Rule 2 47

Form 2.24B(CH)

The Insolvency Act 1986

Administrator's progress report

Name of Company	Company Number
Parallel Realisations 2 Limited	01258241

In the	Court case number
High Court of Justice, Chancery Division Birmingham District Registry (full name of court)	8055 of 2011

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

We (a) David Matthew Hammond of PricewaterhouseCoopers LLP, Cornwall Court, Birmingham, B3 2DT, and Robert Nicholas Lewis of PricewaterhouseCoopers LLP, One Kingsway, Cardiff, CF10 3PW

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

from	to
(b) 31 July 2011	(b) 31 December 2011

(b) Insert dates

Signed ______________________
Joint Administrator

Dated 31.01.12.

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

Lee Panther	
PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP	
	Tel 0113 289 4804
DX Number	DX Exchange

hen you have completed and signed this form please send it to the Registrar of Companies at.

ompanies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff pwc

Parallel Realisations 1 Limited (formerly The British School of Motoring Limited); and
Parallel Realisations 2 Limited (formerly BSM Limited)
– both in Administration

High Court of Justice, Chancery Division, Birmingham District Registry

Case No's. 8057 and 8055 of 2011

Joint Administrators' progress report for the period from 31 July 2011 to 31 December 2011

12 January 2012

Contents

Abbreviations used in this report;

"the Administrators" – David Matthew Hammond and Robert Nicholas Lewis as Joint Administrators of PR1 and PR2
"PR1" - Parallel Realisations 1 Limited (formerly the British School of Motoring Limited)
"PR2"- Parallel Realisations 2 Limited (formerly BSM Limited)
"the Bank" – Barclays Bank Plc
"the Companies" – PR1 and PR2

1. Joint Administrators' progress report for the period from 31 July 2011 to 31 December 2011

Introduction

In accordance with Rule 2 47 of the Insolvency Rules 1986 ("IR86"), the Administrators write to provide creditors with details of the progress of the Administration of PR1 and PR2, collectively the Companies, in the six months since the Administrators' previous report dated 25 August 2011

The Administrators are required to provide certain statutory information pursuant to Rule 2 47(1)(a) to (d) IR86, which is included in Section 2

At this time the Joint Administrators are unable to provide a reliable estimate of the likely dividend to creditors as there are material uncertainties regarding future net realisations and the final level of creditor claims This is discussed in more detail below

Background information

On 31 January 2011, a pre-packaged sale of the Companies' business and certain assets was made to Acromas Limited, a subsidiary of the AA. Full details of the sale process and background information on the businesses we set out in the Administrators' proposals, which were made available to all known creditors, dated 9 February 2011

Asset Realisations

Since the pre-packaged sale of business to Acromas Limited, the following realisations have been made

- **Vehicles**

As at 31 January 2011, the Companies' fleet of Fiat cars comprised

- 1,901 vehicles owned by Fiat, which had been ordered but not paid for by the Companies,
- 2,558 vehicles owned by the Bank, and
- 273 vehicles owned by PR2 Limited

As disclosed in the Administrators' proposals dated 9 February 2011, the Administrators, Fiat, the Bank and the AA entered into an agreement which requires

- the AA to purchase the Fiat owned vehicles at a pre- determined price,
- Fiat to repurchase the PR2 and Bank owned vehicles at a pre-determined price,
- the Administrators and the AA to facilitate the de-fleet of all vehicles owned by PR2 Limited and the Bank; and
- the AA to pay a hire charge to the Administrators for vehicles used by the AA during the de-fleeting process

The table overleaf summarises the progress of the de-fleeting process as at 31 December 2011 Some 2,733 cars have been returned to Fiat to date with a total buy back value of £13 7m This represents in excess of 95% of the fleet that existed as at the date of appointment

Category	No. of vehicles	Cars returned to date	Buyback price, £'000		Cash received £'000
			Invoiced	To be de-fleeted	
Barclays Fiat New Vehicles	216	216	1,484	-	1,484
Barclays New Hire Vehicles	199	197	1,212	11	1,006
Barclays Used Hire Vehicles	1,576	1,556	7,514	84	7,324
BSM Hire Vehicles	180	113	368	136	308
BSM Surplus Vehicles	93	90	358	11	250
Barclays Surplus Vehicles	567	561	2,774	40	2,337
	2,831	2,733	13,710	282	12,709

