduct of the previous auditors and the Group's finance director. We have provided information to the AIDB and we understand that their investigation is ongoing. The Administrators' involvement in this investigation is limited to the provision of information.

Midfes accounting irregularities

Since the previous progress report the Administrators have continued with their enquiries into the Midfes accounting irregularities. These irregularities concern the accounting treatment of sums received in respect of invoices purchased by HSBC as described above. A number of the Group's management/employees have been interviewed and certain other areas specifically in relation to the Midfes facility continue to be investigated.

8. PROFESSIONAL COSTS

8.1 Administrators' Remuneration

The Administrators' time costs, for the period from the making of the Administration Orders to 30 April 2004 for all companies in administration were approved by the creditors at the creditors' meetings held on 28 May 2004. At those meetings Creditors' Committees were established for TBI, MVS UK and Energy and since 30 April 2004 both time cost resolutions and disbursement requests up to 15 December 2004 have been put to the respective Committees for approval before payment. The Administrators' costs and disbursements to 15 December 2004 have been approved.

In respect of Plc and Services the creditors resolved that the Administrators could draw their remuneration on a time cost basis and that their remuneration and expenses could be drawn monthly. Information in respect of Plc and Services time costs and disbursements has been provided to the three Creditors' Committees when seeking approval of TBI, MVS UK and Energy costs.

In the following sections we have summarised the Administrators' time costs for each company and at Appendix 3 we have included more detailed analyses which shows the time categorised into various task headings and sub categories and the time attributable to these categories which can be explained as follows:

- Administration and Planning includes such tasks as case planning and set-up, appointment notification, statutory reporting (including reporting to the Committee), administration strategy (including court extension application), compliance, cashiering, accounting and administrative functions.

8.2 TBI

The Administrators' time costs for the period 31 March 2004 to 15 March 2005 for TBI are set out overleaf.

Summary timecosts for 31 March 2004 to 15 March 2005

Classification of Work Function	Partner Hours	Manager Hours	Assistants / Support staff Hours	Total Hours	Timecost (£)	Average Hourly Rate (£)
Administration and Planning	121.2	2,074.6	1,841.8	4,037.6	889,795	220
Investigations	199.0	451.6	102.7	753.3	267,968	356
Trading	200.1	6,949.4	2,060.5	9,210.0	2,219,702	241
Asset Realisations	683.2	2,943.2	332.5	3,958.9	1,311,944	331
Creditors	85.4	3,560.2	1,708.9	5,354.5	1,091,010	204
Other	104.8	1,360.9	330.0	1,795.7	495,140	276
Total	1,393.7	17,339.8	6,376.4	25,109.9	6,275,558	250
Timecost (£)	691,900	4,793,693	789,966			
Average hourly rate (£)	496	276	124			

8.3 MVS UK

The Administrators' time costs for the period 31 March 2004 to 15 March 2005 for MVS UK are set out below.

Summary timecosts 31 March 2004 to 15 March 2005

Classification of Work Function	Partner Hours	Manager Hours	Assistants / Support staff Hours	Total Hours	Timecost (£)	Average Hourly Rate (£)
Administration and Planning	64.5	975.4	702.6	1,742.5	366,819	211
Investigations	14.4	46.8	18.3	79.5	25,158	316
Trading	151.9	2,321.0	383.8	2,856.7	593,473	208
Asset Realisations	277.3	1,290.5	116.5	1,684.3	486,049	289
Creditors	24.1	657.7	192.8	874.6	173,274	198
Other	28.9	338.2	58.3	425.4	123,906	291
Total	561.1	5,629.6	1,472.3	7,663.0	1,768,679	231
Timecost (£)	275,553	1,324,800	168,327			
Average hourly rate (£)	491	235	114			

8.6 Services

The Administrators' time costs for the period 31 March 2004 to 15 March 2005 for Services are set out below.

Summary total hours and timecosts to 31 March to 15 March 2005

Classification of Work Function	Partner Hours	Manager Hours	Assistants / Support staff Hours	Total Hours	Timecost (£)	Average Hourly Rate (£)
Administration and Planning	1.0	81.4	61.6	144.0	34,495	240
Investigations	0.0	3.1	6.0	9.1	1,979	217
Trading	0.0	40.4	0.0	40.4	9,719	241
Asset Realisations	0.0	8.3	0.0	8.3	2,659	322
Creditors	0.0	30.5	10.3	40.8	8,691	213
Other	0.0	3.7	2.8	6.5	1,487	229
Total	1.0	167.3	80.7	249.0	59,030	237
Timecost (£)	555	47,249	11,224			
Average hourly rate (£)	555	282	139			

8.7 Prescribed Part

The Administrators' time costs for the period 31 March 2004 to 15 March 2005 in respect of the Prescribed Part for TBI and MVS UK is summarised in the table below. The time costs relate to agreeing creditors' claims and other related matters in dealing with these claims.

