

Rule 1.26/1 54

The Insolvency Act 1986

Notice to Registrar of Companies of  
Supervisor's Progress Report**R.1.26A(4)(a)/  
R.1.54****Pursuant to Rule 1 26A(4)(a) or  
Rule 1 54 of the Insolvency Rules  
1986**

To the Registrar of Companies

For Official Use

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Company Number

02486334

(a) Insert full name of

Name of Company

GYG Holdings Ltd

(b) Insert full name and  
Address

I/We W John Kelly  
004857  
Begbies Traynor (Central) LLP  
3rd Floor  
Temple Point  
1 Temple Row  
Birmingham  
B2 5LG

Nigel Price  
008778  
Begbies Traynor (Central) LLP  
3rd Floor  
Temple Point  
1 Temple Row  
Birmingham  
B2 5LG

(c) Insert date

supervisors of a voluntary arrangement taking effect on

(c) 13 February 2014,

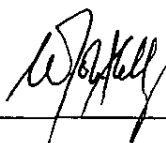
Attach our progress report for the period  
from

(c) 13 February 2014

to

(c) 12 February 2015

Signed



Date 10/4/15

Presenter's name, address  
and reference

GY002CVA  
Begbies Traynor (Central) LLP  
3rd Floor  
Temple Point  
1 Temple Row  
Birmingham  
B2 5LG

For Official Use

Liquidation Section

Post Room

TUESDAY



A24 14/04/2015 #168  
COMPANIES HOUSE

No 8035 of 2014

W John Kelly and Nigel Price appointed joint supervisors on 13  
February 2014

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**GYG Holdings Ltd**

**(Subject to a Company Voluntary Arrangement)**

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Joint Supervisors' Progress Report pursuant to  
Rule 1.26A of The Insolvency Rules 1986

Period: 13 February 2014 to 12 February 2015

### **Important Notice**

This progress report has been produced by the supervisors solely to comply with their statutory duty to report to creditors on the progress of the Voluntary Arrangement. 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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## **Contents**

- ☐ Interpretation
- ☐ Relevant information
- ☐ Introduction
- ☐ Abstract of receipts and payments
- ☐ Progress during the period of this report
- ☐ Prospects for full implementation of the Arrangement
- ☐ Estimated outcome for creditors
- ☐ Supervisors' remuneration & disbursements
- ☐ Other relevant information
- ☐ Conclusion
- ☐ Appendices
  - 1 Joint supervisors' account of receipts and payments
  - 2 Joint supervisors' time costs and expenses

# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	GYG Holdings Ltd (Under a Voluntary Arrangement)
"the Supervisors"	W John Kelly of Begbies Traynor (Central) LLP, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG  and  Nigel Price of Begbies Traynor (Central) LLP, 3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG
"the Arrangement"	The terms of the Proposal, Standard Conditions and any modifications (and/or variations) agreed by the Company's creditors
"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)

## 2. RELEVANT INFORMATION

Name of Company	GYG Holdings Ltd
Trading name(s)	As above
Date of Incorporation	23 December 1988
Company registered number	02486334
Company registered office	Temple Point, 1 Temple Row, Birmingham, B2 5LG
Commencement date of the Arrangement	13 February 2014
Duration of the Arrangement	5 years
Main provisions of the Arrangement	We anticipate a dividend of 67 pence in the pound to be available to all creditors if the assets detailed in section five of this report are realised
Variations to the Arrangement since approval	There have been no variations to the arrangement
Dividend(s) paid to creditors	There have been no dividends paid to creditors
Anticipated dividend(s)	The timing and quantum of any dividend payments remains uncertain and is dependent upon the timing of the payment to the Company from its interest in the two profit share agreements

## 3. INTRODUCTION

- 3.1 Pursuant to Rule 1.26A(6) of the Rules, the Supervisors are required to send the Company, its creditors (bound by the Arrangement) and its members an abstract of receipts and payments which shows all receipts and payments of money whilst the Supervisors have been acting as supervisors of the Arrangement
- 3.2 In addition to accounting for the receipts and payments, Rule 1.26A requires the Supervisors to report on the progress of the Arrangement and the prospects for its full implementation
- 3.3 This is the Supervisors' first annual report, which should be read in conjunction with the Proposal of the directors and accompanying documents approved at the meeting of creditors

## 4. ABSTRACT OF RECEIPTS AND PAYMENTS

Please find at Appendix 1 an abstract which shows there have been no receipts and payments during the period of this report

## 5. PROGRESS DURING THE PERIOD OF THIS REPORT

5 1 Set out below are details of the progress that has been made during the period of this report

5 2 You will recall that the terms of the Arrangement provided for the following realisations

### 5 3 Profit Share Arrangement One

5 3 1 The Company has an interest in a joint venture owned between Macob Westgate Limited and Mewslade Holdings Limited (Joint Venture) The Joint Venture owned land near Cardiff that has a potentially significant redevelopment value A profit share arrangement was agreed between the Joint Venture and Macob Projects Limited (MPL) and then subsequently between MPL and the Company The Joint Venture completed the sale of its land to Persimmon Homes Limited (PHL) on 1 April 2014 and planning applications have now been registered by PHL These planning applications will ultimately determine the final value of the land and therefore the quantum of any funds that could flow through under the profit share arrangements In accordance with the terms of the original profit share agreement no proportion of the original consideration was available to MPL or therefore the Company

