

Rule 1.26A/1.54

The Insolvency Act 1986

Notice to Registrar of Companies of  
Supervisor's Progress Report

Pursuant to Rule 1.26A(4)(a) or  
Rule 1.54 of the  
Insolvency Rules 1986

**R.1.26A(4)(a)/**  
**R.1.54**

For Official Use

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To the Registrar of Companies

Company Number

02486334

Name of Company

GYG Holdings Ltd

I/ We

W John Kelly, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG

Mark Malone, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG

supervisor(s) of a voluntary arrangement taking effect on

13 February 2014

Attach my progress report for the period

13 February 2016

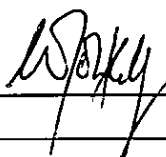
to

12 February 2017

Number of continuation sheets (if any) attached

☐

Signed



Date

5/4/17

Begbies Traynor (Central) LLP  
3rd Floor  
Temple Point  
1 Temple Row  
Birmingham  
B2 5LG

Ref: GY002CVA/WJK/MAM/LAC/PC

For Official Use

Insolvency Section

Post Room

FRIDAY



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07/04/2017

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COMPANIES HOUSE

No 8035 of 2014

W John Kelly and Mark Malone appointed joint supervisors on 13 February 2014.

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## **GYG Holdings Ltd (Company Voluntary Arrangement)**

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### **Joint Supervisors' Annual Progress Report**

Period: 13 February 2016 to 12 February 2017

## **Important Notice**

This progress report has been produced by the supervisors solely to comply with their statutory duty to report to creditors on the progress of the Voluntary Arrangement. 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 this report to them or by any other person for any purpose whatsoever.

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# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	GYG Holdings Ltd (Under a Voluntary Arrangement)
"the Supervisors" "we" "us" "our" etc	W John Kelly of Begbies Traynor (Central) LLP, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG and Mark Malone of Begbies Traynor (Central) LLP, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG
"the Arrangement"	The terms of the Proposal, Standard Conditions and any modifications (and/or variations) agreed by the Company's creditors
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and  (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)

# 2. RELEVANT INFORMATION

Name of Company	GYG Holdings Ltd
Trading name(s):	n/a
Date of Incorporation:	23 December 1988
Company registered number:	02486334
Company registered office:	Temple Point, 1 Temple Row, Birmingham, B2 5LG
Commencement date of the Arrangement	13 February 2014.
Duration of the Arrangement	5 years
Main provisions of the Arrangement	We anticipated a dividend of 67 pence in the pound to be available to all creditors if the assets detailed in section 5 of this report are realised.
Variations to the Arrangement since approval	There have been no variations to the arrangement.

Dividend(s) paid to creditors

There have been no dividends to the arrangement.

Anticipated dividend(s)

The timing and quantum of any dividend remains dependent upon the Company's interest in the profit share agreement.

### 3. INTRODUCTION

The Rules require that we send the Company, its creditors (bound by the Arrangement) and its members details of all receipts and payments of money that we have received or paid whilst we have been acting as Supervisors of the Arrangement.

In addition to accounting for the receipts and payments, we are required to report each year on the progress of the Arrangement and the prospects for its full implementation.

This is our third annual report, which should be read in conjunction with the previous annual reports.

### 4. ABSTRACT OF RECEIPTS AND PAYMENTS

Please find at Appendix 1 an abstract which shows the receipts and payments during the period of this report as well as cumulative figures showing the receipts and payments since the date of our appointment. There have been no receipts and payments in the CVA.

### 5. PROGRESS DURING THE PERIOD OF THIS REPORT

You will recall that the terms of the Arrangement provided for the following:

#### Profit Share Arrangement One

As previously advised, the Company has an interest in a profit share arrangement involving Macob Project Limited (MPL). MPL is now in administration and so the Company has an unsecured claim in MPL. The return to the creditors in MPL is dependent upon whether MPL achieves any return from its own profit share arrangement. The Company's interest in this arrangement represents the only asset albeit the outcome to creditors remains achievable if the profit share is significant. We are monitoring this position closely.

My previous reports explained why the other sources of potential realisations are no longer available.

**What work has been done in the past year, why was that work necessary and what has been the financial benefit (if any) to creditors?**

Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2. There is an analysis for the past year and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the past year only. Our previous reports contain details of the work undertaken since our appointment.

### General case administration and planning

General case administration includes different categories such as cashiering, general case administration (filing, creditor correspondence) and dealing with sundry issues as and when they arise. Furthermore, this time cost comprises general maintenance of case files and keeping file notes and records of key issues, undertaking case reviews, compliance checks and dealing with general queries.

Although the above are of no financial benefit to creditors Administrators are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

### Compliance with the Insolvency Act, Rules and best practice

Other work undertaken during the period includes complying with our statutory obligations and best practice guidance to include, preparation of the progress reports, bond reviews and filing relevant documentation at Companies House.

