

The Insolvency Act 1986

Administrator's progress report

Name of Company Matrix Group Limited	Company number 03309770
In the High Court of Justice, Chancery Division, Companies Court	Court case number 8188 of 2012

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

We (a) Neil John Mather and Kirstie Jane Provan, both of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT

administrator(s) of the above company attach a progress report for the period

from

to

(b) Insert dates

(b) 06/11/2012

(b) 05/05/2013

Signed

Joint Administrator

Dated

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.

Begbies Traynor (Central) LLP	
32 Cornhill, London, EC3V 3BT,	
	Tel Number 020 7398 3800
Fax Number 020 7398 3799 (Fax)	DX Number

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



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04/06/2013

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COMPANIES HOUSE

TUESDAY



The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

Matrix Group Limited (In Administration)

Progress report pursuant to Rule 2.47 of the
Insolvency Rules 1986

Period: 6 November 2012 to 5 May 2013

Important Notice

This progress report has been produced to comply with our statutory duty to report to creditors on the progress of the administration. 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.

Contents

- ❑ Interpretation
- ❑ Company information
- ❑ Details of appointment of Joint Administrators
- ❑ Progress during the period
- ❑ Estimated outcome for creditors
- ❑ Pre-administration costs
- ❑ Remuneration and disbursements
- ❑ Expenses
- ❑ Assets that remain to be realised
- ❑ Other relevant information
- ❑ Creditors' rights
- ❑ Conclusion
- ❑ Appendices
 - 1 Account of receipts and payments
 - 2 Time costs and disbursements
 - 3 Statement of Joint Administrators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Matrx Group Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 6 November 2012
"the Joint Administrators" "we" "our" and "us"	Neil John Mather and Kirstie Jane Provan, both of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT
"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)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

2. COMPANY INFORMATION

Trading name(s)	Matrix Group Limited
Date of Incorporation	30 January 1997
Company registered number	03309770
Company registered office	32 Cornhill, London, EC3V 3BT

3. DETAILS OF APPOINTMENT OF JOINT ADMINISTRATORS

Date of Joint Administrators' appointment:	6 November 2012
Date of administrators' resignation	None
Court:	High Court of Justice, Chancery Division, Companies Court
Court Case Number	8188 of 2012
Person(s) making appointment / application	The directors of the Company
Acts of the Joint Administrators	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main' proceedings' within the meaning of Article 3 of the Regulation.

4. PROGRESS DURING THE PERIOD

Attached at **Appendix 1** is our abstract of receipts and payments for the period from 6 November 2012 to 5 May 2013. The Company is registered for VAT purposes and amounts, where relevant, are stated net of VAT.

The Joint Administrators' comments on the items appearing in the account are as follows:

RECEIPTS

Sale of Shares

An amount of £15,000 has been received from Bermuda Global Limited in respect of consideration for the sale of the shares that the Company held in Matrx Bermuda Limited ("MBL"). Details of this sale were supplied to creditors on 12 November 2012 and again in the Joint Administrators' Statement of Proposals ("the Proposals"). The sale agreement also provided for an element of deferred consideration based on the future performance of MBL. It is not yet certain whether this will result in further recoveries.

Rates Refund

An amount of £112,746 has been received from the City of Westminster Council ("the Council") in respect of a rebate for business rates paid in relation to the Company's trading premises.

PAYMENTS

Joint Administrators' Fees

An amount of £39,000 has been paid to the Joint Administrators on account of time costs incurred by them and their staff in dealing with all matters arising in the administration since the date of their appointment. Please see Section 8 of this report for further details.

Joint Administrators' Expenses

An amount of £885 has been paid to the Joint Administrators in respect of expenses incurred necessarily by them in progressing the administration to date. Please see Section 7 of this report for further details.

Joint Administrators' Pre-Appointment Fees

An amount of £13,650 has been paid to the Joint Administrators on account of time costs incurred by them and their staff in the period preceding the administration. Full details of this work were provided in the Proposals and were approved at the initial meeting of creditors on 14 January 2013. Please see Section 6 of this report for further details.

