

The Insolvency Act 1986

**Administrator's progress report**

Name of Company  
The Great British Mobility Group Limited

Company number  
05254780

In the  
Chancery Division, Birmingham District  
Registry

[full name of court]

Court case number  
8027 of 2012

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

I / We (a) Kenneth Wilson Pattullo of Begbies Traynor (Central) LLP, Finlay House, 10-14 West Nile Street  
Glasgow, G12PP and Simon Robert Haskew of Begbies Traynor (Central) LLP, Harbourside House, 4-5 The  
Grove, Bristol BS1 4QZ

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

(b) Insert dates

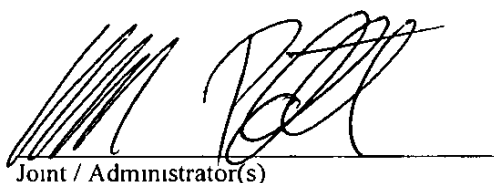
from

to

(b) 19 January 2012

(b) 18 July 2012

Signed

  
Joint / Administrator(s)

Dated

8 AUGUST 2012

**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

Harbourside House, 4-5 The Grove, Bristol, BS1 4QZ

Tel Number 0117 937 7130

Fax Number 0117 937 7131

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

FRIDAY



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24/08/2012

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COMPANIES HOUSE

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

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## **The Great British Mobility Group Limited (In Administration)**

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### **Progress report pursuant to Rule 2.47 of the Insolvency Rules 1986**

**Period: 19 January 2012 to 18 July 2012**

#### **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.

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## 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	The Great British Mobility Group Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 19 January 2012
"the administrators" "we" "our" and "us"	Kenneth Wilson Pattullo of Begbies Traynor (Central) LLP, Finlay House, 10-14 West Nile Street, Glasgow, G1 2PP and Simon Robert Haskew of Begbies Traynor (Central) LLP, Harbourside House, 4-5 The Grove, Bristol, BS1 4QZ
"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

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## 2. COMPANY INFORMATION

Trading name(s)	The Great British Mobility Group
Date of Incorporation	8 October 2004
Company registered number	05254780
Company registered office	Harbourside House, 4-5 The Grove, Bristol, BS1 4QZ

## 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of administrators' appointment	19 January 2012
Date of administrators' resignation	n/a

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Court	Chancery Division, Birmingham District Registry
Court Case Number	8027 of 2012
Person(s) making appointment / application	The Director, Peter Kitson
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 19 January 2012 to 18 July 2012.

### RECEIPTS

#### *Cash at bank*

As at the date of our appointment cash of £30,128.82 was held in the Company's bank account. These funds have been transferred to the administrators' estate account.

#### *Sale of the Company's Business & Assets*

As detailed in my proposals to creditors, on 24 February 2012, the Company's business and assets were sold to The Mobility Rental Group Limited for a total consideration of £30,000. This sum has been paid in full.

### PAYMENTS

#### *Specific Bond*

A statutory insurance bond was arranged upon our appointment at a cost of £120.

#### *Accountancy Fees*

Smith and Williamson were instructed to advise the administrators of the tax consequences of the sale of the business and assets of the company. Their fee of £3,500 has been paid accordingly.

#### *Agents/Valuers' Fees*

We instructed GoIndustry DoveBid to value the Company's chattel assets at a cost of £1,538.

#### *Legal Fees*

DLA Piper were paid £10,090 for their work in connection with the sale of the Company's business and assets, advising upon lease and employee issues alongside lodging our appointment documents in court.

#### *Statutory Advertising*

Statutory advertising costs of £74.33 were paid in relation to advertising our notice of appointment in The London Gazette.

#### *Insurance of Assets*

The Company's assets were insured following our appointment until a sale of the business concluded. This cost £262.88.

#### *Bank Charges*

Bank charges of £25 were incurred with our account with Allied Irish Bank.

#### *Administration Trading*

The Company traded in administration until 24 February 2012. During this period, MRG operated the business and was liable for all trading costs and liabilities incurred during this time. As such, there are no trading accounts to be generated by the administrators.

#### *Submission of End of Year Payroll Online*

As detailed above, MRG operated the business following our appointment and was liable to all associated trading costs, including employee costs. However, the employees' contracts of employment remained with the Company until a purchaser was found. Consequently, it was the responsibility of the Company to submit year end returns for the employees who worked for the Company whilst in administration. We instructed the Company's former bookkeeper to arrange submission to HM Revenue & Customs at a cost of £20.