As at 31 December, 98 cars with a potential value of £0 3m remain to be de-fleeted

In respect of the Hire Vehicles above, the Administrators and the Bank have also received hire charges from the AA of £0 2m and £0 8m respectively

- **Book debts**

Since their last report the Administrators have continued to pursue their debt collection strategies in relation to the outstanding pre-appointment Business to Business ("B2B"), active franchisee and leaver franchisee debts

B2B debts

Since 31 July 2011 the Administrators have collected an additional £2k of B2B debts (net of collection fees paid to the Acromas Group) and are in active discussions over a remaining debt of £40k due from one of BSM's major customers, which is expected to be recovered in due course

Active franchisee debts

Since 31 July 2011 the Administrators have received the £52k reported in their last report, which at the time was awaiting transfer from the Acromas Group The Administrators have also recovered a further £47k of active franchisee debts, albeit £22k of these funds are waiting to be transferred to the Administrators from the Acromas Group and are therefore not reflected in the Receipts and Payments accounts summarised later in this report

Whilst the Administrators envisage further minor recoveries in relation to these debts, the nature of the realisation strategy for this class of debtor, which includes payment plans, means that they may be achieved over a prolonged period

Leaver franchisee debts

The Administrators have continued to experience problems over the collectability of the leaver franchisee debt As such subsequent recoveries since 31 July 2011 have been insignificant at £3k The Administrators do not envisage significant additional recoveries in this area

- **Freehold / leasehold property**

As at 31 January 2011 the Companies operated from 98 Leasehold and 1 freehold property, with an additional 24 premises having closed prior to this date

On appointment, the Administrators granted the AA a Licence to Occupy the leasehold head office in Bristol for a period of six months The AA complied with the terms of the licence and vacated the premises on 22 June 2011 The lease has been terminated

A licence to occupy was also granted on appointment on 56 retail units and 16 serviced offices The AA has also vacated all of these in accordance with the licence

The remaining 25 retail units ceased trading on appointment.

To date, 22 leases have been successfully surrendered back to the landlords of the properties and one property has had its lease assigned to a third party A number of leases have expired and negotiations are ongoing in respect of the remaining units with the hope of surrenders of the leases being achieved in the near future Where lease surrenders cannot be achieved it is likely that the Administrators' will look to disclaim these leases in a subsequent Liquidation

- **Tax/VAT Matters**

The Companies are part of a VAT group and are continuing to be registered for VAT at this stage The Administrators are continuing file the VAT returns as they fall due

Corporation Tax returns are also being filed as required

Other issues

- **Transitional Service Agreement ("TSA")**

As disclosed previously, the Administrators entered into an agreement with the AA to procure the services of 12 key suppliers for a period of six months from the date of the sale agreement with the AA

The Administrators charged a total fee for the 6 months of £75k to the AA in respect of this

This agreement has now expired and the Administrators have settled all post appointment trading balances with each TSA supplier

Outcome for creditors

Secured creditors

In the Administrators' proposals it was expected that the secured creditor, Barclays Bank Plc ("the Bank") would suffer a shortfall on its lending However, the Administrators are now pleased to report that the vehicle collection process has been more successful than was originally forecast and as a result the Bank is expected to recover its lending in full

Preferential creditors

As stated in the Administrators proposals, it is not anticipated that there will be any preferential creditors of the Company, as all employees of PR1 transferred to the AA However, creditors should note that a minority of employees have brought Employment Tribunal claims against the company Although, if successful these claims should be unsecured, the Administrators cannot rule out that there may be a small preferential element in respect of unpaid wages and holiday pay, though should such balances arise they are expected to be nominal

Unsecured creditors

The Administrators expected in their proposals that the only distribution available to unsecured creditors of PR1 and PR2 would be by way of the Prescribed Part (Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003) which is a proportion of floating charge realisations, net of costs, to be set aside for unsecured creditors

At the time of issuing their proposals the Administrators could not guarantee that there would even be sufficient funds available to make a Prescribed Part distribution as it was possible the level of funds available for distribution could be so low that the costs of making the distribution would be disproportionate to the amount being distributed

However, the Administrators are pleased to report that due to the success of the vehicle collection process and other asset realisations, the Administrators now anticipate that there will be distributions to the unsecured creditors of PR1 and PR2 over and above the Prescribed Parts