Agent's Fees

An amount of £19,731 has been paid to Drivers Jonas Deloitte ("DJD") in respect of their agency fees for securing the rebate from the Council, as mentioned above. The Joint Administrators instructed DJD to act on a contingency fees basis, based on 17.5% of recoveries into the estate. In the Joint Administrators' view and experience, this level of cost is appropriate in the circumstances.

Pre-Appointment Legal Fees and Disbursements

An amount of £20,045 has been paid to solicitors Addleshaw Goddard LLP ("AG") in respect of their fees incurred in the period preceding the commencement of the administration. They provided assistance and advice to the Joint Administrators, details of which were provided with the Proposals. Please see Section 6 of this report for further details.

Legal Fees and Disbursements

An amount of £1,844 has been paid to AG in respect of their fees incurred in assisting the Joint Administrators in various matters since the commencement of the administration.

Statutory Advertising

An amount of £1,446 has been paid to Courts Advertising Limited in respect of the costs of advertising the appointment of the Joint Administrators and the initial creditors meeting. These adverts were placed in the London Gazette and The Times.

Other relevant matters

Prime Rate Capital Management LLP ("PRCM")

The Company is party to a sale agreement that occurred before the commencement of the administration whereby PRCM was sold by PRCM Limited to a US company in April 2012. PRCM Limited is a 100% owned subsidiary of the Company. The consideration due to PRCM Limited (and potentially eventually the Company) is based on future profitability of the US purchaser and the Joint Administrators continue to monitor this situation.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the Proposals but are included again here for ease of reference.

Secured creditors

Barclays Bank PLC ("**the Bank**") held a position as a secured creditor in respect of a guarantee over an overdraft facility for MCC. However, the liability to the Bank in this regard was discharged in full ahead of the appointment of the Joint Administrators. There are no other secured creditors. The Joint Administrators will take steps to register a memorandum of satisfaction in respect of the debenture in due course.

Preferential creditors

There are no known preferential creditors. Mr Robert Randall was listed as an employee of the Company. However, Mr Randall has to date made no claim against the Company in this capacity.

Unsecured creditors

Unsecured creditors were estimated at £285,756.13 according to the directors' statement of affairs. This figure comprises £285,097.71 of trade creditors and £658.42 in respect of a PAYE liability. In addition to this sum, the Company guaranteed two leases in the name of Matrix-Securities Limited ("**MSL**") over 1 Vine Street, London, W1J 0AH ("**the Property**"). Both leases have now been surrendered, following negotiations with the landlord. Accordingly, a further claim from the landlord in respect of the Company's liability under the guarantee is expected in due course. It is expected that this claim will substantially exceed all other unsecured claims submitted.

The Joint Administrators are of the opinion that there will be sufficient realisations to enable a distribution to unsecured creditors but given the uncertainty that remains around future realisations, it is not possible at this point to estimate the quantum or timing of such a distribution.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a *prescribed part* of the Company's *net property* available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. *Net property* means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. The *prescribed part of the Company's net property* is calculated by reference to a sliding scale as follows:

- 50% of the first £10,000 of *net property*;
- 20% of *net property* thereafter;
- Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the *prescribed part of net property* if

- the *net property* is less than £10,000 and the administrator thinks that the cost of distributing the *prescribed part* would be disproportionate to the benefit; (Section 176A(3)) or
- the administrator applies to the court for an order on the grounds that the cost of distributing the *prescribed part* would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors

VAT bad debt relief

Creditors should note that they may be eligible for VAT bad debt relief in respect of their outstanding claims, six months after the relevant invoice date or payment date if later, provided the debt is written off in their books. Creditors should seek advice on this subject from their own professional advisers

