

# Liquidator's Progress Report

**S.192**

Pursuant to Sections 92A, 104A and 192 of the Insolvency Act 1986

To the Registrar of Companies

Company Number

04194152

Name of Company

(a) Insert full name of company

(a) GYG Exchange Ltd

(b) Insert name(s) and address(es) of liquidator(s)

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

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

David Hill  
Begbies Traynor (Central) LLP  
1<sup>st</sup> Floor North, Anchor Court  
Keen Road  
Cardiff  
CF24 5JW

the Liquidator(s) of the company attach a copy of my/our Progress Report ~~statement of receipts and payments~~ under Section 192 of the Insolvency Act 1986

The Progress Report ~~statement of receipts and payments~~ covers the period from 2 September 2014 to 1 September 2015

Dated

21/10/15.

Signed


Joint Liquidator

Name in  
BLOCK LETTERS

W JOHN KELLY

Presenter's name,  
address and reference  
(if any)

GY004CVL  
GYG Exchange Ltd  
W John Kelly  
Begbies Traynor (Central) LLP  
3rd Floor  
Temple Point  
1 Temple Row  
Birmingham

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Liquidation Section	Post Room
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## **GYG Exchange Ltd (In Creditors' Voluntary Liquidation)**

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Progress report pursuant to Section 104A of the  
Insolvency Act 1986 and Rule 4.49C of the  
Insolvency Rules 1986

Period: 2 September 2014 to 1 September 2015

### **Important Notice**

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. 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 and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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# 1. INTERPRETATION

<b><u>Expression</u></b>	<b><u>Meaning</u></b>
"the Company"	GYG Exchange Ltd (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 2 September 2014
"the liquidators", "we", "our" and "us"	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 and David Hill of Begbies Traynor (Central) LLP, 1 <sup>st</sup> Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW
"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 Act

## 2. COMPANY INFORMATION

Trading name(s)	Not applicable
Company registered number	04194152
Company registered office	3rd Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG
Former trading address	The Coal Exchange, Mount Stuart Square, Cardiff, CF10 5EB

## 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	2 September 2014
Date of liquidators' appointment	2 September 2014
Changes in liquidator (if any)	None

## 4. PROGRESS DURING THE PERIOD

The Company owned the freehold building known as The Coal Exchange, Mount Square, Cardiff ("the Coal Exchange"). The freehold property was deemed to be onerous because of the liabilities associated with holding and maintaining it. The value was therefore £Nil and the freehold was disclaimed, pursuant to Section 178 of the Insolvency Act 1986, immediately following the appointment.

Attached at Appendix 1 is our abstract of receipts and payments for the period from 2 September 2014 to 1 September 2015. The only receipt during the period is the sum of £331.24 which represents the closing balance of the Company's pre-appointment bank account.

There have been no further receipts or payments during the period of this report.

## 5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the directors' statement of affairs included within the report sent to creditors further to our appointment as liquidators.

### **Secured creditor**

In accordance with the proof of debt submitted prior to appointment, Julian Hodge Bank Limited ("JHB") has a fixed and floating charge over the Company dated 7 August 2012 and a legal charge over the Coal Exchange dated 29 June 2005. At the date of appointment JHB were owed £2,404,295 although as previously reported the secured element was revalued to £150,000.

Barclays Bank Plc ("Barclays") has a fixed and floating charge over the Company dated 10 March 2005.

A deed of priority exists between JHB and Barclays which gives JHB priority for the first £3,500,000 of any realisations

On present information there will be no return to either secured creditor

#### **Preferential creditors**

As far as we are aware there are no known preferential creditors

#### **Unsecured creditors**

Unsecured creditors were estimated at £3,986 27 We have not validated or admitted any claims as on present information there will be no return to unsecured 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 liquidator 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 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

A liquidator will not be required to set aside the prescribed part of net property if

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- ☐ the liquidator 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, the Company's net property, as defined in Section 176A(6) of the Act, to be £Nil and the prescribed part of the Company's net property to be £Nil

#### **Notice that no dividend will be declared**

We confirm, pursuant to Rule 11.7 of the Rules that no dividend will be declared in respect of unsecured claims as the balance of funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation

## **6. REMUNERATION & DISBURSEMENTS**

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation and we are authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, details of which accompanied the Statement of

Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report.

