

The Insolvency Act 1986

Administrator's progress reportName of Company:
Betbrokers PLCCompany number:
5871374In the High Court of Justice, Chancery Division, Manchester District
RegistryCourt case number :
3433 of 2008(a) Insert full name(s) and
address(es) of
administrator(s)We, Fraser J Gray and Elizabeth G Mackay of Zolfo Cooper, Alhambra House, 45 Waterloo Street,
Glasgow, G2 6HS

administrators of the above company attach a progress report for the period

from

to

2 September 2008

1 March 2009

(b) Insert dates

Signed

Joint / Administrator(s)

Dated

20 MARCH 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 searchers of the public record

Michael Green

Zolfo Cooper, The Observatory, Chapel Walks, Manchester, M2 1HL

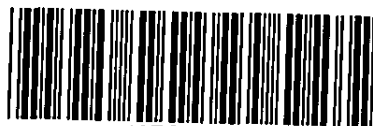
Tel: 0161 838 4500

DX Number

DX Exchange

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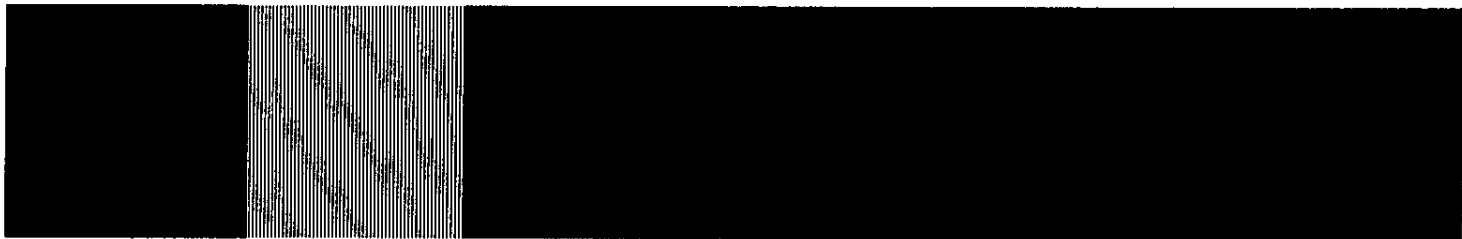
COMPANIES HOUSE

**Joint Administrators'
Progress Report**

**For the Period
2 September 2008 to 1 March 2009**

**Betbrokers PLC -
In Administration**

20 March 2009



zc ZOLFO COOPER

BETBROKERS PLC- IN ADMINISTRATION

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BETBROKERS PLC- IN ADMINISTRATION

1 Statutory Information

- 1.1 I was appointed Joint Administrator of Betbrokers PLC (the **Company**) together with Elizabeth G Mackay on 2 September 2009 by the High Court of Justice. The application for the appointment of an Administrator was made by the Directors.
- 1.2 The Administration is being handled by Zolfo Cooper's Glasgow office, situated at Alhambra House, 45 Waterloo Street, Glasgow, G2 6HS.
- 1.3 The Administration is registered in the High Court of Justice, Chancery Division, Manchester District Registry, under reference number 3433 of 2008.
- 1.4 The trading address of the Company was 56 Marsh Wall, Canary Wharf, London, E14 9TP.
- 1.5 The registered office of the Company was changed to c/o Zolfo Cooper, The Observatory, Chapel Walks, Manchester, M2 1HL and its registered number is 5871374 .
- 1.6 The functions of the Administrators may be exercised by either or both, acting jointly or alone.
- 1.7 Please note that following the recent completion of a Management Buy-Out (**MBO**) by the partner group of Kroll's UK Corporate Advisory and Business Recovery practice from Kroll Inc, we will be operating under the Zolfo Cooper brand name going forward. Zolfo Cooper Europe will continue to be headquartered at 10 Fleet Place, London EC4M 7RB with our existing network of UK offices remaining in their current locations.

2 Progress of the Administration

- 2.1 Attached at Appendix A is my Receipts and Payments Account for the period from 23 October 1 March 2009 and cumulative to 1 March 2009.
- 2.2 As mentioned in my previous report the objective being pursued is to realise property in order to make a distribution to one or more secured or preferential creditors. Aberdeen Asset Management (**AAM**) holds a fixed and floating charge over the Company and as such is the only secured creditor.