At present the Administrators are not in a position to provide creditors of PR1 and PR2 with estimates of the percentage returns. This is due to two main factors Firstly, and most significantly, the overall level of realisations has not yet been finalised and there remains some uncertainty as to the final outcome

Secondly, for a significant number of creditors it is unclear as to which of the two Companies, PR1 or PR2, they are a creditor of

These two factors mean that at present , a reliable estimate of the return to the creditors in each company cannot be made The Administrators envisage being able to provide more clarity in the next progress report

The Administrators' are continuing to investigate the position and are hopeful that they will be able to update creditors further in their next progress report

If you are a creditor of any one of the Companies and you are yet to submit your claim, please complete and submit the attached statement of claim form, along with supporting documentation at your earliest convenience.

1. Joint Administrators' progress report for the period from 31 July 2011 to 31 December 2011

Receipts and payments account

An account of the receipts and payments for each company in Administration for the period from 31 January 2011 to is set out in Section 3

Expenses statement

A statement of the expenses incurred by the Administrators in the period 31 July 2011 to 31 December 2011 for each Company is included at Section 4

The statement excludes any potential tax and VAT liabilities that may be payable as an expense of the Administration in due course because amounts due will depend on the position at the end of the tax accounting period

Administrators' remuneration

The Administrators' remuneration has been approved on a time costs basis by the unsecured creditors of the Companies at a creditors meeting held on 24 February 2011 and fees are being drawn against time costs as approved from time to time by the Bank As at 23 December 2011 the Administrators have drawn remuneration of £462,966 plus VAT on PR1 and £91,639 plus VAT in respect of PR2

The time cost charges incurred in the period covered by this report for each of the companies are as follows,

PR1

To the date in the period, the Administrators have incurred time costs of £914,825 This represents 3530 hours at an average hourly rate of £259

PR2

To the date in the period, the Administrators have incurred time costs of £326,792 This represents 1,266 hours at an average hourly rate of £258

Creditors' rights

A statement of creditors' rights in relation to the Administrators' remuneration and expenses is set out at Section 7

Extension of Administration

The administration is due to automatically end on 30 January 2012 The Companies cannot be placed into creditors' voluntary liquidation as there are still significant assets to realise that would be hindered by the Companies entering liquidation It thereby follows that the Administrators will apply to the Court to request a twelve month extension to the period of administration in order to conclude these realisations

Proposed exit route from Administration

The Administrators are also considering the most appropriate strategy for bringing the Administration to an end Taking into consideration the fact that there will be an unsecured distribution in both PR1 and PR2 and also the potential to need to disclaim leasehold properties in PR1, it is likely that a move from Administration to Creditors Voluntary Liquidation will be the most appropriate strategy.

Next report

The Administrators anticipate that they will circulate their next report to creditors at the earlier of the conclusion of the Administration or in approximately six months.

Yours faithfully
For and on behalf of the Companies

Matthew Hammond
Joint Administrator

David Matthew Hammond and Robert Nicholas Lewis were appointed as Joint Administrators of Parallel Realisations 1 Limited(formerly The British School of Motoring Limited) and Parallel Realisations 2 Limited (formerly BSM Limited) on 31 January 2011, to manage their affairs, business and property as their agents and without personal liability Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales

2. Statutory and other information

Court details for the Administration:	High Court of Justice, Chancery Division, Birmingham District Registry 8055, 8056 and 8057 of 2011
Full name:	Parallel Realisations 1 Limited (formerly The British School of Motoring Ltd), and, Parallel Realisations 2 Limited (formerly BSM Limited)
Trading name:	Not applicable
Registered number:	00291902 and 01258241
Registered address:	Benson House, 33 Wellington Street, Leeds, LS1 4JP
Company directors:	Mr Nikolai Kesting and Mr Abu-Haris Shafi
Company secretary:	Willoughby Corporate Secretarial Limited
Shareholdings held by the directors and secretary:	The parent company of Parallel Realisations 1 Limited, DASQ Limited, was owned and controlled jointly by the directors
Date of the Administration appointment:	31 January 2011
Administrators' names and addresses:	David Matthew Hammond of PricewaterhouseCoopers LLP, Cornwall Court, Birmingham B3 2DT, and, Robert Nicholas Lewis of PricewaterhouseCoopers LLP, One Kingsway, Cardiff, CF10 3PW
Details of any extension(s) to the initial period of appointment	Not applicable
Changes in office holder:	N/A
Appointor's / applicant's name and address:	The directors of the Companies
Objective being pursued by the Administrators:	(b) Achieving a better result for the Companies creditors as a whole than would be likely if the Companies were wound up (without first being in administration)
Division of the Administrators' responsibilities:	In relation to paragraph 100(2) Sch B1 IA86, David Matthew Hammond and Robert Nicholas Lewis of PricewaterhouseCoopers LLP of Cornwall Court, 19 Cornwall Street, Birmingham, B2 3DT as Joint Administrators of the Companies The Joint Administrators will act jointly and severally so that all functions may be exercised by any or all of the Joint Administrators
Proposed end of the Administration:	Creditors Voluntary Liquidation
Estimated dividend for unsecured creditors:	Cannot yet be quantified
Estimated values of the prescribed part and the company's net	At this time the Administrators are unable to estimate the value of the