Our time costs for the period from 2 September 2014 to 1 September 2015 amount to £13,028 which represents 48 hours at an average rate of £271.42 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 2 September 2014 to 1 September 2015
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

We have drawn interim fees of £4,000 plus VAT and disbursements. This interim fee has been discharged directly by JHB and therefore does not appear on the enclosed receipts and payments account. The balance of fees will be paid by JHB directly with a contribution from assets if applicable.

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been taken in accordance with the approval obtained are provided in the narrative summary of time costs incurred which is at Appendix 2.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2011' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set 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 our office and we will arrange to send you a copy.

## 7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

## 8. ASSETS THAT REMAIN TO BE REALISED

There are no assets remaining to be realised.

## 9. OTHER RELEVANT INFORMATION

### **Investigations and reporting on directors conduct**

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. We can confirm that we have discharged our duties in these respects.

### **Investigations carried out to date**

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect. As far as we are aware there are no realisations as a result of the investigations.

### **Connected party transactions**

As far as we are aware there have been no connected party transactions

### **Closure**

We will now seek the appropriate tax clearances from H M Revenue & Customs and prepare to close the liquidation

## **10. CREDITORS' RIGHTS**

### **Right to request further information**

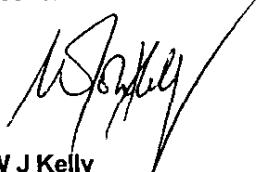
Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report.

### **Right to make an application to court**

Pursuant to Rule 4.131 of the Rules, any secured creditor or any 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

## **11. CONCLUSION**

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



**W J Kelly**  
Joint Liquidator

Dated 22 October 2015



# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 2 September 2014 to 1 September 2015

**GYG Exchange Ltd**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 02/09/2014 To 01/09/2015	From 02/09/2014 To 01/09/2015
	<b>SECURED ASSETS</b>		
NIL	Freehold Land & Property	NIL	NIL
		NIL	NIL
	<b>SECURED CREDITORS</b>		
(150,000 00)	Julian Hodge Bank Limited	NIL	NIL
		NIL	NIL
	<b>ASSET REALISATIONS</b>		
NIL	Furniture & Equipment	NIL	NIL
	Cash at Bank	331 24	331 24
		331 24	331 24
	<b>UNSECURED CREDITORS</b>		
(2,408,281 00)	Trade Creditors	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(2 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(2,558,283.00)</b>		<b>331 24</b>	<b>331.24</b>
	<b>REPRESENTED BY</b>		
	Bank 1 Current		331 24
			<b>331.24</b>

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## 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 2 September 2014 to 1 September 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.

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. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. 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 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 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 particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,

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

<sup>2</sup> Ibid 1

*Expenses which should be treated as Category 2 disbursements (approval required)* – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements

In addition to the services detailed above, it may become necessary to instruct Eddisons Commercial Limited to provide additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

(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

Grade of staff	Charge-out rate (£ per hour) 1 May 2011 – until further notice
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 Exchange Ltd
CASE TYPE	CREDITORS' VOLUNTARY LIQUIDATION
OFFICE HOLDERS	W John Kelly AND Nigel Price
DATE OF APPOINTMENT	2 September 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**

This was a straightforward case with the strategy being to disclaim the joint liquidators' interest in The Coal Exchange building ("Coal Exchange")

#### **1 3 Exceptional responsibilities**

None

#### **1 4 The office holders' effectiveness**

On appointment the liquidators disclaimed the company's interest in the Coal Exchange which then vested with the treasury solicitor

