

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company The Marvellous Group Limited	Company number 01493031
In the High Court of Justice, Chancery Division Manchester District Registry (full name of court)	For court use only 301 of 2009

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

I/We (a) Philip Francis Duffy and David John Whitehouse of MCR, 11 St James Square, Manchester, M2 6DN,

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

From

To

(b) Insert date

(b) 29 July 2009

(b) 21 January 2010

Signed

Joint/Administrator(s)

Dated

21/1/10

Contact Details:

You do not have to give any

MCR

11 St James Square
Manchester, M2 6DN

327 9000



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COMPANIES HOUSE

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COMPANIES HOUSE

If completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

**The Marvellous Group Limited
(In Administration)**

**Final Progress Report of the Joint Administrators
for the period from 29 July 2009 to 21 January 2010
pursuant to Rule 2.110 of the
Insolvency Rules 1986 as amended**

21 January 2010

The Marvellous Group Limited (In Administration)
Final Report to Creditors
21 January 2010

Names of Joint Administrators: Philip Francis Duffy
David John Whitehouse

Date of appointment: 29 January 2009

Date of report: 21 January 2010

Appointed by: Zanya Limited as Qualifying Floating Chargeholder
319 Ordsall Lane
Salford
Manchester
M5 3FT

Court reference: High Court of Justice
Manchester District Registry no 301 of 2009

MCR Corporate Restructuring
11 St James Square
Manchester
M2 6DN

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DEFINITIONS

The Marvellous Group Limited	the Company / TMG
Blooming Marvellous Limited	BM
BM & TMG	the Group
Philip Francis Duffy & David John Whitehouse	the Joint Administrators
Zamya Limited	Zamya
Insolvency Act 1986	the Act
Insolvency Rules 1986 (as amended)	the Rules
HM Revenue & Customs	HMRC
The Department for Business, Enterprise & Regulatory Reform	DBERR
Statement of Affairs	SoA
EC Regulation on Insolvency Proceedings 2000	EC Regulation
Redundancy Payments Office	RPO
Statement of Insolvency Practice	SIP
Topfactor Limited	Topfactor / the Purchaser
Sale and Purchase Agreement	SPA
Report to Creditors together with the Joint Administrators' Statement of Proposals	the Proposals
Prescribed Part of the Company's net property	Prescribed Part
Notice to move from Administration to Dissolution	the Notice
MCR Corporate Restructuring	MCR

1. INTRODUCTION

- 1.1 Philip Francis Duffy and David John Whitehouse of MCR were appointed Joint Administrators of the Company on 29 January 2009 by Zamy, the holder of a qualifying floating charge under Paragraph 14 of Schedule B1 to the Act
- 1.2 The purpose of this report is to provide creditors with a final account of the progress of the administration, in accordance with Rule 2.110 of the Rules, as amended.
- 1.3 This report should be read in conjunction with the earlier reports to creditors dated 10 February 2009 and 19 August 2009

2. BACKGROUND

- 2.1 The Joint Administrators issued the Proposals on 10 February 2009 which detailed the Company's background and the events leading up to the Administration
- 2.2 The purpose of the Administration was to achieve one of the following objectives
 - 1) Rescuing the Company as a going concern, or
 - 2) Achieving 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), or
 - 3) Realising property in order to make a distribution to one or more secured or preferential creditors.
- 2.3 The Joint Administrators have not been successful in achieving any of the above objectives. The Company was placed into Administration due to the inseparability of the business, assets and liabilities of the Group

3 PROGRESS OF THE ADMINISTRATION TO DATE

Administration Trading Period

- 3.1 The Joint Administrators made the decision to trade the business in the short-term whilst a going concern sale of the business and assets of the Group was pursued.
- 3.2 All trading matters have now been settled.

Sale of Business

- 3.3 As stated in the Joint Administrators' previous progress report, a sale of the business and assets of the Group was completed to Topfactor on 12 February 2009. Sales consideration has been received in full.
- 3.4 As noted in the Joint Administrators' progress report of 19 August 2009, the Joint Administrators granted to the Purchaser a licence to occupy the Company's premises for the six months to 12 August 2009
- 3.5 This licence to occupy was extended to 31 December 2009 in order to allow the Purchaser to ensure assignments and negotiations with landlords could be completed
- 3.6 The licence to occupy the Company's premises was terminated on 31 December 2009

Receipts and payments account

- 3.7 A final receipts and payments account is shown at Appendix 2.

4. INVESTIGATIONS

- 4.1 The Joint Administrators have a statutory obligation to file a report with DBERR regarding the conduct of all directors of the Company that served in the three years prior to the appointment. The content of this report is confidential and was submitted to the Insolvency Practitioners' Compliance Unit on 2 July 2009.
- 4.2 The Joint Administrators' investigations into the Company's affairs are complete.