These items, listed above, are not necessarily financially beneficial to any class of creditor, but are requirements of the Statutory Regulations / The Insolvency Act and Rules.

### Realisation of assets

We have continued to monitor the outcome of the profit share arrangement. It is understood that planning permission has recently been granted on the plot of land held in the joint venture involving Macob Projects Limited (In Administration), although agreements in respect of the Section 106 and other related matters are still being resolved.

## **6. PROSPECTS FOR FULL IMPLEMENTATION OF THE ARRANGEMENT**

The successful implementation of the arrangement of this proposal remains dependent upon the level of return from the profit share arrangement involving MPL.

## **7. ESTIMATED OUTCOME FOR CREDITORS**

The total amount owed to creditors at the commencement of the Arrangement was £1,578,424.

It remains possible that a dividend in the region of 67 pence in the pound could be achieved but the timing remains very uncertain and it is now entirely dependent on the level of any realisation for the profit share arrangement involving MPL.

## **8. JOINT SUPERVISORS' REMUNERATION & DISBURSEMENTS**

Our remuneration has been fixed by reference to the time properly given by us (as Supervisors) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the Arrangement and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which are attached at Appendix 2 of this report.

Our time costs for the period from 13 February 2016 to 12 February 2017 amount to £2,702 which represents 10.3 hours at an average rate of £262.33 per hour. An analysis of time costs incurred in this period is attached at Appendix 2 showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type. It is intended that the Time Costs Analysis and the information contained in this report will provide sufficient information to enable creditors to consider the level of those fees in the context of the case.

The following further information in relation to our time costs and disbursements is set out at Appendix 2:

- ☐ Begbies Traynor (Central) LLP's charging policy
- ☐ Time Costs Analysis for the period 13 February 2016 to 12 February 2017
- ☐ Cumulative Time Costs Analysis for the period from 13 February 2014 to 12 February 2017

To date, the Supervisors have not drawn any remuneration or disbursements.

A copy of 'Voluntary Arrangements – A Creditors' Guide to Insolvency Practitioners' Fees (E&W) 2011' which provides guidance on creditors' rights can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides). Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

#### **Supervisors' disbursements**

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been incurred since appointment are as follows:

<b>Other amounts paid or payable to our firm</b>	
<b>Type and purpose</b>	<b>Amount £</b>
Mileage – to director's meeting	112.50
<b>TOTAL</b>	<b>112.50</b>

## **9. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE**

We shall continue to monitor the outcome of the profit share arrangement detailed in section 5 above.

**What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?**

#### **General case administration and planning**

Case administration and planning will continue for the duration of this assignment. This involves dealing with general correspondence and continuing file management. In addition, regular cashiering tasks and banking will continue to be undertaken for the duration of the case.

There is no financial benefit to creditors as this is part of general case administration.

#### Compliance with the Insolvency Act, Rules and best practice

We will continue to regularly conduct compliance and bond reviews to ensure that sufficient insurance is held and that statutory requirements are met. Progress reports will be prepared on an annual basis to provide an update to all creditors, together with a final report at the end of the arrangement. We shall ensure that the Company continues to meet the terms of the arrangement and deal with any breach or variation if applicable.

There is no financial benefit to creditors as this is all part of compliance with the Insolvency Act, Rules and best practice.

#### Realisation of assets

We will continue to monitor progress under the profit share arrangement and the timing of any realisations. We are also considering the options in respect of a potential assignment of our interest in this arrangement. Discussions and meetings in this regard will continue.

#### Dealing with all creditors' claims (including employees), correspondence and distributions

We shall continue to liaise with the creditors of the Company and deal with any queries as and when they arise. The return to creditors is wholly dependent upon the outcome of the profit share arrangements detailed above.

#### Other matters which includes meetings, tax, litigation, pensions and travel

It may be necessary to attend and hold meetings with the various parties in progress the outcome of the profit share arrangement. Time incurred may also include the travelling to site and/or the offices of the other JV parties. It may also be appropriate to obtain tax advice to establish if there is a tax liability due borne upon the settlement of the profit share arrangement.

#### **How much will this further work cost?**

The level of future work will be dependent on the complexity and duration of the negotiations associated with the profit share arrangement. Time costs will also be incurred agreeing claims and making distributions (assuming this is necessary). On the assumption that matters are relatively straightforward we expect our future time costs to range between £3,000 and 5,000.

#### **Expenses**

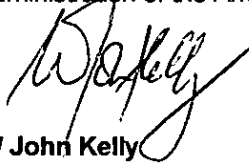
Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as follows:

- Legal Advice in respect of the profit share arrangement -£TBC (as dependent on level of work involved, if any);
- Agents advice in respect of the land value - £TBC (as dependent on the level of work required, if any);
- Tax advice in respect of any liability arising upon the settlement of the profit share arrangement - £TBC (as dependent upon the level of the outcome).