2. Statutory and other information

property:	prescribed part
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	Not Applicable
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to these Administrations and they are main proceedings.

3A. Receipts and payments account for the period 31 January 2011 to 31 December 2011

Parallel Realisations 1 (formerly The British School of Motoring Limited) - in administration

Summary of Financial Information from 31 January 2011 to 31 December 2011

	From 31 January 2011 to 30 July 2011	From 31 July 2011 to 31 December 2011	Total at 31 December 2011
Receipts	£	£	£
Book Debts	501,702 01	83,034 83	584,736 84
Wages Contribution	500,000 00	-	500,000 00
Motor Vehicles Disposals	204,500 00	-	204,500 00
Refunds and Sundry Debtors	137,564 48	22,115 82	159,680 30
Leasehold Property	67,500 00	70,127 13	137,627 13
TSA Supervision Fees	50,000 00	25,000 00	75,000 00
Pre-Appointment Cash in Bank	29,056 66	-	29,056 66
Rental Income	4,212 50	2,800 00	7,012 50
Interest Received	552 13	1,468 79	2,020 92
VAT Payable	184,460 68	40,061 88	224,522 56
Total	**1,679,548.46**	**244,608.45**	**1,924,156.91**
Third Party Funds			
Customer Payments due to Acromas	*1,137,285 49*	-	*1,137,285 49*
Rent and Service Charge Payments from Acromas	*605,207 28*	*6,654 00*	*611,861 28*
Funding provided by Barclays Bank	*200,000 00*	-	*200,000 00*
Vehicle monies due to PR2	*54,154 00*	*5,396 37*	*59,550 37*
Refunds due to other third parties	*435 76*	-	*435 76*
Payments from Acromas for TSA Suppliers	*507,832 86*	*89,360 31*	*597,193 17*
	2,504,915.39	***101,410.68***	***2,606,326.07***
TOTAL RECEIPTS	**4,184,463 85**	**346,019.13**	**4,530,482.98**
Payments	£	£	£
Office Holders Fees	216,415 00	246,551 00	462,966 00
Employee Costs	361,874 07	-	361,874 07
PAYE & NIC	83,771 48	-	83,771 48
Insurance, agents and other sundry costs	59,107 33	6,993 13	66,100 46
Book Debt Commission due to Acromas	57,190 65	921 69	58,112 34
Legal Costs	3,708 33	11,701 80	15,410 13
VAT Receivable	226,251 27	76,675 87	302,927 14
Total	**1,008,318 13**	**342,843 49**	**1,351,161.62**
Third Party Funds			
Transfer of customer payments to Acromas	*745,917 99*	*333,775 50*	*1,079,693 49*
Rent and Service Charge Payments	*592,332 74*	*574.03*	*592,906 77*
Vehicle monies paid to PR2	*60,136 00*	-	*60,136 00*
Payment of refunds due to Third Parties	*435 76*	-	*435 76*
Payments to TSA Suppliers	*507,812 63*	*89,160 31*	*596 972 94*
	1,906,635.12	***423,509 84***	***2,330,144.96***
TOTAL PAYMENTS	**2,914,953 25**	**766,353.33**	**3,681,306.58**
TOTAL FOR PERIOD	**1,269,510.60**	**(420,334 20)**	**849,176.40**
BALANCE AT BANK			**849,176.40**

3B. Receipts and payments account for the period 31 January 2011 to 31 December 2011