	TBI		MVS UK	
	Hours	£	Hours	£
Manager	144	30,549	39	10,411
Assistants/Support Staff	355	41,135	235	23,112
	<u>499</u>	<u>71,684</u>	<u>274</u>	<u>33,523</u>

	TBI £'000	MVS UK £'000	Energy £'000	Plc £'000	Services £'000	Total £'000
DWS	552	275	95	121	4	1,047
CMS	196	79	20	3	-	298
Wyles	60	50	47	2	10	169
GVA Grimley	-	103	-	-	-	103
	<u>808</u>	<u>507</u>	<u>162</u>	<u>126</u>	<u>14</u>	<u>1,617</u>

9. OTHER INFORMATION TO ASSIST CREDITORS

9.1 Exit Routes from Administration

As mentioned in Section 1.2, extensions of the Companies' administrations were granted by the court for periods ranging from 6-12 months. Unless further extensions are considered necessary, the administrations will come to an end on the expiry of the extension period. However, if matters are concluded before these dates, the Administrators will consider the most appropriate exit route which will largely depend on the circumstances of each administration. The most likely exit routes are as follows:

- filing a notice with the Registrar of Companies to place the company in to Creditors' Voluntary Liquidation
- filing a notice in court and with the Registrar of Companies confirming that the purpose of administration has been sufficiently achieved

A decision on the most appropriate and cost effective exit route for TBI, MVS UK, and Energy will be made in conjunction with the respective Creditors' Committee. This decision is likely to influence the most appropriate and cost effective exit route for Plc.

9.2 EC Regulations

As stated in the Administration Orders in relation to the Companies, Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that Regulation.

Joint Administrators

N J Dargan, N G Edwards, J C Reid, W K Dawson, I Brown and A P Peters
Deloitte & Touche LLP
PO Box 36833
180 Strand
London
WC2R 1 WL

The Mayflower Corporation Plc and Subsidiaries (In Administration)
Estimated Outcome Statement as at 30 March 2005

Estimated Gross Fixed Charge Assets	TBI £'000	MVS UK £'000	Energy £'000	PLC £'000	RVS Inc £'000	Services £'000	TOTAL £'000
Goodwill	9,500	-	-	-	-	-	9,500
Freehold and Leasehold Properties	5,000	9,200	-	-	-	-	14,200
Plant & Machinery / Resolution	2,607	2,371	12,912	-	-	-	17,890
Sale of MVS Inc (net proceeds)	-	-	-	-	41,000	-	41,000
Recharge of MVS Inc sale costs	-	-	-	-	1,558	-	1,558
Recharge of run-off Administrators' fees	-	-	-	-	527	-	527
Recharge of legal retainer	-	-	-	-	262	-	262
Head Office Property	-	-	-	1,200	-	-	1,200
Interest/Sundry	193	77	183	7	-	-	460
	<u>17,300</u>	<u>11,648</u>	<u>13,095</u>	<u>1,207</u>	<u>43,347</u>	-	<u>86,597</u>
Realisation Costs							
Administrators' Fees	(1,590)	(655)	(220)	(150)	(1,300)	-	(3,915)
Administrators' Fees (run-off fees)	-	-	-	-	(527)	-	(527)
Administrators' Expenses	(50)	(16)	(7)	(5)	(90)	-	(168)
Legal Fees	(195)	(123)	(104)	(15)	-	-	(437)
MVS Inc sale costs	-	-	-	-	(1,558)	-	(1,558)
Payment of legal retainer	-	-	-	-	(262)	-	(262)
Agents Costs	(24)	(103)	(47)	(34)	-	-	(208)
Other Costs	(58)	(1,872)	(260)	(65)	-	-	(2,255)
	<u>(1,917)</u>	<u>(2,769)</u>	<u>(637)</u>	<u>(269)</u>	<u>(3,737)</u>	-	<u>(9,329)</u>
Estimated Net Fixed Charge Assets	<u>15,383</u>	<u>8,879</u>	<u>12,458</u>	<u>938</u>	<u>39,610</u>	-	<u>77,268</u>
Estimated Gross Floating Charge Assets							
Plant & Machinery / Fixtures	3,969	4,063	-	-	-	21	8,053
Motor Vehicles	-	-	34	-	-	39	73
Stock and WIP	27,924	1,250	54	-	-	-	29,228
Book Debts - Other	11,846	3,559	uncertain	1,093	-	320	16,818
Trading receipts and payments	(7,651)	(2,906)	-	-	-	(202)	(10,759)
Sale of MVS Germany	-	-	-	339	-	-	339
Interest/Sundry	824	189	13	11	-	-	1,037
	<u>36,912</u>	<u>6,155</u>	<u>101</u>	<u>1,443</u>	-	<u>178</u>	<u>44,789</u>
Realisation Costs							
Administrators' Fees	(5,260)	(1,195)	(66)	(550)	-	(65)	(7,136)
Administrators' Expenses	(135)	(29)	(5)	(10)	-	(1)	(180)
Legal Fees	(665)	(240)	(15)	(102)	-	(3)	(1,025)
Agents Costs	(42)	(49)	(10)	-	-	(16)	(117)
Other Costs	(333)	(223)	(5)	(94)	-	(6)	(661)
	<u>(6,435)</u>	<u>(1,736)</u>	<u>(101)</u>	<u>(756)</u>	-	<u>(91)</u>	<u>(9,119)</u>
Amount due to Preferential Creditors	(583)	(23)	uncertain	(91)	-	-	(697)
Prescribed Part (subject to cost)	(600)	(600)	uncertain	(54)	-	(20)	(1,275)
Estimated Net Floating Charge Assets	<u>29,294</u>	<u>3,797</u>	<u>uncertain</u>	<u>541</u>	-	<u>67</u>	<u>33,699</u>

