

The Insolvency Act 1986

**Administrator's progress report**

Name of Company <b>BGC Limited</b>	Company number <b>04476739</b>
In the <b>High Court of Justice, Manchester District Registry</b> <small>[full name of court]</small>	Court case number <b>1263 of 2012</b>

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

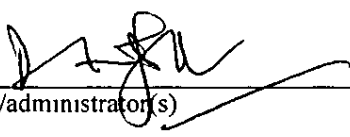
I/We (a) Tracey Lee Pye and Dermot Justin Power of BDO LLP 3 Hardman Street, Manchester, M3 3AT

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

(b) Insert date

from (b) 7 August 2012	to (b) 28 January 2013
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Signed

  
Joint/administrator(s)

Dated

28/1/2013

WEDNESDAY



A21

\*A224C8U3\*

13/02/2013

#304

COMPANIES HOUSE

28 January 2013

Our Ref DJP/JG/NAC/3112/A6

Please ask for Neil Clarke  
Direct Line 0161 817 7536**TO ALL KNOWN CREDITORS AND MEMBERS**

Dear Sirs

**BGC Limited - In Administration ('the Company')**

I now supply my final report in respect of this Administration.

I enclose, for your information, a summary of my receipts and payments to date showing a balance in hand of £36,043 58, together with a copy of my abstract receipts and payments account covering the final period, and report as follows:

**1 Receipts**

- 1 1 The receipts shown are largely self-explanatory, although I would comment specifically on the following

*Sale of the business*

A sale of the business and assets of the Company was completed shortly after the Joint Administrators' appointment to BGC Group (UK) Limited ("the Purchaser").

**Consideration**

	£
Goodwill	40,000
Unencumbered Plant & Equipment	7,000
Unencumbered Motor Vehicles	20,000
Residual Stock	3,000
	<hr/>
	70,000

The total consideration payable under the terms of the asset purchase agreement was £70k, of which £30k was payable upon completion, with the balance to be paid in eight instalments.

To date, a total of £69,174 96 has been received, with £825.04 remaining outstanding



## 1.2 Contribution to Application Costs

A total of £6,000 was received from the Company on 7 February 2012, on account of the legal costs associated with the preparation of the sale and purchase agreement and preparing the necessary documentation for the Court hearing

## 2 Realisation of Assets

### 2.1 Deferred Consideration

As mentioned above, a sale of the business and its assets was completed to the Purchaser shortly following the Joint Administrators' appointment

The Purchaser paid £30k on completion of the sale and the additional £40k was to be paid on deferred payment terms

A total of £69,174.96 has been received from the purchaser to date

We have established that the Purchaser was placed into liquidation on 24 December 2012, therefore, no further instalments are anticipated from the Purchaser.

It should be noted that Mr Sims, the Company's Director, has provided a personal guarantee to support the deferred consideration and this will be called upon in order to obtain the balance

### 2.2 Performance Bond

HSBC Bank plc ("the Bank") has the benefit of a £50,000 cash deposit supporting obligations of a £100,000 performance bond in relation to a contract partially completed by the Company.

Under the sale and purchase agreement, the Purchaser provided an undertaking to complete the contract, which may reduce the liability under the bond. The Purchaser provided the customer with a new performance bond in respect of this contract, but the customer is yet to release the Bank's performance bond.

I am pursuing the release of the performance bond by the customer, and will liaise with the liquidators of the purchaser to ensure that the bond is released

Once the Bank's performance bond is released, and subject to no claims being made against it prior to its release, the Company should be entitled to the £50,000 that the Bank is currently holding in support of its obligations under the performance bond.

However, given the Purchaser's insolvency, there can be no certainty that funds will be received

In addition HSBC Invoice Finance (UK) Limited ("HIF") have retained the current surplus of circa £42k, from their book debt collection, against this contingent liability for the benefit of the Bank. I will continue to pursue the release of this performance bond in order to release the Bank of this contingent liability and realise funds for the benefit of the Administration

**2.3 Lease**

The Company held a lease to occupy parts of the property at 5 Furlong Parade, Burslem.

The lease has now been surrendered and a new lease was granted to the Purchaser. The surrender has the effect of ensuring that the landlord of the property has no claim against the Company for either arrears of rent or any sums due as a result of a breach of the terms of the lease.