6. PRE-ADMINISTRATION COSTS

On 14 January 2013 the following amounts in respect of pre-administration costs were approved at the initial meeting of creditors in accordance with Rule 2.67A of the Rules

Details of recipient	Description of services provided	Amount
Begbies Traynor (Central) LLP	Work carried out by the Joint Administrators and their staff in the period before the Company entered administration. Details were provided in the Joint Administrators' statement of proposals	£13,650 00
Addleshaw Goddard LLP	Work carried out by AG in the period before the company entered administration. Details were provided in the Joint Administrators' statement of proposals	£20,044 54

7. REMUNERATION & DISBURSEMENTS

The Joint Administrators' remuneration has been fixed by reference to the time properly given by them (as administrators) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration and they are authorised to draw disbursements, including disbursements for services provided by their firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with their firm's policy, details of which accompanied the Statement of Proposals for achieving the purpose of administration and which are attached at **Appendix 2** of this report.

- The Joint Administrators' time costs for the period from 6 November 2012 to 5 May 2013 amount to £45,334, which represents 181 50 hours at an average rate of £249 77 per hour

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

- Narrative summary of time costs incurred,
- Table of time spent and charge-out value for the period 6 November 2012 to 5 May 2013,
- Begbies Traynor (Central) LLP's policy for re-charging disbursements, and
- Begbies Traynor (Central) LLP's charge-out rates

To date, we have drawn the total sum of £39,000 plus disbursements of £885 plus VAT

Details of the Category 2 disbursements and also those disbursements that should be treated as Category 2 are provided in the narrative summary of time costs incurred which is at Appendix 2

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2011' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact this office and a copy will be sent to you

8. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at **Appendix 3**

9. ASSETS THAT REMAIN TO BE REALISED

As referred to in Section 4 of this report, there are certain future asset realisations that require the Joint Administrators' continued attention

- MBL There is an element of deferred consideration in accordance with the sale agreement. This depends entirely on the future financial performance of MBL and cannot be estimated with any degree of accuracy at present.
- PRCM As with MBL, any realisations from this deal are dependent on the financial performance of the US based company that purchased the interest in PRCM. The Joint Administrators are monitoring the performance of the US company.
- Inter-company balance due from MSL According to the Company's records, there is an amount owed to the Company from MSL in the sum of circa £644,000. The Joint Administrators of MSL are of the opinion that a distribution is likely to be made to unsecured creditors but the timing and quantum are not yet known.

10. OTHER RELEVANT INFORMATION

Report on Directors conduct

As detailed in the statement of proposals, the Joint Administrators have a duty to submit a report to the Department for Business, Innovation and Skills on the conduct of the directors. The Joint Administrators have complied with their duties in this respect.

Investigations completed

As explained in the Proposals, the Joint Administrators have undertaken an initial assessment of the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect. On the basis of the summary investigations to date, there do not appear to be any transactions which are capable of being challenged and which would result in a further recovery for the estate

Connected party transactions

The Joint Administrators have not been party to and are not aware of any connected party transactions

Proposed exit route from administration

The Joint Administrators confirm that there are no secured creditors in this matter. It is their current opinion that there will be sufficient realisations to allow a distribution to be made to the unsecured creditors of the Company.

Consequently, the Joint Administrators will shortly implement the provisions of Paragraph 83 of Schedule B1 to the Act whereby on the registration of a notice sent to the Registrar of Companies (Form 2 34B), their appointment as administrators shall cease to have effect and the Company will automatically be placed into creditors' voluntary liquidation.

11. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 2 48A of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been detailed in this progress report.

Right to make an application to court

Pursuant to Rule 2 109 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

12. CONCLUSION

Upon the successful registration of Form 2 34B, mentioned above, the Company will move into creditors' voluntary liquidation. A report will be sent to all creditors by the subsequently appointed liquidators.


