

**The Insolvency Act 1986
Administrator's progress report**

Name of Company

Aussie Group Limited

Company number

05534109

In the
The High Court of Justice

(full name of court)

Court case number
11187 of 2011(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a)
Jason Daniel Baker
FRP Advisory LLP
10 Furnival Street
London
EC4A 1YHGeoffrey Paul Rowley
FRP Advisory LLP
10 Furnival Street
London
EC4A 1YH

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

From

To

(b) Insert date

(b) 23 December 2011

(b) 22 June 2012

Signed


Joint Administrator

Dated

19 July 2012

TUESDAY



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24/07/2012

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COMPANIES HOUSE

**Aussie Group Limited
(In Administration)**

**Receipts and Payments Account
From 23 December 2011 To 22 June 2012**

| | Fixed Charge £ | Floating Charge £ | Total £ |
|----------------------------|-------------------------------|----------------------------------|--------------------|
| Receipts | | | |
| Sales | 0 00 | 39,573 20 | 39,573 20 |
| Goodwill | 29,000.00 | 0.00 | 29,000 00 |
| Plant & Equipment | 0.00 | 40,499.00 | 40,499.00 |
| Contracts | 0.00 | 1 00 | 1.00 |
| Commercial Books & Records | 0.00 | 1 00 | 1 00 |
| Stock | 0.00 | 499.00 | 499.00 |
| Book debts | 0.00 | 32,033.03 | 32,033.03 |
| Cash at bank | 0.00 | 2,836.81 | 2,836.81 |
| Rent | 0.00 | 20,000.00 | 20,000 00 |
| Property insurance | 0 00 | 2,046.90 | 2,046.90 |
| VAT Payable | 0 00 | 1,083.64 | 1,083.64 |
| Bank interest | 0.00 | 5 43 | 5.43 |
| Sales refund | 0.00 | 130 00 | 130.00 |
| | 29,000.00 | 138,709.01 | 167,709.01 |
| Payments | | | |
| Sub Contractors | 0.00 | 24,441 43 | 24,441.43 |
| Consumable stores | 0.00 | 2,046.90 | 2,046.90 |
| Security Fees | 0.00 | 25,000.00 | 25,000 00 |
| Vehicle Running Costs | 0.00 | 5,450.94 | 5,450.94 |
| Clydesdale Bank | 29,000.00 | 0 00 | 29,000.00 |
| Agent's fees | 0 00 | 5,000.00 | 5,000.00 |
| Statutory Advertising | 0 00 | 76 50 | 76.50 |
| Rents Payable | 0.00 | 20,000 00 | 20,000.00 |
| VAT Receivable | 0.00 | 7,131.49 | 7,131.49 |
| | 29,000.00 | 89,147.26 | 118,147.26 |
| Balance | 0.00 | 49,561.75 | 49,561.75 |
| | 29,000.00 | 138,709.01 | 167,709.01 |



Aussie Group Limited (In Administration)