Winning Edge Inc.

- 2.3 Following our appointment, we identified that the only asset was an investment in a US subsidiary company, Winning Edge Inc. (**Winning Edge**).

BETBROKERS PLC- IN ADMINISTRATION

- 2.4 We undertook an extensive marketing process to identify potential interested parties for the investment.
- 2.5 We liaised with a number of parties who showed initial interest in the investment in Winning Edge, but no formal offer was ever received in this respect.
- 2.6 Poor trading performance, coupled with the global economic downturn led to the management of Winning Edge taking to the decision to cease trading. As a result, the value of the investment in Winning Edge held by the Company has reduced significantly.

Winning Edge Database

- 2.7 Since the date of our last report, we have identified that in addition to the investment in Winning Edge, the Company owns the rights to the database of customers of Winning Edge. We are in negotiations with an interested party for the sale of the database and for commercial reasons are unable to provide any further detail in this regard at this stage.

Employees

- 2.8 At the date of appointment, we were provided with information suggesting that five employees had redundancy claims against the Company. After further investigations it has been noted that the employees' wages were paid through a subsidiary company, Betbroker Limited, which is also in Administration. After discussions with the Redundancy Payments Service, it has been confirmed that these employees have claims against Betbroker Limited therefore the Company has no further obligations in this respect.

Statement of Affairs

- 2.9 Despite several requests, a statement of affairs has never been completed by the Company's Directors.

3 Assets still to be Realised

- 3.1 The sole asset to be realised is the database of customers of Winning Edge. Negotiations with an interested party are ongoing in this regard.

4 Administrators' Remuneration

- 4.1 Fee approval will be requested from the secured creditor on the basis that the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Administration.

BETBROKERS PLC- IN ADMINISTRATION

- 4.2 The Joint Administrators' time costs at 1 March 2009 are £106,770. This represents 413.5 hours at an average rate of £258 per hour. Attached as Appendix B are Time Analyses which provides details of the activity costs incurred by staff grade during the periods 23 October 2008 to 1 March 2009 and cumulative to 1 March 2009. To date no fees or disbursements have been drawn.
- 4.3 Attached as Appendix C is additional information in relation to our policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade.
- 4.4 Principle areas of activity are discussed in more detail below:
- **Administration and Planning** - Due to the complexity of certain aspects of the case, a significant amount of time has been spent devising and implementing strategy. Time has also been spent reporting to creditors and AMM. A number of hours have been spent with general administrative duties and travel time in respect of the Administration.
 - **Investigations** - Time has been spent dealing with general investigative matters as required in our capacity as Joint Administrators.
 - **Realisation of Assets** - A significant amount of time has been spent pursuing a sale of the investment in Winning Edge and the database. This time includes marketing, producing sales packs and liaising with interested parties.

5 Estimated Outcome for Creditors

- 5.1 It is expected that AAM will receive a significant shortfall in respect of its fixed and floating charge.
- 5.2 The Company has no preferential creditors, as discussed in Paragraph 2.6.
- 5.3 There will be insufficient funds to enable a dividend to be paid to the unsecured creditors of the Company.

6 Ending the Administration

- 6.1 It is proposed that the Company will proceed directly to dissolution upon realisation of the remaining assets, and any distribution being made to AAM.

BETBROKERS PLC- IN ADMINISTRATION

- 6.2 The Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.

7 Next Report

- 7.1 The Joint Administrators are required to provide a progress report within six weeks of the end of the next six months of the Administration or earlier if the Administration has been finalised.

For and on behalf of
Betbrokers PLC

A handwritten signature in black ink, appearing to be 'FJ Gray', written over a horizontal line.

Fraser J Gray
Joint Administrator

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BETBROKERS PLC- IN ADMINISTRATION

**Receipts and Payments Account for the Period from 23 October 2008
to 1 March 2009 and cumulative to 1 March 2009**

Appendix A

	23/10/08 to 01/03/09 £	02/09/08 to 01/03/09 £
RECEIPTS	-	-
	<hr/>	<hr/>
PAYMENTS		
VAT	26.68	26.68
Re-Direction of Mail	-	49.80
Statutory Advertising	152.46	315.18
Courier	196.30	196.30
	<hr/>	<hr/>
	375.44	587.96
Balance	-	<hr/> (587.96) <hr/>
MADE UP AS FOLLOWS		
Advance from Zolfo Cooper		<hr/> 587.96 <hr/>

- The payments shown above have been paid by Zolfo Cooper on behalf of the Company.

