

**2.17B**

The Insolvency Act 1986

**Statement of administrators proposals**

Name of Company

G Realisations GC 2009 PLC formerly known as  
GCG PLCCompany number  
3685554In the  
High Court of Justice, Bristol District Registry  
(full name of court)Court case number  
1910 of 2009(a) Insert full  
name(s) and  
address(es) of  
administrator(s)We (a)  
Neil Francis Hickling  
Smith & Williamson Limited  
No 1 St Swithin Street  
Worcester  
WR1 2PYAnthony Cliff Spicer  
Smith & Williamson Limited  
25 Moorgate  
London  
EC2R 6AY\*Delete as  
applicable

attach a copy of our proposals in respect of the administration of the above company.

A copy of these proposals was sent to all known creditors on

(b) 3 September  
2009

Signed

  
Joint Administrator

Dated

25/9/2009

**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 researchers of the public record

Neil Francis Hickling  
Smith & Williamson Limited  
No 1 St Swithin Street  
Worcester  
WR1 2PY

DX Number MDX 716307 Worcester 1

01905 730100  
DX Exchange

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**



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A19 29/09/2009 316

COMPANIES HOUSE

TUESDAY

## **GCG Plc - In Administration ("the Company")**

### **Statement of the joint administrators' proposals to all known creditors pursuant to paragraph 49 of schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986**

#### **1.0 Introduction**

- 1.1 Further to our appointment as joint administrators of the above company on 20 July 2009, we detail below our statement of proposals in accordance with paragraph 49 of Schedule B1 to the Insolvency Act 1986 and rule 2.33 of the Insolvency Rules 1986.
- 1.2 We attach as Appendix I, further relevant information as required by rule 2.33 of the Insolvency Rules 1986.

#### **2.0 Circumstances giving Rise to the Appointment of Administrators**

- 2.1 The company operated as recruitment and management consultants.
- 2.2 The company's accountants referred the directors to Smith & Williamson Limited ("SWL") in June 2009 for advice as to the options available.
- 2.3 A review of the company's affairs showed that the company was insolvent. Shortly after the initial meeting the directors advised that a winding up petition had been presented by HM Revenue & Customs in respect of unpaid PAYE, NIC and VAT.
- 2.4 The existence of the winding up petition prevented the directors from appointing an Administrator over the company's affairs.
- 2.5 The directors convened a board meeting and passed a resolution to invite Bank of Scotland Plc to appoint Administrators
  - 2.5.1 Bank of Scotland Plc agreed to appoint Administrators in order to protect the assets from being dissipated, if the company was compulsory wound up.
- 2.6 We, Neil Francis Hickling and Anthony Cliff Spicer, directors of SWL were appointed Joint Administrators of the company on 20 July 2009.

### **3 Statement of Affairs**

- 3.1 We attach as Appendix II, a full copy of the statement of affairs submitted in this matter by Nicholas Andrew White. The company's other directors have also furnished us with a statement that they concur with the contents of this document.
- 3.2 We consider that the Statement of Affairs reflects the company's financial position.

### **4 Remuneration of the Joint Administrators**

- 4.1 Pursuant to rule 2.106 of the Insolvency Rules 1986, the joint administrators are entitled to receive remuneration for their services as such.
- 4.2 Other than by virtue of Section 176A(2)(a), there are no funds available to the unsecured creditors, and pursuant to rule 2.106(5A) of the Insolvency Rules 1986, since I have made a statement under paragraph 52(1)(b) of Schedule B1 of the Insolvency Act 1986 (see paragraph 7.2 below), I shall be seeking approval for the fixing of my remuneration from the secured creditor.
- 4.3 The joint administrators' will seek to fix their remuneration by reference to the time properly given by the joint administrators and their staff in attending to matters arising in the administration.
- 4.4 The joint administrators' will also be seeking authority from the secured creditor to charge the following category 2 disbursements:-
- a) Postage at actual cost of posting.
  - b) Photocopying at 10p per sheet.
  - c) Storage costs of up to £10 per box per annum.
  - d) That the services of Smith & Williamson Financial Services Limited be utilised to deal with any pension schemes at their usual hourly charge out rates. The current charge out rates and estimated cost per scheme are given in Appendix 3 of this report.

### **5 The Prescribed Part and the Company's Net Property**

- 5.1 Section 176A of the Insolvency Act 1986 states that where a debenture was created after 13 September 2003, that there will be a prescribed part of the net property of the company made available for the unsecured creditors, in preference to the floating charge holder.

5.2 As can be seen from Appendix II, the company's net property is estimated by the directors to be £30,463 before the costs of the administration, whilst some £34,640 is due to the secured creditor under their floating charge, leaving no funds available to the unsecured creditors other than by virtue of the prescribed part.

5.3 It is not possible to calculate the quantum of the prescribed part until such time as the realisations are complete. On current information the prescribed part is estimated to be between £6,000 and £7,000. Taking into account the associated costs, it is unlikely that there will be any funds available for the unsecured creditors.

