

The Insolvency Act 1986

Administrators' progress report

Name of Company
The Provocative Group Limited

Company number
05221778

In the
High Court of Justice
Chancery Division
Leeds District Registry

Court case number
1289 of 2008

We Rob Sadler of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ and R A H Maxwell of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ

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


from

to

12 September 2011

11 March 2012

Signed


ROB SADLER
Joint Administrator

Dated

5.4.12

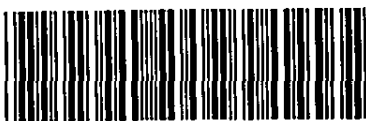
Contact Details

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.

Begbies Traynor (Central) LLP	
9th Floor, Bond Court, Leeds, LS1 2JZ	
	Tel Number 0113 244 0044
Fax Number 0113 244 5820	DX Number

When you have completed and signed this form please send it to the Registrar of Companies at
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COMPANIES HOUSE

Michael E G Saville and Rob Sadler were appointed Joint Administrators on 12 September 2008

Michael E G Saville was removed from office by an order of the court granted on 8 March 2010 Bob Maxwell has replaced him as Joint Administrator

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

The Provocative Group Limited - In Administration

Progress report of the joint administrators pursuant
to Rule 2.47 of The Insolvency Rules 1986

Period: 12 September 2011 to 11 March 2012

Important Notice

This progress report has been produced by the administrators solely to comply with their 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

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	The Provocative Group Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 12 September 2008
"the administrators"	Rob Sadler of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ and R A H Maxwell of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ
"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"	<ul style="list-style-type: none">(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. STATUTORY INFORMATION

Name of Company	The Provocative Group Limited
Trading name	Wildcats
Date of Incorporation	3 September 2004
Company registered number	05221778
Company registered office	9th Floor, Bond Court, Leeds, LS1 2JZ

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators	Rob Sadler, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ and R A H Maxwell, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ
Date of administrators' appointment	12 September 2008
Date of administrators' resignation	R A H Maxwell replaced Michael E G Saville as Administrator on 8 March 2010 by court order
Court	High Court of Justice, Leeds
Court Case Number	1289 of 2008
Person making application	Matthew Haycox, director
Acts of the 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 12 September 2011 to 11 March 2012

Sale of the Company's freehold property, Huddersfield

A sale of the Huddersfield property was secured at auction for the sum of £203,716. The sale proceeds have been used to defray the following expenses incurred in relation to the sale of this property, legal fees and disbursements of £7,753 have been paid to my solicitors, Eversheds LLP, £5,984 has been paid to my agents, Eddisons LLP, in respect of their fees and disbursements incurred, £850 in auction fees, £305 advertising fees and £960 relating to security costs. A first and final distribution of £163,309 has been paid to the Company's secured creditor, Yorkshire Bank Plc. We have also paid £7,700 in respect of the insurance premium due on this property.

Sale of the Company's freehold property, Barnsley

The Barnsley property was sold for the sum of £300,000. Of this amount £4,933 has been paid to Eversheds LLP in respect of legal fees and disbursements incurred in respect of this sale, £8,960 has been paid to Eddisons LLP in respect of their costs and disbursements incurred and an interim distribution of £263,194 has been made to the Company's secured creditor, Barclays Bank Plc, who held a fixed charge over this property.

Sale of the Company's leasehold property, Grimsby

The Company owned a long leasehold on the Grimsby property, which has been sold for the sum of £80,000. Of this amount £21,120 has been used to settle the ground rent arrears that had accrued on the property. We have paid £3,743 to Eversheds LLP and £10,033 has been paid to Eddisons LLP in respect of their respective time costs and disbursements incurred in dealing with the sale of this property. An interim distribution of £36,398 has been made from the funds received to the Company's secured creditor, Barclays Bank Plc, who held a fixed charge over this property.

Rent and Management fees

In the period being reported on, the sum of £5,750 has been received in rent in respect of the Company's only remaining property, Wakefield.