Time charged for the period 23 December 2011 to 22 June 2012

| Job Hours | Partner | Manager | Other Professionals | Support | Total Hours | Total Cost £ | Average Hourly Rate £ |
|---------------------------------|---------|---------|---------------------|---------|-------------|--------------|-----------------------|
| Administration and Planning | 43 55 | 10 50 | 49 52 | 23 70 | 127 27 | 40,419 50 | 317 59 |
| Travel | | | 7 50 | | 7 50 | 1,770 00 | 236 00 |
| Case Accounting - General | | | 9 00 | 22 70 | 31 70 | 5,716 00 | 180 32 |
| General Administration | 14 55 | 10 50 | 26 77 | 1 00 | 52 82 | 17,034 75 | 322 51 |
| Insurance | | | 6 25 | | 6 25 | 1,543 75 | 247 00 |
| Strategy | 29 00 | | | | 29 00 | 14,355 00 | 495 00 |
| Asset Realisation | 38 05 | 42 00 | 219 50 | | 299 55 | 66,265 00 | 221 22 |
| Asset Realisation | 2 85 | 24 80 | 39 40 | | 66 85 | 17,978 75 | 268 94 |
| Freehold/Leasehold Property | | 14 20 | 1 25 | | 15 45 | 4,858 50 | 314 34 |
| Debt Collection | 2 50 | 3 00 | 176 10 | | 181 60 | 26,554 25 | 146 22 |
| Legal-asset Realisation | 1 00 | | | | 1 00 | 495 00 | 495 00 |
| Sale of Business | 31 90 | | 2 75 | | 34 65 | 16,380 50 | 472 74 |
| Creditors | 6 15 | 26 90 | 87 97 | | 121 02 | 31,824 50 | 262 97 |
| Unsecured Creditors | | 21 55 | 66 94 | | 88 49 | 22,199 25 | 250 87 |
| Secured Creditors | 6 15 | 3 60 | 2 83 | | 12 58 | 4,879 00 | 387 84 |
| Employees | | 0 70 | 17 43 | | 18 13 | 4,275 50 | 235 82 |
| ROT | | 1 05 | 0 87 | | 1 72 | 453 25 | 263 52 |
| Landlord | | | 0 10 | | 0 10 | 17 50 | 175 00 |
| Investigation | 11 05 | 1 40 | 12 20 | | 24 65 | 8,668 25 | 351 65 |
| Investigatory work - Other | 6 80 | 1 40 | 12 20 | | 20 40 | 6,564 50 | 321 79 |
| CDDA Enquiries | 0 55 | | | | 0 55 | 272 25 | 495 00 |
| Legal - Investigations | 3 70 | | | | 3 70 | 1,831 50 | 495 00 |
| Statutory Compliance | 0 50 | 6 30 | 37 37 | | 44 17 | 10,040 75 | 227 32 |
| Statutory Compliance - General | 0 50 | | 30 37 | | 30 87 | 6,274 75 | 203 26 |
| Statutory Reporting/ Meetings | | 6 30 | 6 50 | | 12 80 | 3,841 00 | 284 45 |
| Bonding/ Statutory Advertising | | | 0 50 | | 0 50 | 125 00 | 250 00 |
| Trading | 1 00 | 18 75 | 124 84 | | 144 59 | 31,484 50 | 217 75 |
| Trading forecasting/ Monitoring | | 10 65 | 67 40 | | 78 05 | 18,045 50 | 231 20 |
| Trade-sales/ Purchase | 1 00 | 8 10 | 57 44 | | 66 54 | 13,439 00 | 201 97 |
| Total Hours | 100 30 | 105 85 | 531 40 | 23 70 | 761 25 | 188,702 50 | 247 89 |

Disbursements for the period 23 December 2011 to 22 June 2012

| Disbursement | Value £ |
|----------------------|---------|
| Car/Mileage Recharge | 35 25 |
| Company Search | 13 00 |
| Parking | 2 20 |
| Postage | 255 75 |
| Sundries/General | 214 80 |
| Travel | 46 10 |
| Grand Total | 566 90 |

Mileage is charged at the HMRC rate
prevailing at the time the cost was incurred

FRP Charge out rates

| Grade | Rate |
|--------------------|---------|
| Partner | 300-500 |
| Manager | 150-350 |
| Other Professional | 85-250 |
| Support | 60-250 |

**AUSSIE GROUP LIMITED (IN ADMINISTRATION)
STATEMENT OF EXPENSES FOR THE 6 MONTH PERIOD ENDED 22 JUNE 2012**

| Expenses | Total paid to date of progress report period per R and P £ | Costs committed not yet paid at reporting date £ | Total Expenses for the 6 months ended 22 June 2012 £ |
|-------------------------------------|---|---|---|
| Security Fees | 25,000 | 25,000 | 50,000 |
| SNR Denton | 0 | 15,944 | 15,944 |
| Dundas Wilson Legal Fees | 0 | 38,835 | 38,835 |
| Joint Administrators' fees | 0 | 188,703 | 188,703 |
| Joint Administrators' disbursements | 0 | 567 | 567 |
| | 25,000 | 269,048 | 294,048 |