## 5. ESTIMATED OUTCOME FOR CREDITORS

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

On the basis of realisations to date we estimate an outcome for each class of the Company's creditors as follows:

#### **Secured creditor**

As at the date of our appointment there was no secured creditor.

#### **Preferential creditors – employees arrears and holiday pay**

Based upon realisations to date, there will be insufficient funds available to enable a dividend to be paid to the preferential creditors.

#### **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

#### **Unsecured creditors**

Based upon realisations to date there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors

## **6. PRE-ADMINISTRATION COSTS**

In the period before the Company entered administration, we carried out work consisting of providing advice to the Company about the options available to it in the context of its deteriorating trading position, including advice about the alternative insolvency options considering the competing claims of various categories of creditors and highlighting the duties of the directors, liaising with the holder of a Qualifying Floating Charge (giving the right to appoint an Administrator), the directors and the Company's accountants and solicitors, attendance at a meeting of the board of directors and acting on instructions to take the necessary steps to appoint an administrator pursuant to Schedule B1 of the Act, advice to the directors on the conduct of the Company's affairs during the intervening period before the appointment of administrators ("the Work")

The Work was carried out before the Company entered administration because it was necessary to conduct a review of the Company's financial position and consider the insolvency options available to it before an insolvency process commenced. It was also necessary to review whether it would be feasible to trade in administration whilst finding a purchaser for the business and if so to ensure that adequate funding for any such trading period was in place. For these reasons we consider that the Work has furthered the achievement of the objective of the administration being pursued, namely achieving a better result for creditors as a whole.

The Pre-administration costs total £19,818.50 excluding VAT. No expenses in relation to the pre-administration period have been incurred.

The Pre-administration costs detailed above are unpaid. It is anticipated that there will be insufficient funds held to enable the costs to be paid as an expense of the administration. Pursuant to Rule 2.67A of the Insolvency Rules 1896, approval to pay such costs as an expense is required from the preferential creditors whose debts amount to more than 50% of the preferential debts of the Company (disregarding any creditor who does not respond to an invitation to give or withhold approval).

## **7. REMUNERATION & DISBURSEMENTS**

#### **Remuneration**

We propose that the basis of our remuneration be fixed under Rule 2.106 of the Rules by reference to the time properly given by us (as administrators) and the various grades of staff calculated at the prevailing hourly rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration.

Our proposals to creditors contained a statement by us, in accordance with paragraph 52(1)(b) of Schedule B1 to the Act, that we consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors. In these circumstances, it is for the preferential creditors of the Company to determine the basis of our remuneration under Rule 2.106 of the Rules.

#### **Disbursements**

We propose that disbursements, including disbursements for services provided by our firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) be charged in accordance with our firm's policy, details of which are set out at Appendix 2. These disbursements will be identified by us and subject to the approval of those responsible for determining the basis of our remuneration.

**Expenditure incurred to date**

Our time costs for the period from 19 January 2012 to 18 July 2012 amount to £82,862.00 which represents 352 hours at an average rate of £235.40 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 19 January 2012 to 18 July 2012
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

As detailed above, to date we have not drawn any remuneration or disbursements

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been incurred since the date of my appointment in the total sum of £70.02 are provided in the narrative summary of time costs incurred which is at Appendix 2

## 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

***Business Rates Refund***

Following our appointment we were advised that there was a rates refund of circa £2,000 due to the Company in respect of its leasehold property in Coventry. We have requested the refund from Coventry Council and are awaiting receipt.

***Directors Loan Account***

On reviewing the records of the company, it has come to the Joint Administrator's attention that it appears that there is a Director's loan account owed by one of the Directors to the company. This is currently under investigation. A request will be issued for the sum to be remitted to enter the Administration.

***Deferred Tax Losses***

As part of the asset sale agreement to The Mobility Rental Group Limited on 24 February 2012, in consideration of the tax losses, the purchaser shall pay to the company (by way of additional consideration) the deferred consideration of a sum equal to 10 per cent of the tax saved by the purchaser as a result of the utilisation of the tax losses. The quantum of the deferred consideration, if any, will not be finalised until after the production of the purchaser's year end accounts.