Legal fees

In addition to the legal fees discussed above, the sum of £15,000 has been paid to my solicitors, Eversheds LLP, in respect of their time costs incurred advising the Joint Administrators on various legal matters.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the Administrators' statement of proposals.

On the basis of realisations to date and estimated future realisations we do not estimate to be in a position to pay a distribution to any class of the Company's creditors other than the secured creditors.

6. THE ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

As previously reported the Joint Administrators' remuneration is fixed by reference to the time properly given by the Joint Administrators (as administrators) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for 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 of the Joint Administrators for Achieving the Purpose of the Administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986*

The relevant resolutions were approved by a resolution of the secured creditor pursuant to Rule 2.106 of the Insolvency Rules 1986

Total remuneration drawn to 11 March 2012, in accordance with the approved resolutions, amounts to £25,000
Total time spent to 11 March 2012 on this assignment amounts to 827 hours at an average composite rate of £152 per hour resulting in total time costs of £125,947

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been drawn during the period of this report in accordance with the approval obtained in the total sum of £624 are provided in the narrative summary of time costs incurred which is at Appendix 2

The following further information as regards time costs and expenses is set out at Appendix 2

- ☐ Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value

7. ASSETS THAT REMAIN TO BE REALISED

Wakefield

The premises are currently occupied by two tenants, one occupying under the terms of a twelve month lease which commenced on 26 July 2011, the second tenant has been in occupation under the terms of a lease entered into prior to the administration of the Company

As the above property has not yet been sold and is being marketed in the public domain, we have chosen not to include our expectations of the realisation value as we believe to do so may be prejudicial to the outcome. We do not anticipate that realisations will discharge the Company's indebtedness to Barclays Bank plc and other fixed charge creditors in full. We do not, therefore, anticipate that there will be a distribution to any other class of creditor

8. OTHER RELEVANT INFORMATION

You may be aware that an Administrator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, an Administrator is also required to consider the conduct of the company's directors and to make an appropriate submission to the Department for Business, Innovation and Skills. We can confirm that we have discharged our duties in these respects

9. CONCLUSION

Paragraph 76 of Schedule B1 to the Insolvency Act 1986 provides that the appointment of an Administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, the Administrator's term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding six months. An application was made to the High Court of Justice, Leeds District Registry to extend the term of office for a period of twelve months. An order was granted on 4 September 2009 and the Administration period was extended to 11 September 2010. A further application to extend the period of administration was made in the same Court and in accordance with an order made on 26 August 2010 the period of administration is extended to 11 September 2012.

I will report to you again within six months or at the outcome of the administration whichever is the sooner.

A handwritten signature in black ink, appearing to read 'Rob Sadler', followed by a long horizontal line extending to the right.

ROB SADLER
Joint Administrator

Dated 5 April 2012

ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS

PERIOD: 12 SEPTEMBER 2011 TO 11 MARCH 2012

	Receipts & Payments from 12 September 2011 to 11 March 2012 £	Receipts & Payments from 12 September 2008 to 11 September 2011 £	Total £
RECEIPTS			
Freehold land & property - Huddersfield	203,716	-	203,716
Freehold land & property - Barnsley	300,000	-	300,000
Leasehold land & property - Grimsby	80,000	-	80,000
Management fees	1,500	77,500	79,000
Grimsby rent	-	10,394	10,394
Wakefield rent	4,250	19,355	23,605
Sundry refund	591	9,145	9,736
Bank interest	67	54	121
	<u>590,124</u>	<u>116,448</u>	<u>706,572</u>
PAYMENTS			
Bordereau	-	148	148
Statutory advertising	-	701	701
Electricity	-	2,855	2,855
Ground rent arrears	21,120	-	21,120
Insurance of property & assets	-	19,321	19,321
Administrators' fees	25,000	-	25,000
Administrators' disbursements	624	-	624
Agents' fees & disbursements	14,673	1,605	16,278
Legal fees & disbursements	31,489	36,409	67,898
Other property expenses	-	585	585
Auction fees	850	-	850
Security	-	2,869	2,869
Fixed charge creditor distribution	462,901	-	462,901
Settlement - Finance creditor	-	2,500	2,500
Bank charges	50	5	55
Corporation Tax	-	103	103
	<u>556,707</u>	<u>67,101</u>	<u>623,809</u>
BALANCE			<u>82,764</u>
REPRESENTED BY -			
Balance at bank			82,064
VAT Recievable			699
			<u>82,763</u>