IMPORTANT NOTE

1. This document is prepared solely for the purpose of reporting to creditors. Nothing in this document or any other document with or appended to it should be relied on for any other purpose including, without limitation, for the purposes of, or in connection with, the trading in any debt or equity of The Mayflower Corporation Plc or any of its subsidiaries or in connection with the purchase of any asset or business of The Mayflower Corporation Plc or any of its subsidiaries

APPENDIX 3
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TRANSSBUS INTERNATIONAL LIMITED LIMITED (IN ADMINISTRATION)

ADMINISTRATORS' TIME COSTS 31 MARCH 2004 TO 15 MARCH 2005

	Partner		Manager		Assistants and Support Staff		TOTAL	
	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Administration & Planning								
Administration Strategy / Extensions	28.2	14,379	259.1	85,447	1.0	120	288.3	99,946
Administration & Filing	-	-	130.8	34,178	346.9	36,443	477.7	70,621
Arranging Banking Facilities/Daily Bankings	-	-	14.9	5,541	12.7	1,553	27.6	7,094
Cashiering/voucher preparation and authorisation	8.5	4,163	414.7	96,296	1,265.0	175,298	1,688.2	275,757
Insurance	2.0	890	15.1	3,126	11.0	3,576	28.1	7,592
Preparation/planning	14.4	7,168	174.8	47,011	15.0	1,823	204.2	56,001
Creditors Report / Reporting to committee	45.6	23,657	414.1	119,915	63.8	7,817	523.5	151,388
Standard Letters/Notices/Directors Questionnaires	-	-	29.3	6,284	46.7	5,330	76.0	11,614
Statutory and Bordereau	7.5	3,680	78.9	22,254	79.7	9,059	166.1	34,993
Supervision/management of Administration	15.0	8,805	542.9	165,985	-	-	557.9	174,790
	121.2	62,742	2,074.6	586,037	1,841.8	241,016	4,037.6	889,794
Investigations								
CDDA Reports	5.0	2,685	12.0	4,645	25.7	3,426	42.7	10,756
Investigating antecedent transactions	1.0	486	5.0	1,758	3.0	334	9.0	2,578
Other Investigations / security	183.0	106,182	434.6	140,207	74.0	8,244	701.6	254,634
	199.0	109,353	451.6	146,610	102.7	12,004	753.3	267,968
Trading								
Arranging Continued Supply/Undertakings	35.3	16,783	3,355.7	916,858	906.5	106,808	4,297.5	1,040,449
Corresp/Tel /mtgs with customers	39.3	18,664	942.7	296,448	307.0	34,201	1,289.0	349,313
Employee issues	-	-	287.8	69,693	149.5	19,510	437.3	89,202
Cashflow forecasts monitoring	11.0	5,349	821.7	214,615	119.6	14,205	952.3	234,169
Payroll	5.0	2,775	25.5	5,700	87.7	10,311	118.2	18,786
Landlord issues	-	-	106.6	25,872	8.0	890	114.6	26,762
Managing operations	109.5	49,361	1,409.4	356,312	482.3	55,350	2,001.2	461,022
	200.1	92,932	6,949.4	1,885,498	2,060.5	241,273	9,210.0	2,219,702
Asset Realisations								
Book debts - Set-up, review and collection of	20.0	9,878	736.7	192,198	157.2	18,010	913.9	220,086
Collection and review of financial information	-	-	77.0	27,945	2.5	298	79.5	28,243
Dealing with agents	-	-	20.8	3,928	2.2	281	23.0	4,209
Sale of business (incl. post-completion)	662.2	315,874	1,891.2	659,862	111.5	17,003	2,664.9	992,658
Legal issues	1.0	555	44.5	15,307	16.6	2,417	62.1	18,278
Securing/Reviewing other assets	-	-	86.2	22,432	12.5	1,500	98.7	23,932
Other assets	-	-	86.8	19,959	30.0	4,580	116.8	24,539
	683.2	326,107	2,943.2	941,750	332.5	44,087	3,958.9	1,311,943
Creditors								
Dealing with creditors and third parties	6.0	3,110	494.7	115,000	237.8	28,882	738.5	146,992
Preferential & secured creditors	7.4	4,962	47.4	14,301	9.0	1,143	63.8	20,405
Creditors meeting	23.4	11,917	207.7	61,322	4.0	503	235.1	73,742
Reservation of title issues	34.2	16,963	2,370.6	550,498	1,179.9	142,020	3,584.7	709,481
Employee issues (redundancy, P45, DTI etc)	14.4	7,717	439.8	99,007	278.2	33,667	732.4	140,390
	85.4	44,669	3,560.2	840,127	1,708.9	206,214	5,354.5	1,091,010
Other								
Pension issues	10.0	5,413	162.1	59,744	2.1	308	174.2	65,464
VAT / Taxation	94.8	50,684	1,198.8	333,927	311.5	43,108	1,605.1	427,719
Other	-	-	-	-	16.4	1,957	16.4	1,957
	104.8	56,097	1,360.9	393,671	330.0	45,373	1,795.7	495,140
TOTAL	1,393.7	691,899	17,339.8	4,793,692	6,376.4	789,966	25,109.9	6,275,558

APPENDIX 3

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MAYFLOWER ENERGY LIMITED (IN ADMINISTRATION)