Neil Mather
Joint Administrator

Dated: 

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 6 November 2012 to 5 May 2013

MATRIX GROUP LIMITED (IN ADMINISTRATION) JOINT ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS, INCORPORATING ESTIMATED OUTCOME FOR CREDITORS

Period 6 November 2012 to 5 May 2013

Estimated to
realise per
Statement of
Affairs
£

	Receipts & Payments from 6 November 2012 to 17 December 2012 £	Anticipated Receipts & Payments £	Projected Outcome £
ASSETS NOT SPECIFICALLY PLEDGED			
Bank Interest Gross	-	10	10
Rates Refund	112,747	-	112,747
Investments in Subsidiaries	15,000	Uncertain	Uncertain
Intercompany loan	-	uncertain	uncertain
	<u>127,747</u>	<u>-</u>	<u>112,757</u>
Payments			
Joint Administrators' Liquidators' fees	(39,000)	(20,000)	(59,000)
Joint Administrators' disbursements	(885)	(2,500)	(3,385)
Joint Administrators' pre-appointment fees	(13,650)	-	(13,650)
Legal fees and disbursements	(1,844)	(2,000)	(3,844)
Pre-Appointment legal fees and disbursements	(20,045)	-	(20,045)
Agents Fees - Deloitte	(19,731)	-	(19,731)
Stationary & Postage	-	(500)	(500)
Statutory advertising	(1,446)	(500)	(1,946)
Available for preferential creditors	<u>31,146</u>	<u>(25,500)</u>	<u>Uncertain</u>
Arrears of wages and holiday pay		-	-
Net property	<u>31,146</u>	<u>(25,500)</u>	<u>Uncertain</u>
Prescribed part of net property set aside for unsecured creditors	-	-	-
Available for unsecured creditors	<u>31,146</u>	<u>(25,500)</u>	<u>Uncertain</u>
	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>31,146</u></u>	<u><u>(25,500)</u></u>	<u><u>Uncertain</u></u>
Summary of balances held			
Uncharged	<u>31,146</u>		
	<u><u>31,146</u></u>		
Held as			
Current account Uncharged	11,833		
VAT Receivable	19,313		
VAT Payable	-		
	<u><u>31,146</u></u>		

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred, and
- d Table of time spent and charge-out value for the period from 6 November 2012 to 5 May 2013

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 guidance¹ 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. Best practice guidance² requires 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 below.

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 below.

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 usually 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 incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(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 £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

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

² Ibid 1

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,

- Displaying properties for sale on the 'Accelerated Property Sales from Begbies Traynor' section of the Begbies Traynor website is charged at the rate of £75 00 per property,
- *Expenses which should be treated as Category 2 disbursements (approval required)* – in addition to the 2 categories referred to above, best practice guidance indicates that where payments are 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

The following items of expenditure which relate to services provided by BTG Forensic Technology, part of BTG Global Risk Partners, within the Begbies Traynor Group are to be charged to the case (approval obtained by creditors at the initial meeting held on 14 January 2013)

- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be 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 London office as at the date of this report are as follows

Grade of staff	Standard 1 May 2011 – until further notice London
Partner	495
Director	395
Senior Manager	365
Manager	315
Assistant Manager	270
Senior Administrator	235
Administrator	185
Trainee Administrator	160
Support	160

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

As referred to above, the office holder has used and may continue to use the services of BTG Forensic during the course of the administration. BTG Forensic is a specialist department of the office holder's firm which provides forensic accounting services. The current charge out rates applying to work carried out by BTG Forensic are as follows:

Grade of staff	Charge-out Rate (£ per hour)
Partner	500
Director	400
Senior Manager	295
Manager	260
Junior	200

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME Matrix Group Limited
CASE TYPE Administration
OFFICE HOLDERS Neil John Mather and Kirstie Jane Provan
DATE OF APPOINTMENT. 6 November 2012

1 CASE OVERVIEW

- 1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

1.2 **Complexity of the case**

The Group has an extremely complicated structure with 50+ entities providing complex and highly technical financial products and services to a broad range of markets and industries. Ensuring that the best possible recovery can be made for creditors is the main focus of the Joint Administrators work.