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To All Creditors

your ref:

our ref A1200LON

date 19 July 2012

Please ask for: Matt Kesek

Dear Sirs

**AUSSIE GROUP LIMITED (IN ADMINISTRATION) ("THE COMPANY")
IN THE HIGH COURT OF JUSTICE: NO. 11187 of 2011**

Further to my appointment as Joint Administrator of the above Company on 23 December 2011, I provide my progress report on this administration for the period 23 December 2011 to 22 June 2012 ("the period") in accordance with Rules 2.47 of the Insolvency Rules 1986. This report should be read in conjunction with the Joint Administrators' Proposals report dated 17 February 2012

I attach:

- Appendix A - Statutory information regarding the Company and the appointment of the Administrators
- Appendix B - Form 2.24B, formal notice of the progress report
- Appendix C - Receipts and payments account
- Appendix D - Details of my firms' time costs and disbursements incurred in the period
- Appendix E - Statement of expenses incurred in the period

1. The Administration

- 1.1 The secured creditor, Clydesdale Bank PLC ("Clydesdale") appointed Jason Baker and Geoff Rowley of FRP Advisory LLP ("FRP"), Joint Administrators of the Company on the 23 December 2011.
- 1.2 The objective(s) of the administration were:-
 - a) To rescue the Company as a going concern, failing which
 - b) To achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), failing which
 - c) To realise property in order to make a distribution to one or more secured or preferential creditors.
- 1.3 The Joint Administrators confirm that objectives a) and b) cannot be achieved due to the level of the Company's liabilities. As such, it is considered that objective c) only will be achieved.
- 1.4 The appointment of the Joint Administrators included a declaration that during the period of the administration they may act jointly or severally as Administrators of the Company.
- 1.5 Statutory information about the Company and the appointment of Administrators is attached at Appendix A.

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2. The Administrators' Proposals

2.1 In accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986, the Joint Administrators proposed that:

- a) They continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that they:
 - i. Dispose of the Company's ownership of such assets at such time(s) on such terms as they consider expedient
 - ii. Investigate and, if appropriate, pursue any claims that the Company may have against any person, firms or company whether in contract or otherwise, including any officer of former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company.
 - iii. In addition, they do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals.
- b) The administration shall continue (subject to the statutory provisions relating to automatic termination) until the realisable assets of the Company have been realised and all liabilities incurred during the administration have been discharged or until such a time as deemed appropriate by the Administrators. At this stage the Company shall be dissolved or placed into liquidation as outlined below.
- c) If they think the Company has no property which might permit a distribution to its unsecured creditors, or if they also consider that an exit from the administration into liquidation is not appropriate they will send a notice to the Registrar of Companies in accordance with Paragraph 84 of Schedule B1 to the Insolvency Act 1986 and three months after the filing of the notice the Company will be deemed to be dissolved
- d) If they are of the view that it is appropriate for the Company to move from administration into liquidation, whether compulsory or voluntary, the Joint Administrators be authorised to take steps to place the Company into whichever liquidation process they, at their discretion, deem appropriate. Pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986, should the creditors not nominate a Liquidator; the proposed Liquidators are to be Jason Daniel Baker and Geoffrey Paul Rowley. Any act to be done by the Joint Liquidators may be done by all or any one of them. Pursuant to Para 83(7)(a) and Rule 2.117A(2)(b) of the Insolvency Rules 1986, creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of these proposals and before these proposals are approved.

As the Joint Administrators considered that the Company had insufficient property to enable a distribution to be made to the unsecured creditors, the following sections of the Administrators' proposals, (e, f and g) required the consent of each secured creditor and the majority of voting preferential creditors (as appropriate).

- e) The Joint Administrators' fees plus VAT should be approved on a time cost basis charged at the charge out rates prevailing at the time the work is undertaken, to be drawn when the Joint Administrators' see fit. A schedule of current charge out rates are set out in in Appendix D [to the Joint Administrators' proposals report dated 17 February 2012].
- f) The Joint Administrators' discharge from liability shall take effect in accordance with Paragraph 98 of Schedule B1 to the Act 30 days following either the Company entering into liquidation or filing the notice of moving from administration to dissolution.