* Receipts and payments are shown net of VAT

ADMINISTRATORS' TIME COSTS AND EXPENSES

- 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

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 £100 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.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

² *Ibid* 1

- (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 Leeds office as at the date of this report are as follows

	Standard 1 May 2011 – until further notice Regional
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

	Standard 1 July 2008 – 31 April 2011 Regional
Grade of staff	
Partner	350
Director	325
Senior Manager	295
Manager	250
Assistant Manager	195
Senior Administrator	160
Administrator	130
Junior Administrator	100
Support	100

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME The Provocative Group Limited

CASE TYPE ADMINISTRATION

OFFICE HOLDERS Rob Sadler & Robert A H Maxwell

DATE OF ADMINISTRATION 12 September 2008

1 CASE OVERVIEW

- 1 1 This overview is intended to allow the body responsible for the approval of the office-holders' fees to view the quantum of those fees in the context of the case in question
- 1 2 *Complexity of the case*
The main complexion of the case has been dealing with the management agreements for the properties at Wakefield, Barnsley and Huddersfield. The Administrators have secured, marketed and sold all unoccupied properties. We have also liaised with all finance creditors in respect of the return of their equipment located across six premises
- 1 3 *Exceptional responsibilities*
We had to deal with a large number of finance creditors regarding the recovery of their equipment and in some instances it was found that equipment had been financed more than once. We attended Barnsley, Wakefield and Huddersfield premises on several occasions for equipment to be identified and defended legal action that has arisen as a result of missing equipment
- The termination of the management agreements involved external agents and security to ensure the premises were fully secure
- We have also been dealing with the tenants occupying the premises, collecting rent and other related issues
- 1 4 *The office-holders' effectiveness*
It has been difficult to secure sales of the properties due to the current economic climate. The Huddersfield, Barnsley and Grimsby properties have now been sold
- 1 5 *Nature and value of property in question*
The Company's principle assets were four freehold properties in Grimsby, Wakefield, Huddersfield and Barnsley
- 1 6 *Anticipated return to creditors*
We do not anticipate that the secured creditors will be repaid in full. There is no prospect of a dividend to any other class of creditor
- 1 7 *Time costs analysis*
An analysis of time costs incurred 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 rate charged for each work type
- 1 8 *Approval of fees*
The Joint Administrators have approval from the secured creditor that they may draw their remuneration on a time cost basis and that they may draw their remuneration as and when funds permit

1 9 Other professionals employed & their costs

Eddisons Commercial Limited was instructed in this matter to act as agents in the valuation, sale and marketing of the Grimsby, Wakefield, Huddersfield and Barnsley properties. Eversheds LLP solicitors have been instructed to provide legal advice in matters relating to our appointment, the administration, management agreements, leases and the extension of the administration. Their basis of remuneration is on the basis of time properly spent advising us in this matter.

2 EXPLANATION OF OFFICE-HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2 1 Begbies Traynor's policy for re-charging expenses incurred by insolvency office-holders is set out in a separate accompanying note.

2 2 The rates charged by the various grades of staff who may work on a case are also set out in a separate accompanying note.

3 SUMMARY OF WORK CARRIED OUT

3 1 The following is a summary of the work carried out since the date of the last report:

- Correspondence with creditors,
- Liaising with agents regarding disposal of properties Wakefield, Barnsley, Huddersfield and Grimsby,
- Dealing with tenants' correspondence and the various issues raised,
- Corresponding with the Company's creditors, and
- Preparation and circulation of progress reports.

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