ADMINISTRATORS' TIME COSTS 2 APRIL 2004 TO 15 MARCH 2005

	Partner		Manager		Assistants and Support Staff		TOTAL	
	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Administration & Planning								
Administration Strategy / Extensions	5.5	2,558	14.0	4,575	-	-	19.5	7,133
Administration & Filing	-	-	4.7	1,161	33.6	3,962	38.3	5,123
Arranging Banking Facilities/Daily Bankings	-	-	12.9	5,031	-	-	12.9	5,031
Cashiering/voucher preparation and authorisation	1.5	668	19.8	6,816	64.0	9,002	85.3	16,485
Insurance	-	-	1.0	390	-	-	1.0	390
Preparation/planning	2.5	1,113	7.0	1,880	-	-	9.5	2,993
Creditors Report / Reporting to committee	6.8	3,774	46.6	15,602	10.2	1,387	63.6	20,764
Standard Letters/Notices/Directors Questionnaires	1.0	445	-	-	18.0	2,160	19.0	2,605
Statutory and Bordereau	2.0	1,110	9.6	3,255	18.1	2,172	29.7	6,537
Supervision/management of Administration	4.9	2,616	27.3	8,722	9.9	1,188	42.1	12,526
	24.2	12,283	142.9	47,431	153.8	19,871	320.9	79,585
Investigations								
CDDA Reports	1.0	555	4.0	1,280	8.0	960	13.0	2,795
Investigating antecedent transactions	-	-	-	-	-	-	-	-
Other Investigations / security	-	-	19.0	5,748	1.0	120	20.0	5,868
	1.0	555	23.0	7,028	9.0	1,080	33.0	8,663
Trading								
Arranging Continued Supply/Undertakings	-	-	20.0	5,325	40.0	4,800	60.0	10,125
Corresp/Tel /mtgs with customers	-	-	-	-	1.0	120	1.0	120
Employee issues	-	-	5.0	1,250	15.0	1,800	20.0	3,050
Cashflow forecasts monitoring	-	-	12.6	3,959	2.5	300	15.1	4,259
Payroll	-	-	-	-	-	-	-	-
Landlord issues	-	-	-	-	-	-	-	-
Managing operations	-	-	-	-	-	-	-	-
	-	-	37.6	10,534	58.5	7,020	96.1	17,554
Asset Realisations								
Book debts - Set-up, review and collection of	40.6	19,117	233.9	74,286	13.1	1,509	287.6	94,913
Collection and review of financial information	2.0	890	-	-	11.0	1,320	13.0	2,210
Dealing with agents	8.0	3,560	30.0	8,150	-	-	38.0	11,710
Sale of business (incl. post completion)	56.5	26,133	261.0	72,543	-	-	317.5	98,676
Legal issues	-	-	15.1	4,079	2.3	276	17.4	4,355
Securing/Reviewing other assets	-	-	22.0	5,955	-	-	22.0	5,955
Other assets	-	-	-	-	-	-	-	-
	107.1	49,700	562.0	165,013	26.4	3,105	695.5	217,818
Creditors								
Dealing with creditors and third parties	3.5	1,558	15.7	4,500	78.4	9,506	97.6	15,563
Preferential & secured creditors	1.0	555	4.6	1,794	3.1	372	8.7	2,721
Creditors meeting	9.3	4,172	24.6	8,997	10.4	1,248	44.3	14,417
Reservation of title issues	-	-	-	-	5.0	600	5.0	600
Employee issues (redundancy, P45, DTI etc)	-	-	2.0	630	5.0	600	7.0	1,230
	13.8	6,284	46.9	15,921	101.9	12,326	162.6	34,531
Other								
Pension issues	-	-	-	-	2.0	240	2.0	240
VAT / Taxation	3.5	1,942	65.6	19,175	28.3	3,297	97.4	24,415