- g) Mileage can be recharged and drawn at the HMRC approved mileage rate prevailing at the time the mileage was incurred.

2 2 There were no amendments or deviations from the Proposals which were deemed accepted on 1 March 2012

3 Progress of the Administration

3 1 The initial strategy was to "hold the business together" and trade it over the Christmas period to fulfil customer orders and preserve the goodwill whilst assessing an orderly disposal of the assets thereafter.

3.2 The staff and sub-contractors had not been paid for December so trading was dependent on their cooperation. Additionally, the Joint Administrators were informed that the Intellectual Property ("IP") license under which the Company operated had been terminated with effect from 16 December 2011.

3.3 A number of third parties did express interest in the business, however, without the IP this interest quickly fell away. One of these parties also contacted the Directors to negotiate an agreement to use the IP but we understand that this was not successful.

3 4 Nonetheless, a sale as a going concern would provide customers with uninterrupted services and avoid the significant issues and costs should a shut-down have been necessary, in addition, to significant contractual claims that would similarly arisen

3.5 At the outset of the administration trading, the Joint Administrators and their staff liaised with suppliers and contractors to try and ensure an uninterrupted trading period.

3 6 As previously advised, a trading loss was expected for the administration trading period, with a total trading loss of £53k incurred.

3.7 The majority of the loss can be attributed to the site security costs which, whilst essential during the administration trading period, were higher than would usually be expected for that period due to the increased hourly charge out rates over the Christmas bank holidays. The sub-contractor payment rates were also increased for the trading period to avoid "walk-outs" to enable the business to continue to provide an un-interrupted service to customers.

3 8 A sale of the business and unencumbered assets of the business was negotiated with the Director through a new company, Aussie 2012 Limited, with a draft contract being issued on 5 January 2012

3.9 The sale consideration was £70k, split £41k for the assets and £29k for the goodwill, payable upon completion. The sale allowed for the staff to transfer under TUPE to the purchaser who would settle all salary arrears including the pre administration period. The sale completed on 11 January 2012.

3 10 Furthermore, the sale contract contained provisions to enable funds held in another account to which ownership is disputed to be held in escrow. The dispute results from sales made after the termination of the Intellectual Property license on 16 December 2011 that were received by Aussie Storage Limited. These funds of £135k were paid into an escrow account upon the appointment of the Joint Administrators pending agreement of ownership.

3.11 The pre-appointment debtor ledger totalling £115k was also excluded from the sale agreement. Unfortunately, the majority of this ledger is extremely old and for relatively small sums so collection has been difficult; litigation would be costly and not economic. There are also a number of disputed amounts on the ledger. It is unlikely there will be significant further realisations although to date £32k has been recovered.

3.12 The purchaser obtained a license to occupy both leasehold premises and agreed to discharge passing rent. The premises in Fulham were vacated at the end of January and the site in Wheatley vacated prior to March quarter date

3.13 There have been a number of claims received from customers for damage caused to their possessions. The Joint Administrators' staff have continued to assist these customers with their claims

3.14 A copy of the Joint Administrators' receipts and payment account to date is attached as Appendix C.

4. Investigations

4.1 Part of my duties include carrying out proportionate investigations into what assets the Company has, including any potential claims against directors or other parties, and what recoveries could be made. I have reviewed the Company's books and records and accounting information, requested further information from the directors, and invited creditors to provide information on any concerns they have concerning the way in which the company's business has been conducted.

I have now completed my statutory duty to investigate and report on the conduct of the Directors to the Insolvency Service, although the contents of this report are confidential

5. Estimated Outcome

Outcome for Secured Creditor

5.1 Clydesdale was owed £225k (plus accruing interest and charges) at the date of administration. They received £29k from the sale of the fixed charge assets.

5.2 There is unlikely to be any further fixed charge realisations in this case and Clydesdale are likely to suffer a significant shortfall under its fixed charge.