Parallel Realisations 2 Limited (formerly BSM Limited) - in administration

Summary of Financial Information from 31 January to 31 December 2011

	From 31 January 2011 to 30 July 2011	From 31 July 2011 to 31 December 2011	Final Position at 31 December 2011
Receipts	£	£	£
Motor Vehicles			
Vehicle Disposals	471,492 37	104,304 31	575,796 68
Vehicle Hire	80,514 76	50,335.90	130,850 66
Dual Control Disposals	29,910 00	-	29,910 00
Unallocated proceeds from vehicle disposals	256,499 20	-	256,499 20
Funding provided by Barclays Bank plc	1,792,607 42	-	1,792,607 42
Interest received gross	1,075 17	3,860 59	4,935 76
VAT Payable	116,383 43	29,948 04	146,331 47
Total	**2,748,482.35**	**188,448.84**	**2,936,931.19**
Payments	£	£	£
VAT Payments	46,405 27	17,339 70	63,744 97
Vehicle repair costs	27,498 34	2,000 00	29,498 34
Consultancy fees and other miscellaneous costs	27,086 76	1,481 81	28,568 57
Insurance	4,676 50	-	4,676 50
Office Holders Fees	60,963 00	30,676 00	91,639 00
Legal Costs	-	82,008 33	82,008 33
VAT Receivable	21,588.75	23,049 24	44,637 99
Total	**188,218.62**	**156,555.08**	**344,773.70**
Total For Period	**2,560,263.73**	**31,893.76**	**2,592,157.49**
Balance at Bank			**2,592,157.49**

4B. Statement of expenses incurred from 31 July 2011 to 31 December 2011

Parallel Realisation 1 Limited (formerly The British School of Motoring Limited) - in administration
Statment of Expenses from appointment to 31 December 2011

	Total Paid from 31 January 2011 to 30 July 2011	Total Paid from 31 July 2011 to 31 December 2011	Estimated Accrued and Unpaid Expenses	Total
Agents Fees	34,989 55		-	34,989 55
Bank Charges	749 66	-	-	749 66
Book Debt Commission due to Acromas	57,190 65	921 69		58,112 34
Consultancy Fees	4,362 56	-	-	4,362 56
Debt Collection Costs	442 29	180 39	-	622 68
Employee Costs	361,874 07	-		
PAYE & NIC	83,771 48	-		
Insurance	7,500 56	3,792 65	-	11,293 21
IT Costs	-	960 00	-	960 00
Legal Fees	3,708 33	11,550 50	2,940 00	18,198 83
Legal Disbursements	-	151 30	-	151 30
Membership Fees	-	200 00	-	200 00
Vehicle Auction Costs	-	938 50		938 50
Office Holders Fees	216,415 00	246,551 00	451,859.47	914,825 47
Postage and Printing	299 42	315 24	-	614 66
Refund of Rent Deposit	5,250 00	-	-	5,250 00
Roof Repair - Brighton	-	-	90 00	90 00
Room Hire and Meeting Costs	408 54	-	-	408 54
Storage Costs	160 25	221 94	-	382 19
Subcontractors	3,936 00	-	-	3,936 00
Total	781,058.36	265,783.21	454,889.47	1,056,085.49

4B. Statement of expenses incurred from 31 July 2011 to 31 December 2011

Parallel Realisation 2 Limited (formerly BSM Limited) - in administration
Statment of Expenses from 31 July 2011 to 31 December 2011

	Total Paid from 31 January 2011 to 30 July 2011	Total Paid from 31 July 2011 to 31 December 2011	Estimated Accrued and Unpaid Expenses from Appointment	Total
Bank Charges	45 00	-	-	45 00
Consultancy Fees	27,041 76	-	-	27,041 76
Insurance	4,664 00	-	-	4,664 00
DVLA Searches	12 50	-	-	12 50
Legal Disbursements	-	1,432 83	120 15	1,552 98
Legal Fees	-	80,575 50	5,653 75	86,229 25
Office Holders Fees	60,963 00	30,676 00	235,153 39	326,792 39
Storage Costs	-	833 33	-	833 33
Vehicle Auction Costs	-	648 48	-	648 48
Vehicle Repair and Release Costs	27,498 34	2,000 00	-	29,498 34
Total	**120,224.60**	**116,166.14**	**240,927.29**	**477,318.03**