5. ADMINISTRATORS' REMUNERATION

- 5.1 In accordance with Rule 2.106(5A) of the Rules, the Joint Administrators' remuneration was approved by the secured creditor and the preferential creditors of the Company. The Joint Administrators' remuneration is fixed by reference to the time properly given by them and their staff. Where time costs relate to both BM and TMG, these have been apportioned accordingly.
- 5.2 Cashiering and accounting time costs total £29,306 across the Group and this has been apportioned equally between TMG and BM.
- 5.3 The Joint Administrators' time costs for the period 28 January 2009 up to and including 15 January 2010 total £67,341. A schedule of these time costs is set out at Appendix 3.
- 5.4 Of this, a total of £66,127 has been drawn to date.
- 5.5 No further remuneration will be drawn by the Joint Administrators.
- 5.6 At MCR we aim to reduce paper usage and postage costs and therefore the Joint Administrators have placed a copy of the Creditors' guide to Administrators' fees at www.mcr.uk.com in accordance with SIP 9. Should you still require a paper copy please contact this office.

6. DIVIDEND PROSPECTS / PRESCRIBED PART

Secured Creditors

- 6.1 At the date of the Joint Administrators' appointment the Group's indebtedness to Zamyia was £845,000, subject to accruing interest and charges, in accordance with the fixed and floating charge over the Company. This was secured by cross-corporate guarantees and debentures from the Group.
- 6.2 There are insufficient realisations to make any distribution to Zamyia.

Preferential Creditors

- 6.3 The preferential claims are limited to employees' claims for unpaid wages (subject to statutory limits) and accrued holiday pay, which may be subrogated to the Secretary of State following payment by the RPO.
- 6.4 The Joint Administrators have received preferential claims to the value of £27,181.

- 6.5 There are no funds available to enable a preferential dividend in this case

Prescribed Part

- 6.6 Pursuant to section 176A of the Insolvency Act 1986 where a floating charge is created after 15 September 2003 a Prescribed Part of the company's net property shall be made available to unsecured creditors.

- 6.7 The Prescribed Part is calculated as a percentage of net property, as follows -

Net property less than £10,000.	50% unless you think costs of distribution > benefit
Net property greater than £10,000	50% up to £10,000 plus 20% thereafter to a maximum of £600,000

- 6.8 Although in this case the security was created post 15 September 2003, there are insufficient net realisations to enable a distribution from the Prescribed Part.

Non-Preferential Creditors

- 6.9 According to the directors' statement of affairs, non-preferential creditors total £3 86m.
- 6.10 Based upon the realisations achieved there will be no distribution to the non-preferential creditors of the Company.

7. CREDITORS' MEETING

- 7.1 In accordance with Paragraph 52(1)(b) of Schedule B1 to the Act, a creditors' meeting was not convened as there was insufficient property to enable a distribution to non-preferential creditors.

8. JOINT ADMINISTRATORS' PROPOSALS

- 8.1 The Proposals were approved by the general body of creditors in accordance with Rule 2.33(5) of the Rules. A copy of these proposals is attached at Appendix 4

9. END OF ADMINISTRATION

- 9.1 The Proposals advised that the Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the creditors' consent
- 9.2 There are insufficient funds to make a distribution to the non-preferential creditors of the Company and as such, the Notice will be submitted to the Registrar of Companies pursuant to Paragraph 84 of Schedule B1 to the Act.
- 9.3 Following registration of the Notice by the Registrar of Companies, the Joint Administrators' appointment will cease to have effect, and they will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Act.
- 9.4 At the end of three months, beginning with the date of the Notice being registered to the Registrar of Companies, the Company will be dissolved

10. OTHER MATTERS

- 10.1 If you require further information or assistance, please do not hesitate to contact my colleague, Stephen Prior


Philip Duffy
Joint Administrator

APPENDIX 1
STATUTORY INFORMATION

STATUTORY INFORMATION

Date of incorporation	23 April 1980	
Registered number	01493031	
Company director(s)	Steven Bedford Rupinder Cheema Jonathon Eeles Stephen Pomfret Jonathon Shonn	
Company secretary	Jonathon Shonn	
Shareholders	The Marvellous Parent Limited – 100%	
Head office	2 Albion Court Albion Place London W6 0QT	
Registered Office	Current.	Formerly.
	c/o MCR Corporate Restructuring 11 St James Square Manchester M2 6DN	5 th Floor Free Trade Exchange 37 Peter Street Manchester M2 5GB