## **6 Achieving the Purpose of the Administration**

6.1 Under paragraph 3(1) of Schedule B1 to the Insolvency Act 1986, the joint administrators must perform their functions with the objective of: -

- Rescuing the company as a going concern; or
- 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
- Realising property in order to make a distribution to one or more secured or preferential creditors

6.2 Section 8.0 below refers and we are of the view that the second of the aforementioned objectives has been achieved, since the company's assets were unlikely to retain any significant value within the context of liquidation. In addition, the third objective has been achieved as a result of the achievement of the second objective.

6.3 Due to the quantum of the deficiency, we believe that this is a case which will be suitable for a general investigation, subject to the requisite funding being available. Therefore the conclusion of the administration will follow the steps laid out under schedule 16 paragraph 82 of the Act by moving from administration to compulsory liquidation.

6.4 The joint administrators will retain sufficient monies in order to petition for the winding up of the company.

6.5 Once the winding up order has been made by the court, it is envisaged that the appointment of the joint administrators of the company shall cease to have effect.

**7 Reasons for not Convening a Meeting of Creditors**

- 7.1 As stated at 5.2 above, there will be no funds available to the company's unsecured creditors, other than by virtue of the prescribed part.
- 7.2 Accordingly, we hereby make a statement pursuant to paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986 such that the company has insufficient property to enable a distribution to be made to unsecured creditors. We are therefore not convening a meeting of creditors because such a meeting is not required.

**8 Details of the Conduct of the Administration**

- 8.1 Upon our appointment, Wyles Hardy & Co Limited independent valuers were instructed to market the company's intellectual property, which principally consisted of websites, and domain names. In addition Wyles Hardy & Co were instructed to realise the company's computer equipment and fixtures and fittings. Some interest was expressed in parts of the business but no offers in excess of Wyles Hardy & Co's valuation were received within the time constraints.
- 8.2 On 13 August 2009 the joint administrators agreed a sale of the company's principal assets consisting of its intellectual property and some computer equipment to Four6One Group Limited. Two of the directors of the company, Valentine Feerick and Keith Liddiard are connected with this company, and Mr Feerick is registered with Companies House as a director. The sale price is £30,000 plus VAT. £15,000 plus VAT has been paid and is held by the Joint Administrators Solicitors and the balance of £15,000 plus VAT will be paid by 12 October 2009. Title to the assets remains with the joint administrators until the deferred consideration has been paid. However the purchaser has been granted a licence to use the assets subject to the agreement. The sale includes the right to use the GCG PLC name, subject to the requisite consent of the company shareholders, passing a resolution to the name change.
- 8.3 Wyles Hardy & Co Limited valued the assets on a break up basis at £25,000, and therefore recommended the offer received of £30,000 plus VAT. In addition the Joint Administrators liaised with Bank of Scotland Plc, whose fixed charge attached to the intellectual property.
- 8.4 Book debts are estimated to realise £29,463. An amount of £5,612 was paid directly into the company's bank account on 21 July 2009. As the payment

was made after the Joint Administrator's appointment, we shall be seeking to recover this amount from Bank of Scotland Plc.

8.5 Wyles Hardy & Co Limited will proceed to realise the remaining computers and equipment that were not subject to the sale agreement.

8.6 We are presently unaware of any further assets.

## **9 EC Regulations**

9.1 The EC Regulations do apply and these proceedings are main proceedings as defined in Article 3 of the EC Regulations.

## **10 Approval of Proposals**

10.1 Since we have made a statement under Paragraph 52(1)(b) of Schedule B1 to the Act (see paragraph 7.2 above), we have not therefore called a meeting of creditors. Accordingly, the joint administrators' proposals as set out in this document will be deemed to have been accepted by the creditors pursuant to rule 2.33(5) of the Insolvency Rules 1986 twelve days from the distribution of these proposals to creditors.

10.2 The approval of our proposals in this manner is subject to a creditor or creditors which represent at least 10% of the debts of the company requesting a meeting of creditors pursuant to rule 2.37 of the Insolvency Rules 1986 and paragraph 52(2) of Schedule B1 to the Insolvency Act 1986.

10.3 As a consequence of the above and subject to paragraph 10.2, this proposal is deemed to have been approved by the creditors.