The office holders' effectiveness

The Joint Administrators' initial strategy was to achieve a sale of certain assets of the Company for the best possible price and this was achieved through the sale of the shares held in Matrix Bermuda Limited. Details of this sale were provided to creditors on 12 November 2012 and again in the Joint Administrators Statement of Proposals.

1.3 **Nature and value of property dealt with by the office holders**

Please refer to the main body of the report for information concerning the assets of the Company and their value.

1.4 **Anticipated return to creditors**

At this juncture, the Joint Administrators anticipate that there will be sufficient funds available to allow a distribution. However, the quantum and timing are not yet certain.

1.5 **Time costs analysis**

An analysis of time costs incurred between 6 November 2012 and 5 May 2013-prepared in accordance with Statement of Insolvency Practice 9 is attached 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.

The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only.

1.6 **The views of the creditors**

The Joint Administrators will continue to seek to achieve the optimal outcome for all creditors. Creditors are welcome to call the Administrators' staff if they wish to discuss matters arising in the administration.

1.7 **Approval of fees**

The Joint Administrators' remuneration has been fixed by reference to the time properly given by them (as administrators) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the

administration This was approved by resolution at the initial meeting of creditors held on 14 January 2013

1 8 Approval of Expenses and Disbursements

The Joint Administrators 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 accompanied the Statement of Proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report. This was approved by resolution at the initial meeting of creditors held on 14 January 2013

1 9 Other professionals employed & their costs

Solicitors Addleshaw Goddard LLP ("AG") have been engaged to assist the Joint Administrators in this matter, and to date have assisted with the sale of the business and assets and advised the Joint Administrators with regard to all other legal matters. Their outstanding costs to date are £6,459 plus VAT plus disbursements of £150.08 plus VAT. The work carried out by AG during the period of the administration includes

- advising the administrators in relation to certain unsecured claims of professional advisers for unpaid fees, and
- reviewing the PRCM information, corresponding with other professionals and advising generally in connection with the recovery of the deferred consideration

1 10 Staffing and management

Appropriately experienced staff will undertake the various tasks arising in the administration. It is the policy of Begbies Traynor that all grades of staff charge time which solely relates to the case. The analysis below seeks to give some indication of the various tasks undertaken by the Joint Administrators and their staff but is not intended to be, nor should be viewed as, an exhaustive list.

2. SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

Since the date of our last report, the following work has been carried out

- Convening and holding the initial meeting of creditors and all associated statutory matters,
- All administration banking requirements,
- Liaising with DJD regarding recovery of business rates rebate,
- All third party enquiries and requests regarding equipment,
- Consideration of insurance requirements over the assets,
- Dealing with a large volume of investor queries,
- General creditors' enquiries,
- Investigations into all potential assets available for recovery for the benefit of the creditors,
- Conducting investigations and reporting on the conduct of the Company in the pre-administration period,
- Investigated VAT and other tax matters,
- Reviewed the Company's books and records (the group 2,500 boxes of books and records in an off-site storage facility),
- Dealing with all statutory matters, including preparing this report,
- Liaised with agents with regard to the disposal of the business and some of its assets, and
- Compiled detailed proposals and an estimated outcome statement to creditors in accordance with Schedule B1 - Para 49 (1) of the Insolvency Act

[illegible]

STATEMENT OF JOINT ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Agent's fees	Divers Jonas Deloitte LLP	19,730	19,730	-
Legal fees and disbursements (pre and post appointment)	Addleshaw Goddard LLP	28,498	21,888	6,609
Statutory advertising	Courts Advertising Limited	1,446	1,446	-
Storage if not a Category 2 disbursement	Archive Solutions Limited	204	204	-
Bonding	Insolvency Risk Services	205	205	-
Postage	Royal Mail	61	61	-
Travel in London	London Taxi	227	227	-