APPENDIX 2
JOINT ADMINISTRATORS'
RECEIPTS AND PAYMENTS ACCOUNT

**The Marvellous Group Limited
(In Administration)**

**Receipts and Payments Account
29 January 2009 to 21 January 2010**

RECEIPTS	TOTAL (£)
Direct Sales	72,868.91
Stock	139,250.00
Cash at Bank	15,000 00
Rates Refund	3,745.35
Sundry Refund	40.96
Blooming Marvellous Limited VAT Payable	8,114 54
	<u>239,019.76</u>
PAYMENTS	
Head Office Wages	25,508.37
Rents	4,714.81
IT & Computing	9,278.00
Insurance	1,000.00
Parcel Net	96,263 00
Repairs and Maintenance	196.50
PAYE/NI	9,750.98
Public Relations	3,000.00
Stationery & Postage	4,185.29
Joint Administrators' Remuneration	66,126 83
Agents Fees	10,000.00
Legal Fees	8,703.35
Statutory Advertising	292 63
	<u>239,019.76</u>
BALANCE	<u>-</u>

APPENDIX 3
SCHEDULE OF JOINT ADMINISTRATORS' TIME COSTS

THE MARVELLOUS GROUP LIMITED - TMG001

Analysis of Joint Administrators' time costs for the period 28 January 2009 to 15 January 2010

Classification of Work Function	Hours					Total Hours	Time Cost	Average Hourly Rate
	Partner	Manager	Senior	Assistants	Support			
Cashiering & accounting	0 90	18 30	16 60	34 60		70 40	14,652 50	208 13
CDDA reports & Communication		1 00		6 00		7 00	1,068 00	152 57
Employee matters		6 60		27 90		34 50	4,269 50	123 75
Fixed charge assets				0 20		0 20	17 00	85 00
Floating charge assets		0 40				0 40	112 00	280 00
General admin		3 00		58 40		61 40	7,883 00	128 39
General correspondence	0 50	5 70		24 40		30 60	5,127 50	167 57
IPS set up & maintenance		1 20				1 20	345 00	287 50
Meetings		0 10				0 10	28 00	280 00
Preferential creditors				1 50		1 50	127 50	85 00
Proposals		11 80	0 30	4 00		16 10	3,443 00	213 85
Retention of title		17 80		10 50		28 30	5,607 00	198 13
Sale of business		20 00		27 60		47 60	9,496 00	199 50
Statement of affairs		1 00		3 20		4 20	525 50	125 12
Statutory matters (Meetings, Reports and Notices)			0 50	2 20		2 70	277 00	102 59
Strategy planning & control		10 80		6 30		17 10	3,549 50	207 57
Trading - accounting		3 70		3 90		7 60	1,347 50	177 30
Trading - operations		16 00		0 70		16 70	4,494 50	269 13
Unsecured creditors		8 50		28 30		36 80	4,971 00	135 08
Total Hours	1.40	125 90	17 40	239 70		384 40	67,341 00	180 33
Total Fees Claimed (£)	553 00	33,851 80	3,553 80	29,382 40			67,341 00	

Analysis of category 2 disbursements

Classification of Work Function	Details of Payee	£
Total		0.00

APPENDIX 4
JOINT ADMINISTRATORS' PROPOSALS

JOINT ADMINISTRATORS' PROPOSALS

The Joint Administrators proposed the following.

- That the Joint Administrators continue the Administration to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect
- That the Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration
- That the Joint Administrators seek an extension to the Administration period if deemed necessary.
- That the Joint Administrators, once all outstanding matters have been satisfactorily completed, take the necessary steps under paragraph 84 of Schedule B1 of the Insolvency Act 1986 to the Registrar of Companies to the effect that the Company has no property which might permit a distribution to its creditors, at which stage the Administration will cease.
- That the Joint Administrators, in the event that they form the view that a distribution can be made to unsecured creditors, take the necessary steps to put the Company into creditors' voluntary liquidation. It is proposed that the Joint Administrators, currently Philip Francis Duffy and David John Whitehouse of MCR would act as Joint Liquidators should the Company be placed into creditors' voluntary liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Insolvency Act 1986 and Rule 2.117(3) of the Insolvency Rules 1986 (as amended) the creditors may nominate a different person as the proposed Liquidator, provided such nomination is made before these proposals are approved.
- That the Joint Administrators be discharged from all liability pursuant to paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing.
- That the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the administration
- That the Joint Administrators be authorised to draw their firm's internal costs and expenses in dealing with the administration ("Category 2 Disbursements"), if any.
- That the Joint Administrators be authorised to instruct and pay MCR Receivables Management Limited to assist with the collection of book debts, where considered appropriate.

APPENDIX 5

FORM 2.35B – NOTICE OF MOVE FROM ADMINISTRATION TO DISSOLUTION