**3 Future of the Company**

The Joint Administrators' proposals stated that if realisations were sufficient to allow a distribution to non-preferential creditors, they should exit the Administration by way of a Creditor's Voluntary Liquidation. It was also proposed that the Joint Administrators be appointed Joint Liquidators.

At this stage it would appear that funds will be available to unsecured creditors. We would however comment that the quantum and timing of any dividend is dependent upon the realisation of the performance bond.

In accordance with the proposals the Company will now exit from Administration to Creditors Voluntary Liquidation. Form 2.34B, being the Notice of move from Administration to Creditors' Voluntary Liquidation, shall be registered by the Registrar of Companies shortly. Once registered the Company will be then deemed to have been placed into Creditors' Voluntary Liquidation. There is no requirement for a further meeting of creditors to be held.

The balance of funds in hand and any accrued interest will be transferred to the Joint Liquidators for distribution in accordance with the Insolvency Act 1986.

**4 Prospects for Creditors****4.1 Secured creditors****4.1.1 HSBC Invoice Finance (UK) Limited ("HIF")**

HIF have a floating charge in respect of all assets, dated 25 January 2011.

In addition HIF provide an invoice discounting facility and also hold a fixed charge on purchased debts which fail to vest. As a result of book debt collections, HIF have been fully repaid in relation to their lending.

**4.1.2 HSBC Bank plc ("the Bank")**

The Bank holds a debenture dated 10 March 2011 and has the benefit of a £50k cash backed performance bond, supporting obligations in respect of one of the Company's contracts.

As detailed above, the Joint Administrators are pursuing the return of this performance bond.

#### 4.2 Preferential creditors

All the Company's employees were transferred to the Purchaser under TUPE regulations, therefore I do not anticipate any preferential claims in this matter.

#### 4.3 Unsecured creditors

Unsecured creditor claims received to date amount to £1.68m and any dividend to unsecured creditors will be dependent upon the release of the performance bond.

#### 4.4 Prescribed Part

Under Section 176A of the Insolvency Act 1986 where after 15 September 2003 a company has granted to a creditor a floating charge a proportion of the net property of the company must be made available purely for the unsecured creditors

The Company did grant a floating charge after 15 September 2003, based upon current realisations, there are currently no funds available under the floating charge after costs. Therefore, as stated in Section 176A(3) of the Insolvency Act 1986, the prescribed part provisions do not currently apply in this Administration.

In the event the performance bond is released, no amounts will be owed to HSBC Bank Plc. As such all funds will be available to unsecured creditors and the prescribed part will not apply.

### 5 Statutory Information.

5.1 The Joint Administrators are Tracey Lee Pye and Dermot Justin Power of BDO LLP, 3 Hardman Street, Manchester, M3 3AT and they were appointed in respect of the above company on 7 February 2012. Under the provisions of paragraph 100(2) of schedule B1 of the Insolvency Act 1986 the Administrators carry out their functions jointly and severally and neither Administrator has exclusive power to exercise any function.

5.2 The Administrators were appointed by Mr Mark Sims being a director of the Company, pursuant to Paragraph 12 of schedule B1 of the Insolvency Act 1986. The Administration proceedings are dealt with in the High Court of Justice, Chancery Division and the court case number is 1263 of 2012.

5.3 The Company's registered office is situated at BDO LLP, 3 Hardman Street, Spinningfields, Manchester M3 3AT and the registered number is 04476739.

### 6 Administrators' Remuneration

#### 6.1 Pre-Appointment Fees

I received the sanction of the secured creditors (HIF and the Bank) to draw the costs incurred in the period preceding my appointment. In this regard a total of £17,550.33 has been drawn from funds currently held. The balance of my pre-appointment time costs will be written off.

## 6.2 Joint Administrators' Fees & Expenses

I attach a schedule which summarises the time costs accrued to date and indicates the work undertaken in that respect. To date time costs totalling £98,981.10 have been incurred by my office, in dealing with the statutory matters associated with the administration of the Company, including £36,930.50 relating to pre-appointment matters.

In this regard, I now request the sanction of creditors to draw pre-appointment fees and disbursements of £17,550.33, previously approved by the secured creditor, and (the balance of £19,380 will be written off) together with post appointment time costs of £62,050.60. These fees shall be drawn when funds are available.