Other	-	-	-	-	-	-	-	-
	3.5	1,942	65.6	19,175	30.3	3,537	99.4	24,655
TOTAL	149.6	70,763	878.0	265,103	379.9	46,939	1,407.5	382,806

MAYFLOWER MANAGEMENT SERVICES LIMITED (IN ADMINISTRATION)

Administrators' Timecosts 31 March 2004 to 15 March 2005

	Partner		Manager		Assistants and Support Staff		TOTAL	
	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Administration & Planning								
Administration Strategy / Extensions	-	-	5.1	1,989	-	-	5.1	1,989
Administration & Filing	-	-	-	-	-	-	-	-
Arranging Banking Facilities/Daily Bankings	-	-	12.2	4,583	-	-	12.2	4,583
Cashiering/voucher preparation and authorisation	0.5	278	15.5	4,763	43.6	6,377	59.6	11,417
Insurance	-	-	1.3	507	-	-	1.3	507
Preparation/planning	0.5	278	8.5	2,353	-	-	9.0	2,630
Creditors Report / Reporting to Committee	-	-	10.3	2,890	6.9	898	17.2	3,788
Standard Letters/Notices/Directors Questionnaires	-	-	15.3	3,990	8.8	1,056	24.1	5,046
Statutory and Bordereau	-	-	5.7	1,891	2.3	245	8.0	2,135
Supervision/management of Administration	-	-	7.5	2,400	-	-	7.5	2,400
	1.0	555	81.4	25,364	61.6	8,576	144.0	34,494
Investigations								
CDDA Reports	-	-	2.1	781	6.0	808	8.1	1,589
Investigating antecedent transactions	-	-	-	-	-	-	-	-
Other Investigations / security	-	-	1.0	390	-	-	1.0	390
	-	-	3.1	1,171	6.0	808	9.1	1,979
Trading								
Arranging Continued Supply/Undertakings	-	-	26.0	6,140	-	-	26.0	6,140
Corresp/Tel /mtgs with customers	-	-	3.8	924	-	-	3.8	924
Employee issues	-	-	-	-	-	-	-	-
Cashflow forecasts monitoring	-	-	10.7	2,655	-	-	10.7	2,655
Payroll	-	-	-	-	-	-	-	-
Landlord issues	-	-	-	-	-	-	-	-
Managing operations	-	-	-	-	-	-	-	-
	-	-	40.4	9,719	-	-	40.4	9,719
Asset Realisations								
Book debts - Set-up, review and collection of	-	-	2.0	878	-	-	2.0	878
Collection and review of financial information	-	-	-	-	-	-	-	-
Dealing with agents	-	-	5.0	1,338	-	-	5.0	1,338
Sale of business (incl. post completion)	-	-	-	-	-	-	-	-
Legal issues	-	-	0.8	249	-	-	0.8	249
Securing/Reviewing other assets	-	-	0.5	195	-	-	0.5	195
Other assets	-	-	-	-	-	-	-	-
	-	-	8.3	2,659	-	-	8.3	2,659
Creditors								
Dealing with creditors and third parties	-	-	26.0	6,056	5.2	736	31.2	6,792
Preferential & secured creditors	-	-	1.0	390	-	-	1.0	390
Creditors meeting	-	-	2.5	538	1.0	120	3.5	658
Reservation of title issues	-	-	-	-	-	-	-	-
Employee issues (redundancy, P45, DTI etc)	-	-	1.0	215	4.1	636	5.1	851
	-	-	30.5	7,199	10.3	1,492	40.8	8,690
Other								
Pension issues	-	-	1.0	215	-	-	1.0	215
VAT / Taxation	-	-	2.7	923	2.8	349	5.5	1,271
Other	-	-	-	-	-	-	-	-
	-	-	3.7	1,138	2.8	349	6.5	1,486
TOTAL	1.0	555	167.3	47,249	80.7	11,223	249.0	59,030