#### **1 5 Nature and value of property dealt with by the office holders**

The credit balance from the Company's pre-appointment bank account realised the sum of £331 24

#### **1 6 Anticipated return to creditors**

On present information there will be no return to any class of creditor

#### **1 7 Time costs analysis**

An analysis of time costs incurred between 2 September 2014 and 1 September 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 Liquidators and their staff following their appointment only

**1 8 Work undertaken prior to appointment**

In addition to the post appointment time costs detailed in the Time Costs Analysis, the costs relating to work undertaken prior to the Liquidators' appointment in summoning, advertising and holding the creditors' meeting and assisting the directors in preparing the statement of affairs were approved by the creditors at the Section 98 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**

It was resolved at the initial meeting of creditors held on 2 September 2014 that the Joint Liquidators' remuneration be on the basis of the time properly incurred by them and their staff in attending to matters arising in the winding up

**1 11 Approval of Expenses and Disbursements**

It was resolved at the initial meeting of creditors held on 2 September 2014 that in respect of expenses necessarily incurred, the Joint Liquidators be authorised to make a separate charge in accordance with their firm's policy note which accompanied the information presented to the creditors meeting

**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 and from Cardiff for meetings with directors	110 70
TOTAL	110 70

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

There have been no professionals engaged on this case

**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 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 appointment, the following work has been carried out

- Carrying out all statutory duties,
- Liaising with the Treasury Solicitor regarding the disclaimer of the Coal Exchange,
- Preparing all paperwork in connection with the disclaimer,
- Liaising with various tenants within The Coal Exchange regarding the disclaimer,
- Liaising with Julian Hodge Bank regarding realisation of the Company's pre-appointment credit bank balance

Staff Grade	Partner	Director	Sr Mngt	Mngt	Asst Mngt	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost	Average Hourly Rate £
General Case Administration and Planning	Case planning											0.00
	Administration	0.1	10.4		6.7				0.9	18.1	5,100.00	281.77
	Total for General Case Administration and Planning	0.1	10.4		6.7				0.9	18.1	5,100.00	281.77
	Appointment				8.1					8.1	1,680.50	205.00
	Banking and Bonding	0.1							0.7	0.8	116.50	145.63
Compliance with the Insolvency Act, Rules and Best Practice	Case Closure											0.00
	Statutory reporting and statement of affairs		1.1							1.1	378.50	345.00
	Total for Statutory compliance	0.1	1.1		8.1				0.7	10.0	2,106.50	216.65
	Investigations											0.00
	Total for Investigations											0.00
Realisation of assets	Debt collection											0.00
	Property, business and asset sales											0.00
	Retention of Third/Third party assets											0.00
	Total for Realisation of assets											0.00
	Trading											0.00
Trading	Total for Trading											0.00
	Secured											0.00
	Others											0.00
	Creditors committee											0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions											0.00
Other matters which includes meetings, tax, litigation, pensions and travel	Meetings	5.5	2.5			3.0				11.0	3,560.00	323.64
	Other		4.0			4.5				8.5	2,167.50	255.00
	Tax								0.4	0.4	44.00	110.00
	Litigation											0.00
	Total for Other matters	5.5	6.5			7.5			0.4	19.9	5,771.50	290.03
	Total hours by staff grade	5.7	18.0		14.8	7.5			2.0	48.0		
	Total time cost by staff grade	2,251.50	6,210.00		3,034.00	1,312.50			220.00		13,028.00	
	Average hourly rate £	395.00	345.00	0.00	0.00	0.00	0.00	0.00	110.00			271.42
	Total fees drawn to date £										0.00	



## STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Company Searches	Companies House	2 00	Nil	2 00
Postage	Royal Mail	13 73	Nil	13 73
Statutory Advertising	Courts Advertising	169 20	Nil	169 20
Bordereau	AUA Insolvency Risk Services	18 00	Nil	18 00
Storage	L & R Storage	206 60	Nil	206 60