Summary of legal and other professional firms instructed in the period 31 January 2011 to 31 December 2011

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal advice	Eversheds	Industry knowledge	Time costs
Property agents and valuers	Hartnell Taylor Cook	Industry knowledge	Daily rate £126 per day
Subcontractors and other	Blue Sigma	Industry knowledge	Daily rate
Book debt collections	Clarke Willmott	Industry knowledge	Percentage of realisations

5. Analysis of the Administrators' remuneration and Category 2 disbursements for the period 31 January 2011 to 31 December 2011

Narrative of work carried out for the period 31 January 2011 to 23 December 2011

The key areas of work have been -

- Strategy and planning issues, - in particular around agreeing and implementing the processes to manage a large and complex vehicle de-fleet programme
- Ongoing management of the de-fleet programme including liaison with the AA, Barclays Bank Plc and Fiat and discussions/negotiations with creditors to secure the release of vehicles
- Dealing with leasehold/freehold property including the progression of the disposal of leasehold/freehold property interests
- Statutory matters including statutory reporting, appointee licence matters and insurance of assets
- Accounting and treasury and financial reporting with a large amount of receipts and payments transactions being reconciled and allocated
- Investigations into the directors conduct.
- Unsecured creditors – processing the numerous claims that have been submitted and telephone calls that are received

Charge out rates

Please find below the maximum charge out rates for the Joint Administrators and their staff
Specialist departments within PricewaterhouseCoopers LLP, such as Tax, VAT and Pensions, do sometimes charge a small number of hours should I require their expert advice Their rates do vary, however, the figures given to the right below indicate the maximum rate per hour

Maximum Charge Out Rates for Business Recovery Services

Staff Grade	*£ per hour*
Partner	520
Director	436
Senior Manager	383
Manager	299
Senior Associate (unqualified)	226 (168)
Associate	142
Support Staff	76

Specialist Charge Out Rates

Staff Grade	*£ per hour*
Partner	1015
Director	700
Senior Manager	620
Manager	395
Senior Associate	320
Associate	300

5. Analysis of the Administrators' remuneration and Category 2 disbursements for the period 31 January 2011 to 31 December 2011

Parallel Realisations 1 Limited (formerly The British School of Motoring Limited) - in administration

Analysis of time costs from 31 January 2011 to 31 December 2011

Classification of Work	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Support (Hrs)	Total Hours (Hrs)	Time Cost (£)	Average Hourly Rate (£)
Accounting & Treasury	1 00	-	18.50	55 40	33 66	163 90	1 10	273 56	52,423 70	191 64
Strategy & Planning	32 50	-	48.40	29 60	14.25	14.35	-	139 10	47,708.02	342 98
Compliance	4 25	-	11 40	87 10	54 85	117 85	1 90	277 35	60,178.06	216 98
Investigations	9 25	-	70 88	66 00	137.35	148.58	-	432.05	95,352 30	220.70
Reporting	7 85	-	26 60	7 25	0 30	-	0 50	42 50	16,090 05	378.59
Freehold/Leasehold Property	0 50	3 65	94 10	1,070 80	451 35	7 60	5.00	1,633.00	451,608.55	276 55
Other Assets	1 75	-	8 00	3 50	-	-	-	13 25	4,827 50	364 34
Book Debts	-	-	18 25	81 00	-	0 35	-	99 60	30,082 95	302 04
Sale of Business	-	-	10 80	18 25	9 00	-	-	38 05	11,078 25	291 15
Trading	-	-	60.55	45 60	189 40	-	-	295.55	76,830.05	259.96
Secured Creditors	-	-	-	-	2 20	0 80	-	3 00	583 10	194 37
Unsecured Creditors	1 00	-	1.50	21 00	2.00	57 05	1 00	83 55	15,460.85	185.05
Employees & Pensions	-	-	7 65	16 50	86 80	3 55	-	114 50	27,899 55	243 66
Tax & VAT	0 30	-	22 20	5.70	27.40	29 15	-	84.75	24,702 55	291 48
Total	**58.40**	**3.65**	**398 83**	**1,507.70**	**1,008 56**	**543.18**	**9 50**	**3,529 81**	**914,825.47**	**259.17**