Pursuant to paragraph 58 of schedule B1 of the Insolvency Act 1986, I attach form 2.25B being notice of business by correspondence. Creditors may indicate their wishes in respect of the resolution by completing and returning the form to this office no later than 12.00pm on 21 February 2013. Votes must be accompanied by a proof of debt. Votes received after the time set out above will not be counted.

For your guidance I attach a Creditors' Guide to Administrators' Fees together with a document that outlines the policy of BDO LLP in respect of fees and disbursements.

### Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. Since my last report, there have been no category 1 disbursements.

Category 2 disbursements require approval of creditors before they can be drawn. BDO LLP does not charge any category 2 disbursements.

Yours faithfully  
for and on behalf of  
BGC Limited



Tracey Pye  
Joint Administrator  
Authorised by the Institute of Chartered Accountants in England & Wales

Enc

**BGC Limited**  
**(In Administration)**

**Summary of Receipts & Payments**

RECEIPTS	Statement of Affairs (£)	From 07/02/2012 To 06/08/2012 (£)	From 07/08/2012 To 28/01/2013 (£)	Total (£)
Goodwill	40,000 00	0.00	39,174.96	39,174 96
Plant & Machinery	7,000 00	7,000.00	0 00	7,000 00
Motor Vehicles	20,000 00	20,000 00	0 00	20,000 00
Stock	3,000 00	3,000 00	0 00	3,000 00
Contribution to Application Costs		6,000.00	0 00	6,000 00
Interest Gross		5 99	7 36	13 35
		<b>36,005.99</b>	<b>39,182.32</b>	<b>75,188.31</b>
<b>PAYMENTS</b>				
Administrators' Pre-App't Fees		0 00	17,500 00	17,500.00
Administrators' Pre-App't Disbs		0 00	50 33	50 33
Petitioning Creditor Costs		2,745.80	0 00	2,745 80
Agents' Fees & Disbs		1,250 00	0 00	1,250 00
Legal Fees & Disbs		2,505 00	0 00	2,505 00
Legal Fees & Disbs - Pre-app't		6,000 00	7,673.00	13,673 00
Stationery & Postage		821 37	430.95	1,252 32
Statutory Advertising		168 28	0 00	168.28
		<b>13,490.45</b>	<b>25,654.28</b>	<b>39,144.73</b>
<b>Net Receipts/(Payments)</b>		<b>22,515 54</b>	<b>13,528.04</b>	<b>36,043.58</b>
<b>MADE UP AS FOLLOWS</b>				
Current Account		<b>23,310 50</b>	<b>12,733.08</b>	<b>36,043.58</b>
		<b>23,310.50</b>	<b>12,733.08</b>	<b>36,043.58</b>

**Note:**

HSBC Invoice Finance (UK) Limited (HIF) have provided an invoice discounting facility to the Company and subsequently factored the debts. The ledger at appointment, after taking account of credit notes and adjustments, totalled £564k. To date £474k has been collected, of which £432k has been retained by HIF to satisfy their debt. The surplus of £42k has been held by HIF for the benefit of HSBC Bank plc (the Bank) (who have a legal assignment in relation to the debts), in respect of their contingent liability in this Administration.

The Company has granted debentures in favour of HIF and the Bank.



Tracey Lee Pye  
Joint Administrator

Name of Assignment      Project Oak      00176581

Summary of Time Charged and Rates Applicable for the Period From 07/01/2012 to 18/01/2013

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AV RT £
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
A Pre Appointment Matters	21 50	7,976 50	76 50	24,019 50					35 50	4,934 50			133 50	36,930 50	276 63
B Steps on Appointment	13 00	4,823 00	12 25	3,763 75					15 00	2,085 00			15 00	2,085 00	139 00
C Planning and Strategy													25 25	8,586 75	340 07
D General Administration			11 75	3,268 25	14 55	2,691 75			123 35	17,689 10	15 75	976 50	165 40	24,625 60	148 89
E Assets Realisation/Dealing	9 00	3,339 00	32 25	7,629 75					8 50	1,212 50			49 75	12,181 25	244 85
G Employee Matters									2 50	364 50			2 50	364 50	145 80
I Reporting	4 00	1,484 00	20 50	5,555 50					50 50	7,050 50			75 00	14,090 00	187 87
KC Work									1 25	117 50			1 25	117 50	94 00
	47 50	17,622 50	153 25	44,236 75	14 55	2,691 75	0 00	0 00	236 60	33,453 60	15 75	976 50			

Net Total	467 65	98,981 10
Secretarial Expense		0 00
Other Disbursements		1,466 69
Billed		-17,550.33
Grand Total		82,897 46



**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 determine 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**

- 2.1** 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 normally 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 decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide 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 it 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 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 judgement 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

**5.1.2** Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge out rates of all grades of staff, including principals, which are likely to be involved on the case.