- No Statement of Affairs has been received and we are therefore unable to show this as a comparison.

BETBROKERS PLC- IN ADMINISTRATION

Time Analysis for the Period from 23 October 2008 to 1 March 2009

Appendix B(i)

	Employee Grade					(£'s)	
	(Hours)	Senior Associate	Associate/ Analyst	Junior Analyst/ Support	Total Hours	Total Cost	Average Rate p/h
	Partner/ Director						
Administration and Planning							
Strategy and Control	7.0	2.1	3.2	1.3	13.6	3,768.0	277
Bank and Creditor Reporting	7.4	4.0	1.0	-	12.4	3,560.0	287
Creditors Committee	-	-	-	-	-	-	-
Statutory Duties	-	-	0.1	0.2	0.3	45.5	152
Job Administration	0.1	0.9	7.8	1.0	9.8	1,855.5	189
Cash Accounting and Time Records	-	1.1	0.2	1.1	2.4	433.0	180
Travel and Waiting Time	7.2	-	-	-	7.2	2,340.0	325
Case Closure	-	-	-	-	-	-	-
Internal Documentation and IT	-	0.3	1.7	-	2.0	417.0	209
Investigations							
D Reports	-	1.0	4.0	-	5.0	1,157.5	232
Other Investigations	1.0	-	-	-	1.0	300.0	300
Internal Documentation	-	-	0.3	-	0.3	55.5	185
Realisation of Assets - Fixed Charge							
Initial Actions and Valuations	-	-	-	-	-	-	-
Sale of Assets	1.5	-	-	-	1.5	577.5	385
Insurance	-	-	-	-	-	-	-
Litigation	-	-	-	-	-	-	-
Internal and External Documentation	-	-	-	-	-	-	-
Realisation of Assets - Debtors							
Debt Collection	-	-	-	-	-	-	-
Debtors Litigation	-	-	-	-	-	-	-
Crown Debtors	-	-	-	-	-	-	-
Internal and External Documentation	-	-	-	-	-	-	-
Realisation of Assets - Floating Charge							
Initial Actions and Valuations	-	1.5	-	-	1.5	397.5	265
Sale of Assets	12.2	30.7	20.9	-	63.8	16,272.0	255
Insurance	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-
Hire Purchase / Leased Assets	-	-	-	-	-	-	-
Litigation	-	-	-	-	-	-	-
Internal and External Communications	-	-	-	-	-	-	-
Trading							
Initial Actions	-	-	-	-	-	-	-
Cash Accounting	-	-	-	-	-	-	-
Ongoing Trading Activities	-	-	-	-	-	-	-
Internal and External Communications	-	-	-	-	-	-	-
Creditors							
Creditor Dealings	-	0.5	4.8	-	5.3	1,043.0	197
Creditor claims	-	-	-	-	-	-	-
Litigation	-	-	-	-	-	-	-
Shareholders / Bankrupts	-	-	-	-	-	-	-
Internal Documentation	-	-	-	-	-	-	-
Employees	-	1.3	4.2	-	5.5	1,239.0	225
Employee Communications	-	-	-	-	-	-	-
Totals	36.4	43.4	48.2	3.6	131.6	33,461.0	254

BETBROKERS PLC- IN ADMINISTRATION

Time Analysis for the Period from 2 September 2008 to 1 March 2009

Appendix B(ii)