A Creditors' Guide To Administrator's Fees

Deloitte

England and Wales

Creditors or their representatives are required to approve the remuneration of administrators. This guide is designed to assist creditors of businesses where members or directors of Deloitte & Touche LLP have been appointed administrators. Apart from the final three paragraphs the main text has been prepared by the Association of Business Recovery Professionals. If you need any assistance on the matters set out below, please feel free to contact us.

1. Introduction

1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees and explains the basis on which fees are fixed.

2. The Nature of Administration

Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,

or, if the administrator thinks neither of these objectives is reasonably practicable

- realising property in order to make a distribution to secured or preferential creditors.

3. The Creditors' Committee

3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is established at the meeting of creditors which the administrator is required to

hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decide he needs to hold one. The committee has power to summon the administrator to attend before it and provide such information about the exercise of his functions.

4. Fixing the Administrator's Fees

4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that the remuneration shall be fixed either:

- as a percentage of the value of the property which the administrator has to deal with, or
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration.

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is fixed as a percentage, to fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:-

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property which the administrator has to deal with.

4.2 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these

ways, it will be fixed by the court on application by the administrator.

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets. In this case a resolution of the creditors shall be taken as passed if, and only if, passed with the approval of -

- each secured creditor of the company; or
- if the administrator has made or intends to make a distribution to preferential creditors -
 - each secured creditor of the company; and
 - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

4.4 A resolution of creditors may be obtained by correspondence.

5. What Information should be Provided by the Administrator?

5.1 When seeking fee approval

5.1.1. When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgment as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought;
- the stage during the administration of the case at which it is being sought; and
- the size and complexity of the case.

8. Other Matters Relating to Fees

June 2004 Edition

8.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the Court, the creditors' committee or a meeting of creditors.

8.2 If the administrator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the Court.

9. Commissions and Discounts

As a major purchaser of services, Deloitte & Touche LLP as a whole are occasionally able to negotiate enhanced services with preferred suppliers in relation to travel, advertising and other costs. The use of these suppliers may sometimes result in annual commissions *being paid to Deloitte & Touche LLP*. The reallocation of such commissions to each case is impracticable and this is not done.

10. What if you are Dissatisfied with the Conduct of the Administration Generally?

We hope that you will not have cause to complain about the way our members and staff conduct their work on what are generally sensitive and emotive issues for creditors affected by the insolvency. Occasionally misunderstandings arise and mistakes are made. Should you have cause to complain or if you would like to discuss how our service could be improved, please let us know by telephoning the person appointed as administrator. We undertake to look into any complaint carefully and promptly and to do all we reasonably can to explain the position to you. If you are still not satisfied with the explanations given, you can refer the matter to the RS National Compliance Officer, who is responsible for investigating any complaints made against our partners and staff. The Compliance Officer can be contacted in our office at Hill House, 1 Little New Street, London, EC4A 3TR. If The Compliance Officer is unable to resolve matters to your satisfaction then you can refer the matters to:

The Professional Standards Office,
Institute of Chartered Accountants in
England & Wales, Silbury Court, 412-
416 Silbury Boulevard, Milton Keynes
MK9 2AF in the case of appointment
takers licensed by the Institute of
Chartered Accountants in England &
Wales. A list of the members and
directors and their licensing bodies is
available from The RS National
Compliance Officer.