5 3 2 Whilst outside this reporting period we should also bring to the attention of creditors that MPL was placed into administration on the 17 March 2015 This insolvency event could have an impact on the overall outcome because the Company now has an unsecured claim against MPL The overall return to creditors in MPL will be very dependent upon the flow of funds through its profit share arrangement, which we understand is not prejudiced by its own insolvency, and also the level of creditor claims in MPL

### 5 4 Profit Share Arrangement Two

5 4 1 The Company also has an interest in a profit share arrangement relating to a parcel of land owned by Bluefield Caernarfon Limited (BCL) The Company agreed its profit share arrangement with MPHL, the parent of BCL, and any upside in value that is associated to its future redevelopment

5 4 2 MPHL was placed into administration on 5 March 2014 This insolvency event could have an impact on the overall outcome because the Company now has an unsecured claim against MPHL

### 5 5 Freehold Property - 9a Main Avenue, Brackla Industrial Estate

5 5 1 This freehold property remains on the market We understand that the level of interest has been encouraging although no sale has yet been concluded

### 5 6 Investment – GYG Exchange

5 6 1 The Company owned GYG Exchange Limited (Exchange) At the time the proposals were approved discussions were ongoing between the directors of Exchange, Julian Hodge Bank (JHB), the principal funder of Exchange, and Cardiff City Council (CCC) regarding a potential joint venture and funding package to develop the historically important building Regrettably the discussions failed and no progress was made between JHB and CCC The director's concerns about the building and a lack of finance to remedy health and safety concerns culminated in their decision to place Exchange into creditors voluntary liquidation There will be no return to the Company from this source because the freehold building was disclaimed as onerous property in the liquidation

## 6. PROSPECTS FOR FULL IMPLEMENTATION OF THE ARRANGEMENT

- 6.1 The successful implementation of this proposal remains dependent upon the level of any future return from the two profit share arrangements involving MPL and MPHL
- 6.2 MPL and MPHL are both subject to Administration Orders and the outcome for creditors, including the Company, is uncertain
- 6.3 There could still be a contribution from the proceeds of the sale of the freehold property at 9a Main Avenue, Brackla Industrial Estate
- 6.4 There will be no return from the investment in Exchange. This was a very uncertain realisation at the date the proposals were initially approved and no value was attributed in the overall estimated outcome statement

## 7. ESTIMATED OUTCOME FOR CREDITORS

- 7.1 The total amount owed to creditors at the commencement of the Arrangement was £1,578,424
- 7.2 It is still anticipated that a dividend of 67 pence in the pound could be available for creditors however the timing is unknown at this stage of the arrangement and it remains entirely dependant upon the realisation of the profit share arrangements (subject to insolvency proceedings)

## 8. JOINT SUPERVISOR'S REMUNERATION & DISBURSEMENTS

The Supervisors' remuneration has been fixed by reference to the time properly given by them (as Supervisors) 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 Arrangement 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 are attached at Appendix 2 of this report

The Supervisors' time costs for the period from 13 February 2014 to 12 February 2015 amount to £7,162 which represents 26.40 hours at an average rate of £271.29 per hour. An analysis of time costs incurred in this period and prepared in accordance with Statement of Insolvency Practice 9 is attached at Appendix 2 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. It is intended that the Time Costs Analysis and the information contained in this report will provide sufficient information to enable the body responsible for the approval of the Supervisors' fees to consider the level of those fees in the context of the case.

The following further information in relation to the Supervisors' time costs and disbursements is set out at Appendix 2

- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 13 February 2014 to 12 February 2015

For the period from 13 February 2014 to 12 February 2015 the Supervisors have not drawn any fees. However the sum of £15,000 with respect to the Nominees' fee as detailed in the proposals has been paid.

- 8.1 Details of the Category 2 disbursements that have been incurred since appointment are provided below

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage – to director's meeting	112.50
TOTAL	112.50

A copy of 'Voluntary Arrangements – A Creditors' Guide to Insolvency Practitioners' Fees (E&W) 2011' which provides guidance on creditors' rights can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides). Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

## 9. OTHER RELEVANT INFORMATION

The Supervisors will continue to closely monitor the two profit share arrangements to assess what impact the insolvency procedures in MPL and MPHL have on the overall outcome. This will ultimately determine whether the proposal can be successfully implemented or not.

## 10. CONCLUSION

The Supervisors will report again in approximately 1 year's time or at the conclusion of the Arrangement, whichever is the sooner.