	Employee Grade					(£'s)	
	(Hours)					Total Cost	Average
	Partner/ Director	Senior Associate	Associate/ Analyst	Junior Analyst/ Support	Total Hours		Rate p/h
Administration and Planning							
Strategy and Control	61.0	11.3	36.4	3.5	112.2	30,738.0	274
Bank and Creditor Reporting	14.4	7.9	5.9	-	28.2	7,600.0	270
Creditors Committee	-	-	-	-	-	-	-
Statutory Duties	-	1.3	0.5	0.5	2.3	488.5	212
Job Administration	0.2	2.1	25.5	1.9	29.7	5,794.0	195
Cash Accounting and Time Records	-	1.2	8.5	1.8	11.5	2,277.0	198
Travel and Waiting Time	10.2	7.0	6.7	-	23.9	6,502.0	272
Case Closure	-	-	-	-	-	-	-
Internal Documentation and IT	-	0.3	5.6	-	5.9	1,151.0	195
Investigations							
D Reports	-	1.5	5.0	-	6.5	1,475.0	227
Other Investigations	4.3	44.2	-	-	48.5	13,003.0	268
Internal Documentation	-	-	0.3	-	0.3	55.5	185
Realisation of Assets - Fixed Charge							
Initial Actions and Valuations	-	-	-	-	-	-	-
Sale of Assets	1.5	-	-	-	1.5	577.5	385
Insurance	-	-	-	-	-	-	-
Litigation	-	-	-	-	-	-	-
Internal and External Documentation	-	-	-	-	-	-	-
Realisation of Assets - Debtors							
Debt Collection	-	-	-	-	-	-	-
Debtors Litigation	-	-	-	-	-	-	-
Crown Debtors	-	-	-	-	-	-	-
Internal and External Documentation	-	-	-	-	-	-	-
Realisation of Assets - Floating Charge							
Initial Actions and Valuations	3.0	1.5	-	-	4.5	1,297.5	288
Sale of Assets	46.1	49.1	21.7	-	116.9	31,486.0	269
Insurance	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-
Hire Purchase / Leased Assets	-	-	0.2	-	0.2	42.0	210
Litigation	-	-	-	-	-	-	-
Internal and External Communications	-	-	-	-	-	-	-
Trading							
Initial Actions	-	-	-	-	-	-	-
Cash Accounting	-	-	-	-	-	-	-
Ongoing Trading Activities	-	-	-	-	-	-	-
Internal and External Communications	-	-	-	-	-	-	-
Creditors							
Creditor Dealings	-	0.5	9.5	-	10.0	1,912.5	191
Creditor claims	-	-	-	-	-	-	-
Litigation	-	-	-	-	-	-	-
Shareholders / Bankrupts	-	0.5	-	-	0.5	132.5	265
Internal Documentation	-	-	-	-	-	-	-
Employees	-	1.3	9.6	-	10.9	2,238.0	205
Employee Communications	-	-	-	-	-	-	-
Totals	140.7	129.7	135.4	7.7	413.5	106,770.0	258

Additional Information in Relation to Administrators' Fees Pursuant to
Statement of Insolvency Practice 9

Appendix C

1 Policy

Detailed below is Zolfo Cooper's policy in relation to:

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements.

1.1 Staff Allocation and the use of Sub-contractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, Senior Associate, Associate and Analyst. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. Our charge out rate schedule below provides details of all grades of staff and their experience level.

With regard to support staff, we would advise that time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, eg, report compilation and distribution, do we seek to charge and recover our time in this regard.

We have not utilised the services of any sub-contractors in this case.

1.2 Professional Advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

BETBROKERS PLC- IN ADMINISTRATION

Name of Professional Advisor	Basis of Fee Arrangement
Brodies LLP (legal advice)	Hourly rate and disbursements

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

1.3 Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require prior approval by creditors before they are paid and whilst it is unlikely that any Category 2 disbursements will be incurred on the case, appropriate approval will be sought before any such expenses are paid.

BETBROKERS PLC- IN ADMINISTRATION

2 Charge-out Rates

A schedule of Zolfo Cooper charge-out rates for this assignment effective from 1 January 2009 is detailed below.

	(Per hour) £
Partner/Director:	
Partner 1*	425
Partner 2*	375
Director	325
Senior Associate:	
Senior Associate 1*	300
Senior Associate 2*	250
Associate/Analyst:	
Associate	220
Analyst*	210
Junior Analyst and Support Staff:	
Junior Analyst*	110
Senior Treasury Associate	150
Treasury Associate	100
Treasury Analyst	70
Support	70
*Key	
Partner 1 - Partners with 3 or more years experience at partner level	
Partner 2 - Partners with less than 3 years experience at partner level	
Senior Associate 1 - Staff who have been Senior Associates for over 2 years	
Senior Associate 2 - Staff who have been Senior Associates for less than 2 years	
Analyst - Staff who have been Analysts for more than 1 year	
Junior Analyst - First year Analysts	