5.3 Although the funds released from escrow will become a floating charge asset, there is unlikely to be net property available for distribution under the secured creditors floating charge.

5.3 The Bank holds an unlimited personal guarantee from the director, Brian Burgess.

Outcome for Preferential Creditors

5.4 All employee liabilities were settled by Aussie 2012 Limited after the sale of the business and assets under the TUPE regulations. However, there have been two unpaid wages claims from employees who left the Company just prior to the Administration and it is likely there will be preferential claims in this regard.

5.5 It is unlikely there will be any net property after costs available for distribution to the preferential creditors.

Outcome for Unsecured Creditors

5.6 Unsecured creditors as recorded by the directors total £417k although this does not include the HM Revenue & Customs claim of approximately £500k.

5.7 The information available at present indicates that a dividend will not be available to unsecured creditors.

6. Administrators' Remuneration, Disbursements and Expenses

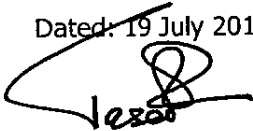
6.1 Turning to our own costs in this matter, our remuneration as Administrators is based on computerised records of all time spent on the administration of this case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in maximum of 6 minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP charge out rates are included at

Appendix D. A breakdown of our time costs incurred during the period of this report, (and also since appointment), in accordance with Statement of Insolvency Practice 9 is set out at Appendix D. To date, I have not drawn any fees in this matter.

- 6.2 The Administrators' disbursements are a recharge of actual costs incurred by the Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursement incurred during the period of this report are set out in Appendix D.
- 6.3 I attach at Appendix E a statement of expenses that have been incurred during the period covered by this report including a cumulative summary of expenses incurred to date.
- 6.4 Creditors have a right to request further information from the Administrators under Rule 2.48A of the Insolvency Rules 1986 and further have a right to challenge the Administrators' remuneration and other expenses, which are first disclosed in this report, under Rule 2.109 of the Insolvency Rules 1986. Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link <http://www.frp.advisory.com/fees-guide.html> and select the one for administrations. Alternatively a hard copy of the relevant guide will be sent to you on request. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

If you have any queries about this report or the progress of the administration, please do not hesitate to contact Matt Kesek at this office

Dated: 19 July 2012



Jason Baker
Joint Administrator

Insolvency Practitioner Licensed in the United Kingdom by the Institute of Chartered Accountants in England & Wales

The Joint Administrators act as agents of the Company and without personal liability.

The affairs, business and property of the Company are being managed by Jason Daniel Baker and Geoffrey Paul Rowley who were appointed Joint Administrators on 23 December 2011.

Aussie Group Limited (in Administration)

Statutory Information

COMPANY DETAILS:

| | |
|----------------------------|--|
| Other trading names: | Aussie Man & Van Rentals Limited |
| Date of incorporation: | 11 August 2005 |
| Company number: | 05534109 |
| Registered office: | 10 Furnival Street London EC4A 1YH |
| Previous registered office | Mount manor House, 16 The Mount, Guildford, Surrey, GU2 4HN |
| Directors | Brian Burgess Shaun Tillery |
| Company secretary | Dustin Burgess |

ADMINISTRATION DETAILS:

| | |
|---|--|
| Date of notice of appointment of Administrators By Floating Charge Holder presented to Court: | 23 December 2011 |
| Names of Joint Administrators: | Jason Daniel Baker and Geoffrey Paul Rowley |
| Address of Joint Administrators. | FRP Advisory LLP 10 Furnival Street London EC4A 1YH |
| The appointment of the Joint Administrators included a declaration that they are acting jointly or severally as Administrators of the Company | |
| Date of appointment of Administrators. | 23 December 2011 |
| Court in which administration proceedings were brought: | The High Court of Justice |
| Court reference number | 11187 |
| Application for administration order made by: | Qualifying Floating Charge Holder |
| The EC Regulation on Insolvency Proceedings will apply in this matter and accordingly the Administration will constitute main proceedings. | |