W J Kelly  
Joint Supervisor

Dated 10 April 2015



## JOINT SUPERVISORS' ACCOUNT OF RECEIPTS AND PAYMENTS

Period 13 February 2014 to 12 February 2014

# Voluntary Arrangement of GYG Holdings Ltd

Statement of Affairs		From 13/02/2014 To 12/02/2015	From 13/02/2014 To 12/02/2015
	<b>SECURED ASSETS</b>		
170,000 00	Freehold Land & Property	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	<b>SECURED CREDITORS</b>		
(160,000 00)	Barclays Bank Plc	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	<b>ASSET REALISATIONS</b>		
600,000 00	Profit Share Arrangement - One	NIL	NIL
500,000 00	Profit Share Arrangement - Two	NIL	NIL
NIL	Furniture & Equipment	NIL	NIL
NIL	Stock/WIP	NIL	NIL
NIL	Book Debts	NIL	NIL
Uncertain	Investment in GYG Exchange Limited	NIL	NIL
NIL	Deferred Tax	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(1,186 00)	Trade Creditors	NIL	NIL
(880,351 00)	Director's Loan Account - R J Roberts	NIL	NIL
Uncertain	JHB Guarantee	NIL	NIL
(188,992 00)	H M Revenue & Customs - VAT	NIL	NIL
(126,450 00)	H M Revenue & Customs - PAYE	NIL	NIL
(22,080 00)	H M Revenue & Customs - Class 1A	NIL	NIL
(607,470 00)	H M Revenue & Customs - Futures Sc	NIL	NIL
(1,230,388 00)	Intercompany Creditors	NIL	NIL
(4,000 00)	Sundry Creditors	NIL	NIL
(2,000 00)	Accruals and Deferred Income	NIL	NIL
(10,000 00)	KMC (Pembroke) Limited	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(100 00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<b>(1,963,017.00)</b>		<u><b>NIL</b></u>	<u><b>NIL</b></u>
	<b>REPRESENTED BY</b>		
			<u><b>NIL</b></u>

## JOINT SUPERVISORS' 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 for the period from 13 February 2014 to 12 February 2015

## **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.

Where the office holder's remuneration is proposed to be fixed on an additional or alternative basis, sufficient information will be provided to creditors in order to allow them to consider whether to approve the proposed basis or bases of the office holder's remuneration. Following approval further information will be provided to creditors regarding the office holder's fees as required by the legislation and best practice guidance.

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 guidance<sup>2</sup> indicates 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 in Appendix 3.

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 in Appendix 3. This is only applicable to those cases where the office holder is remunerated on a time costs basis.

### **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 and 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 expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(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

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

<sup>2</sup> Ibid 1

particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates

(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 Birmingham office as at the date of this report are as follows

	<b>Standard</b>
	<b>1 May 2011 –</b>
	<b>until further notice</b>
	<b>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	GYG Holdings Ltd
CASE TYPE	COMPANY VOLUNTARY ARRANGEMENT
OFFICE HOLDERS	W John Kelly AND Nigel Price
DATE OF APPOINTMENT	13 February 2014

**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**  
Following the approval of the proposals on 13 February 2014 the case has been fairly straightforward. There have been no realisations to date as the land in the two profit share arrangements has yet to be sold
- 1.3 **Exceptional responsibilities**  
None
- 1.4 **The office holders' effectiveness**  
We have continued to monitor the profit share arrangements and any resulting realisations
- 1.5 **Nature and value of property dealt with by the office holders'**  
There have been no realisations to date in the arrangement
- 1.6 **Anticipated return to creditors**  
It is still anticipated that a dividend of 67 pence in the pound could be available for creditors however the timing is unknown at this stage of the arrangement and it remains entirely dependant upon the realisation of the profit share arrangements (subject to insolvency proceedings)
- 1.7 **Time costs analysis**  
An analysis of time costs incurred between 13 February 2015 and 12 February 2015 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

The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only

**1 8 Work undertaken prior to appointment**

In addition to the post appointment time costs detailed, the costs relating to work undertaken by the Nominees prior to approval of the voluntary arrangement were approved by the creditors at the creditors' meeting

**1 9 The views of the creditors**

Any queries from creditors have been dealt with in a timely manner

**1 10 Approval of fees and Expenses and Disbursements**

As detailed in the CVA proposals and approved at the creditors meeting held on 13 February 2014, the Supervisors are authorised to pay from funds under their control

- (i) the fees and disbursements set out in the proposal,
- (ii) any expenses properly incurred by him in pursuance of the Arrangement

and that the Supervisors may draw sums on account of their fees and disbursements from time to time as he thinks fit

**1 12 Category 2 Disbursements**

In accordance with the resolution obtained in relation to expenses and disbursements, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of my appointment

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage – to director's meeting	112 50
<b>TOTAL</b>	<b>112 50</b>

**1 13 Other professionals employed & their costs**

There have been no professionals engaged in the arrangement to date

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

2 1 Begbies Traynor's policy for charging fees and expenses incurred by office holders is attached at Appendix 2

2 2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 2

**3 SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT**

3 1 Since the date of our last report, the following work has been carried out

- Carrying out all statutory duties,
- Liaising with creditors following our appointment,
- Liaising with the directors regarding the profit share arrangements

[illegible]