**5.1.3** Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, and professional guidance has been provided setting out a minimum of 6 category headings under which the work done by the officeholder and his staff should be analysed. As a firm BDO LLP operates a computerised time recording system which analyses work done under the following categories:-

- Pre Appointment Matters
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure

- Other Issues

Professional guidance suggests the following categories as a basis for analysis by grade of staff

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain

- Any significant aspects of the case, particularly those that affect the amount of time spent
- The reasons for subsequent changes in strategy.
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement
- Any existing agreement about fees
- Details of how other professionals, including sub-contractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases

- 5.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff

## **5.2 After fee approval**

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

**5.3 Expenses and disbursements**

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

**6 What if a creditor is dissatisfied?**

- 6.1** If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration.

**7 What if the administrator is dissatisfied?**

- 7.1** If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

**8 Other matters relating to fees**

- 8.1** Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising 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 on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

**9 Provision of information - additional requirements**

In any case where the administrator is appointed on or after 1 April 2005 he must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company. The information which must be provided is -

- the total number of hours spent on the case by the administrator or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,
- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office.

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office.



## BGC Limited - In Administration

In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency, follows This in no way implies that staff at all such grades will work on the case

GRADE	£
Partner1	460
Partner2	371
Director	319
Senior Manager	271-295
Manager	202-232
Assistant Manager	185
Senior Executive	170
Executive	139-156
Support staff/Secretary	62

The rates charged by BDO LLP, 3 Hardman Street, Manchester, M3 3AT are reviewed in December and July each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time Units of time can be as small as 3 minutes BDO LLP records work in respect of insolvency work under the following categories -

- Pre Appointment
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

### 1) Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.



## 2) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), searches at Companies House, land registry searches, fees in respect of swearing legal documents, external printing costs etc. In each case the recharge will be reimbursement of a specific expense incurred.

A further disbursement under this heading is the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 40p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff.

Where applicable, disbursements will be subject to VAT at the prevailing rate.

## 3) Category 2

Additionally some firms recharge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of a each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors, before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP, effective from 1 July 2003, is not to recharge any expense which is not a specific cost to the case, therefore there will be no category 2 disbursements charged. Category 2 disbursements, because they are imprecise, require approval by the creditors before they can be drawn.

BDO LLP  
14 January 2013

## Notice of conduct of business by correspondence

Name of Company <b>BGC Limited</b>	Company number <b>04476739</b>
In the <b>High Court of Justice, Manchester District Registry</b> [full name of court]	Court case number <b>1263 of 2012</b>

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

Notice is hereby given by (a) Tracey Lee Pye and Dermot Justin Power

(b) Insert full name and address of registered office of the company

to the creditors of (b) BGC Limited, 6<sup>th</sup> Floor, 3 Hardman Street, Manchester, M3 3AT

(c) Insert number of resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c) 1 resolutions for your consideration. Please indicate below whether you are in favour or against each resolution.

(d) Insert address to which form is to be delivered

This form must be received at (d) BDO LLP, 6<sup>th</sup> Floor, 3 Hardman Street, Manchester, M3 3AT

(e) Insert closing date

by 12 00 hours on (e) 21 February 2013 in order to be counted. It must be accompanied by details in writing of your claim unless those details have already been submitted for the purpose of a meeting of creditors. Failure to do so will lead to your vote(s) being disregarded.

Repeat as necessary for the number of resolutions attached

Resolution (1) The Joint Administrators be authorised to draw fees when funds allow, of £79,600.93 against time costs incurred in relation to dealing with statutory matters associated with the Administration.

I am \*in Favour / Against

### TO BE COMPLETED BY THE CREDITOR WHEN RETURNING FORM


Name of  
Creditor \_\_\_\_\_

Signature of  
Creditor \_\_\_\_\_

(If signing on behalf of creditor, state capacity e.g. director/solicitor etc)

If you require any further details or clarification prior to returning your votes, please contact me / us at the address above.

Signed

  
Joint/administrator(s)

Dated

28/1/2013