## 10. OTHER RELEVANT INFORMATION

**Report on Directors conduct**

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

**Investigations completed**

We have undertaken an assessment of the manner in which the business was conducted prior to the administration of the Company and have submitted a return to the Secretary of State.



**Connected party transactions**

As detailed in our proposals to creditors, the business and assets of the Company were sold to The Mobility Rental Group on 24 February 2012

**Proposed exit route from administration**

Our proposals stated that as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been achieved we proposed to implement the provisions of Paragraph 84 of Schedule B1 to the Act whereupon on the registration of a notice sent by us to the Registrar of Companies, our appointment as administrators ceases to have effect. At the end of three months the Company will automatically be dissolved

## 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

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 twelve months

In order to ensure that the objective of the administration is achieved and that we have fully discharged our duties as administrators, it will be necessary to extend the period of the administration for a further period of 12 months from the 19 January 2013

Accordingly the Joint Administrators will be seeking the consent of the court to extend the administration up to 18 January 2014

Any creditors wishing to object to the extension of the administration should notify the Joint Administrators in writing within 21 days of this report

We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner

**Ken Pattullo**  
Joint Administrator

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period 19 January 2012 to 18 July 2012

S of A £		£	£
	ASSET REALISATIONS		
NIL	Fixtures & Fittings	NIL	
3,500 00	Office & Computer Equipment	NIL	
3,270 00	Motor Vehicles	NIL	
3,000 00	Stock	NIL	
	Cash held on appointment for deposits	860 00	
28,970 00	Cash at Bank	30,128 82	
9,303 00	Other debtors	NIL	
NIL	Sale of business & assets	30,000	
NIL	Investments	NIL	
NIL	Beds & Chairs Direct Limited	NIL	
	Director's loan	tbc	
	Tax Losses – deferred consideration	tbc	
			60,988 82
	COST OF REALISATIONS		
	Specific Bond	(120 00)	
	Accountancy fees	(3,500 00)	
	Agents/Valuers Fees	(1,538 00)	
	Legal Fees	(10,090 00)	
	Statutory Advertising	(74 33)	
	Bank Charges	(25 00)	
	Insurance of Assets	(262 88)	
	Submission of Year End Payroll online	(20 00)	
			(15,630 21)
	PREFERENTIAL CREDITORS		
(31,978 26)	Employees - Arrears & Holiday Pay	NIL	
			NIL
	UNSECURED CREDITORS		
(214,013 49)	Trade & Expense Creditors	NIL	
(115,850 22)	Employees - Redundancy & Notice Pay	NIL	
(49,679 00)	Sales Agents	NIL	
(816,660 00)	The Mobility Rental Group	NIL	
(62,500 00)	Sue Holloway & Ewan Gillies	NIL	
(416,896 99)	HMRC (non VAT)	NIL	
(43,163 00)	HMRC (VAT)	NIL	
(84,574 08)	Customers & Refunds	NIL	
(3,725,990 30)	CVA Trade & Expense Creditors	NIL	
(25,052 51)	CVA Customers & Refunds	NIL	
			NIL
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	NIL	
			NIL
(5,528,414 85)			<u>45,358 61</u>
	REPRESENTED BY		
	Allied Term Account	40,000 00	
	Allied Irish Deposit Account	5,430 61	
	Office	(72 00)	
		<u>45,358 61</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 19 January 2012 to 18 July 2012, and

## **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 and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance<sup>2</sup> 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 (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,

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

<sup>2</sup> Ibid 1

- 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,
- (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 Bristol and Glasgow office as at the date of this report are as follows

	<b>Standard 1 May 2011 – until further notice Regional</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

## SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	The Great British Mobility Group Limited
CASE TYPE	ADMINISTRATION
OFFICE HOLDERS	Kenneth Wilson Pattullo AND Simon Robert Haskew
DATE OF APPOINTMENT	19 January 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 main area of complexity related to the continued trade of the business in administration and the sale of the Company's business and assets
- 1 3 **Exceptional responsibilities**  
No exceptional responsibilities but due care and attention exercised throughout in relation to the exercise of powers for the benefit of creditors. The administrators act as agents of the Company and officers of the court
- 1 4 **The office holders' effectiveness**  
We consider that the objective of the administration, namely achieving a better result for creditors as a whole than would be likely if the company were wound up (without first being in administration) has been achieved by way of the sale of the Company's business and assets to MRG on 24 February 2012
- 1 5 **Nature and value of property dealt with by the office holders'**  
The principal assets in the administration were the Company's intellectual property and customer database which were sold for £5,000 each
- 1 6 **Anticipated return to creditors**  
It is not currently anticipated that there will be any funds available to any class of creditor in this case
- 1 7 **Time costs analysis**  
An analysis of time costs incurred between 19 January 2012 and 18 July 2012 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
- 1 8 **The views of the creditors**  
No views have been expressed by the creditors thus far
- 1 9 **Approval of fees**  
We propose that the basis of our remuneration be fixed under Rule 2 106 of the Rules by reference to the time properly given by us (as administrators) and the various grade of staff calculated at the prevailing hourly rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration. In this case, it is for the preferential creditors of the Company to determine the basis of our remuneration under Rule 2 106 of the Rules and we have requested their approval accordingly

**1 10 Approval of Expenses and Disbursements**

We propose that disbursements, including disbursements for services provided by our firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) be charged in accordance with our firm's policy. We have written to preferential creditors to request their approval.

**1 11 Category 2 Disbursements**

The following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been incurred since the date of our appointment.

Type and purpose	Amount £
Mileage – travel to Hewish	£36 90
Parking – parking re travel to Hewish	£24 99
Mobile Telephone Costs	£8 13
TOTAL	£70 02

**1 12 Other professionals employed & their costs**

Smith and Williamson were instructed to advise on the tax consequences of the sale of the Company's business and assets to MRG.

GoIndustry DoveBid were instructed to value the Company's chattel assets at a cost of £1,538.

DLA Piper were paid £10,900 for their work in connection with the sale of the Company's business and assets, advising upon the lease and employee issues alongside lodging our appointment documents in court.

We instructed the Company's former bookkeeper to arrange the submission of the Company's end of year return to HM Revenue and Customs at a cost of £20.

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

- 2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached.
- 2 2 The rates charged by the various grades of staff who may work on a case are attached.

**3. SUMMARY OF WORK CARRIED OUT SINCE OUR APPOINTMENT**

Since the date of our appointment, the following work has been carried out:

- Attending site on the date of our appointment to meet and talk with employees,
- Arranging The License with MRG to allow continued trade of GBMG in administration,
- Dealing with creditor queries,
- Conducting a review of the business and effective 10 redundancies,
- Assisting employees with their claims and liaising with the Redundancy Payments Office,
- Operating a trading trust account to hold customer's deposit cheques pending completion of the order by MRG under The License,
- Dealing with numerous customer queries specifically in relation to refunds,
- Marketing the Company's business and assets and meeting with interested parties at the Company's premises,
- Liaising with the landlord of the Company's leasehold premises and arranging a surrender of the Company's premises,

- Instructing agents to value the Company's chattel assets,
- Complying with all statutory accounting and regulatory duties,
- Conducting a sale of the Company's business and assets to MRG on 24 February 2012,
- Liaising with local business rating authorities in relation to refunds due to the Company,
- Circulating our Proposals to creditors,
- Conducting our statutory investigations into the Company's affairs and submitting the relevant report to Department for Business, Innovation and Skills,
- Arranging the collection of the Company's books and records,
- Arranging for the submission of the end of year return to HM Revenue and Customs in respect of the short period of trade following our appointment,
- Instructing accountants to review the tax position following the sale of the business and assets to MRG,
- Liaising with Coventry County Council regarding a potential rates refund in respect of the leasehold property,



[illegible]

## STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Agent's Costs	GoIndustry DoveBid	£1,538	£1,538	£0
Legal Fees	DLA Piper	£10,090	£10,090	£0
Statutory Advertising	TMP (UK) Limited	£262 88	£262 88	£0
Accountancy Fees	Smith & Williamson	£3,500	£3,500	£0
Specific Bond	Marsh Limited	£120	£120	£0
Insurance of Assets	Marsh Limited	£262 88	£262 88	£0
Agent's Costs	Collection of books and records	TBC	£0	TBC
Printing & Postage Costs	KWP	£705 02	£0	£705 05
Agent's Costs	Courier of books and records	£138 75	£0	£138 75