For and on behalf of  
GCG Plc – In Administration



N F Hickling  
Joint Administrator

**Appendix I**

**GCG Plc – In Administration**

**Appendix to the Statement of the Joint Administrators' Proposals to Creditors  
Detailing Additional Information Required by  
Rule 2.33 of the Insolvency Rules 1986**

Relevant Court:	High Court of Justice, Bristol District Registry
Court Reference:	1910 of 2009
Trading Name:	GCG Plc
Former Name:	Global Consulting Group Plc
Registered Office:	No 1 St Swithin Street Worcester WR1 2PY
Former Registered Office:	Wrest House Wrest Park Silsoe Bedfordshire MK45 4HS
Registered number:	3685554
Joint Administrators:	Neil Francis Hickling & Anthony Cliff Spicer  Smith & Williamson      &      Smith & Williamson No 1 St Swithin Street      25 Moorgate Worcester      London WR1 2PY      EC2R 6AY
Date of Appointment:	20 July 2009

Appointor: Bank of Scotland Plc

Company Directors: Valentine Feerick  
Keith Greville Joseph Liddiard  
Nicholas Andrew White  
Joy Frances Feerick (until 20/05/2009)  
David Albert Thomas (until 06/11/2003)

Company Secretary: Joy Frances Feerick

Shareholders: The authorised share capital is 100,000 ordinary shares of £1 each of which 53,667 have been issued and fully paid up as follows:

Valentine Feerick	36,181
Joy Feerick	12,863
Guardheath Securities Limited	1,206
Christopher Collins	603
Bob Head	603
Aiden Feerick	603
John Wybrew	603
James Espey	603
Alan Gard	402
	<u>53,667</u>



**GCG Plc**  
**Estimated Statement Of Affairs as at 20 July 2009**

	Book Value £	Estimated to Realise £	£
<b>ASSETS</b>			
Goodwill	281,437.00	NIL	
Intellectual Property	830,303.00	25,000.00	
Investment	5,098.00	NIL	
HBOS Plc	(59,640.00)	(59,640.00)	
Deficiency c/d		(34,640.00)	
Office Equipment/Computers	NIL		1,000.00
Debtors	29,463.00		29,463.00
			30,463.00
<b>PREFERENTIAL CREDITORS:-</b>			
Department of Employment		8,168.00	
Employees		15,414.00	
			23,582.00
			6,881.00
Estimated prescribed part of net property where applicable (to carry forward)			3,440.50
			3,440.50
<b>DEBTS SECURED BY FLOATING CHARGE</b>			
Deficiency b/d		34,640.00	
			34,640.00
			(31,199.50)
Estimated prescribed part of net property where applicable (brought down)			3,440.50
			3,440.50
<b>Unsecured non-preferential claims (excluding any shortfall to floating charge holders)</b>			
Trade & Expense Creditors		249,447.00	
Employees		64,560.00	
Department of Employment		17,662.00	
Directors Loan Account - K Liddiard		69,167.00	
H M Revenue & Customs - VAT, PAYE, & NIC		535,422.00	
GCG Retirement Benefit Scheme		89,424.00	
			1,025,682.00
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)			(1,022,241.50)
Shortfall to floating charge holders (brought down)			31,199.50
			(1,053,441.00)
Issued and called up capital			
Ordinary Shareholders		53,667.00	
			53,667.00
<b>TOTAL SURPLUS/(DEFICIENCY)</b>			(1,107,108.00)

**SMITH & WILLIAMSON LIMITED**  
**SCHEDULE OF CURRENT HOURLY CHARGE-OUT RATES**

Grade	Hourly Rates £
Directors	350
Associate directors	295
Managers	195-250
Other senior professionals	130-160
Support staff	50

## Smith & Williamson Pension Financial Services Ltd (S&WFS)

S&WFS is a pensions consultancy firm which specialises in providing advice to Insolvency Practitioners (IPs) on their appointment in relation to all aspects of pensions. The service S&WFS provides is extremely specialised and there are few others in this 'niche' market. Having provided services to IPs for more than 10 years S&WFS's experience and expertise ensures that an efficient and concise approach is taken to investigating each case and, as a result, appropriate advice is given.

S&WFS's fees are considered to compare favourably with others in this specialist sector but it has not yet been possible to obtain comparable quotes. Accordingly, estimates of S&WFS's charges are shown below together with a summary of its charge out rates. It should be noted that S&WFS will always seek to recover its fees from third party funds, wherever possible.

<b>Insolvency type</b>	<b>Pension scheme type</b>	<b>Number of members</b>	<b>Estimated cost per standard scheme*</b>
Individuals	Personal Pension	N/A	£800
	Retirement Annuity Contract	N/A	£800
Corporate	Executive Pension Plan	2	£800
	Small Self Administered Scheme	2	£800
	Stakeholder Plan	10	£800
	Group Personal Pension Plan	Up to 25	£2,500
	Group Personal Pension Plan	25 to 100	£3,750
	Group Personal Pension Plan	Over 100	£8,000
	Money Purchase Plan	Up to 20	£8,000
	Money Purchase Plan	20 to 100	£19,000
	Money Purchase Plan	Over 100	£27,000
	Final Salary	Not relevant	£3,250
<b>Charge out rates from May 2004</b>		<b>Per hour</b>	
Director		£205 - £290	
Manager		£125 - £188	
Senior Administrator		£95 - £155	
Administrator		£80 - £120	

The above data shows the estimated costs per Scheme for a Standard Scheme. If any major issues arise away from the norm then fees will accrue on a time-cost basis.

\* All costs are shown exclusive of VAT.