## 10. CONCLUSION

The Supervisors will report again in approximately one year's time or at the conclusion of their administration of the Arrangement, whichever is the sooner.

A handwritten signature in black ink, appearing to read 'W John Kelly', written over the printed name.

**W John Kelly**  
Joint Supervisor

Dated: 5 April 2017

# JOINT SUPERVISORS' ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 13 February 2016 to 12 February 2017

**Voluntary Arrangement of  
GYG Holdings Ltd  
Joint Supervisors' Summary of Receipts & Payments**

Statement of Affairs £		From 13/02/2016 To 12/02/2017 £	From 13/02/2014 To 12/02/2017 £
	<b>SECURED ASSETS</b>		
170,000.00	Freehold Land & Property	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	<b>SECURED CREDITORS</b>		
(160,000.00)	Barclays Bank Plc	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	<b>ASSET REALISATIONS</b>		
600,000.00	Profit Share Arrangement - One	NIL	NIL
500,000.00	Profit Share Arrangement - Two	NIL	NIL
NIL	Furniture & Equipment	NIL	NIL
NIL	Stock/WIP	NIL	NIL
NIL	Book Debts	NIL	NIL
Uncertain	Investment in GYG Exchange Limited	NIL	NIL
NIL	Deferred Tax	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(1,186.00)	Trade Creditors	NIL	NIL
(880,351.00)	Director's Loan Account - R J Roberts	NIL	NIL
Uncertain	JHB Guarantee	NIL	NIL
(188,992.00)	H M Revenue & Customs - VAT	NIL	NIL
(126,450.00)	H M Revenue & Customs - PAYE	NIL	NIL
(22,080.00)	H M Revenue & Customs - Class 1A	NIL	NIL
(607,470.00)	H M Revenue & Customs - Futures Sc	NIL	NIL
(1,230,388.00)	Intercompany Creditors	NIL	NIL
(4,000.00)	Sundry Creditors	NIL	NIL
(2,000.00)	Accruals and Deferred Income	NIL	NIL
(10,000.00)	KMC (Pembroke) Limited	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(100.00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(1,963,017.00)</u>		<u>NIL</u>	<u>NIL</u>
	<b>REPRESENTED BY</b>		
			<u>NIL</u>
			<u>NIL</u>

## **JOINT SUPERVISORS' TIME COSTS AND EXPENSES**

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 13 February 2016 to 12 February 2017 and
- c. Cumulative Time Costs Analysis for the period from 13 February 2014 to 12 February 2017

## **BEGBIES TRAYNOR CHARGING POLICY**

### **INTRODUCTION**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance<sup>2</sup> indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### **OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear in Appendix 3

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed in Appendix 3. This is only applicable to those cases where the office holder is remunerated on a time costs basis.

### **EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;

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<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

<sup>2</sup> Ibid 1

*Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.*

(B) made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile
- Printing and photocopying
- Stationery

## **BEGBIES TRAYNOR CHARGE-OUT RATES**

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Birmingham office as at the date of this report are as follows:

<b>Grade of staff</b>	<b>Charge-out rate (£ per hour) 1 May 2011 – until further notice</b>
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

Staff Grade	Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average Hourly Rate £
General Case Administration and Planning				1.8						1.8	477.00	265.00
Case planning												
Administration		1.3							0.1	1.4	459.50	328.21
Total for General Case Administration and Planning:		1.3		1.8					0.1	3.2	938.50	292.68
Compliance with the Insolvency Act, Rules and best practice												0.00
Appointment												0.00
Banking and Bonding												0.00
Case Closure												0.00
Statutory reporting and statement of affairs		1.4		1.9	3.8					7.1	1,785.50	248.66
Total for Compliance with the Insolvency Act, Rules and best practice:		1.4		1.9	3.8					7.1	1,785.50	248.66
Investigations												0.00
CDDA and Investigations												0.00
Total for Investigations:												0.00
Realisation of assets												0.00
Debt collection												0.00
Property, business and asset sales												0.00
Retention of Title/Third party assets												0.00
Total for Realisation of assets:												0.00
Trading												0.00
Trading												0.00
Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions												0.00
Secured												0.00
Others												0.00
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions:												0.00
Other matters which includes meetings, tax, litigation, penalties and travel												0.00
Meetings												0.00
Other												0.00
Tax												0.00
Litigation												0.00
Total for Other matters:												0.00
Total hours by staff grade:		2.7		3.7	3.8				0.1	10.3		
Total time cost by staff grade:		931.50		980.50	779.00				11.00		2,702.00	
Average hourly rate £:		345.00	0.00	245.00	205.00	0.00	0.00	0.00	110.00			262.33
Total fees drawn to date £:											0.00	

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