The Joint Administrators' policy for charging for disbursements is.	Costs to date (£)
Photocopying is charged at 4p per sheet for creditors and bulk copying	426 00
Mileage is charged at a maximum of 67p per mile (up to 2000cc) or 81p per mile (over 2000cc)	3,940 00
Advertising	98 00
Storage Costs	173 00
Travel Costs	1319 00
Accomodation	645 00
Insurance	420 00
Postage	233 00
Mobile Phones	266 00
Subsistence	365 00
IT Costs	1398.00
Technical Costs	1045 00
Other Professional Fees	603 00
All other disbursements are charged at cost	29 00
Total to 31 December 2011	**10,960.00**

5. Analysis of the Administrators' remuneration and Category 2 disbursements for the period 31 January 2011 to 31 December 2011

Parallel Realisations 2 Limited (formerly BSM Limited) - in administration

Analysis of time costs from 31 January 2011 to 31 December 2011

Classification of Work	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Support (Hrs)	Total Hours (Hrs)	Time Cost (£)	Average Hourly Rate (£)
Accounting & Treasury	-	-	7 85	7 75	7 90	45 45	0 70	69 65	13,224 55	189 87
Strategy & Planning	25 50	-	23 10	7 50	1.00	0 90	-	58.00	24,136 55	416 15
Compliance	4 25	-	2 00	49 15	42 65	24 10	2 50	124 65	29,900 60	239 88
Investigations	9 25	-	42 63	64 80	135 05	148 08	-	399.80	83,771 05	209.53
Reporting	7 85	-	24 75	0 50	2 25	-	-	35 35	13,943 99	394 46
Closure	-	-	1 00	-	-	-	-	1 00	383.00	383.00
Freehold/Leasehold Property	-	-	-	-	-	-	0 50	0 50	56 00	112 00
Other Assets	1 75	-	167.35	48 00	270 30	0 40	-	487.80	135,856.25	278.51
Book Debts	-	-	-	-	-	-	4 70	4 70	484 10	103 00
Sale of Business	-	-	-	0 25	-	-	-	0.25	71.25	285 00
Secured Creditors	-	-	-	-	-	0 25	-	0 25	35 50	142 00
Unsecured Creditors	-	-	0.20	0.75	0.70	15 75	1.80	19.20	2,815.35	146.63
Employees & Pensions	-	-	0 20	-	0 30	2 00	-	2 50	529 65	211 86
Tax & VAT	-	-	27 70	12.30	6 10	16.25	-	62.35	21,584 55	346 18
Total	**48.60**	**-**	**296.78**	**191.00**	**466.25**	**253.18**	**10.20**	**1,266.00**	**326,792.39**	**258.13**

The Joint Administrators' policy for charging for disbursements is:	Costs to date (£)
Photocopying is charged at 4p per sheet for creditors and bulk copying	213 00
Mileage is charged at a maximum of 67p per mile (up to 2000cc) or 81p per mile (over 2000c	1,049 00
Advertising Costs	98 00
Insurance	775 00
Postage	103 00
Travel costs	425 00
Mobile Phones	31 00
All other disbursements are charged at cost	8 00
Total to 31 December 2011	**2,702.00**

6. Statement of creditors' rights

The IR86 provide for creditors to request further information and challenge the Administrators' remuneration and expenses The relevant provisions are as follows -

Rule 2.48A Creditors' request for further information

(1) If—

- (a) within 21 days of receipt of a progress report under Rule 2 47—
  - (i) a secured creditor, or
  - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,

makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2.47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)

(2) The administrator complies with this paragraph by either—

- (a) providing all of the information asked for, or
- (b) so far as the administrator considers that—
  - (i) the time or cost of preparation of the information would be excessive, or
  - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
  - (iii) the administrator is subject to an obligation of confidentiality in respect of the information,

  giving reasons for not providing all of the information.

(3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—

- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just

(4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just "

6. Statement of creditors' rights

Rule 2.109 Creditors' claim that remuneration is or other expenses are excessive

(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) Application may be made on the grounds that—
  (a) the remuneration charged by the administrator,
  (b) the basis fixed for the administrator's remuneration under Rule 2.106, or
  (c) expenses incurred by the administrator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

(1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business]days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

(3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

(4) If the court considers the application to be well-founded, it must make one or more of the following orders—
  (a) an order reducing the amount of remuneration which the administrator was entitled to charge,
  (b) an order fixing the basis of remuneration at a reduced rate or amount,
  (c) an order changing the basis of remuneration,
  (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration,
  (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration