

Rule 2 47

Form 2 24B (CH)

The Insolvency Act 1986

**Administrator's progress report**

Name of Company Daylar Limited (formerly Deith Group Limited)	Company number 03895043
In the High Court of Justice, Chancery Division, Birmingham District Registry [full name of court]	Court case number 8069 of 2009

(a) Insert full name(s) and address(es) of the administrator(s)

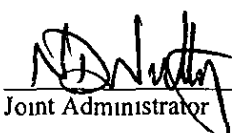
We (a) Nigel David Nutting of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT and Paul Stanley of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY

Joint Administrators of the above company attach a progress report for the period

from 27 January 2010 to 26 July 2010

(b) Insert dates

(b) 27 January 2010	(b) 26 July 2010
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Signed   
 Joint Administrator

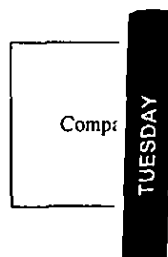
Dated 06 August 2010

**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.

Begbies Traynor (Central) LLP	
32 Cornhill, London, EC3V 3BT	
	Tel Number 020 7398 3800
Fax Number 020 7398 3799	DX Number

completed and signed this form please send it to the Registrar of Companies at  
 use, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff



A19 10/08/2010 10  
 COMPANIES HOUSE

David Paul Hudson and Paul Stanley were appointed Joint Administrators on 27 January 2009. With effect from 28 April 2010 and as a result of a court application, it was ordered by His Honour Mr Justice Henderson, sitting as a Judge of the High Court of Justice London No 3136 of 2010, that David Hudson be removed as Administrator. Nigel David Nutting has been appointed as replacement Administrator with effect from 28 April 2010 in his stead. (If you require a copy of the Order, please contact our office and a copy will be sent to you accordingly.)

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as the Company's agents and without personal liability

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## **DAYLAR LIMITED (FORMERLY DEITH GROUP LIMITED) (IN ADMINISTRATION)**

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### **Final Progress Report of the joint administrators pursuant to Rules 2.47 and 2.110 of The Insolvency Rules 1986**

**Period: 27 January 2009 to 26 July 2010**

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#### **Contents**

- ☐ Interpretation
- ☐ Statutory information
- ☐ Details of appointment of Joint Administrators
- ☐ Progress during the period
- ☐ Joint Administrators' proposals
- ☐ Summary of steps taken during the Administration
- ☐ Outcome
- ☐ Appendices
  - 1 Joint Administrators' account of receipts and payments, showing the outcome for creditors and comparing it to that originally estimated
  - 2 Summary of Joint Administrators' proposals, including major amendments to, and deviations from them
  - 3 Joint Administrators' time costs and expenses

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## 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Daylar Limited (formerly Deith Group Limited)
"the Administration"	The appointment of Joint Administrators under Schedule B1 to the Insolvency Act 1986 on 27 January 2009
"the Joint Administrators"	<p>Nigel David Nutting of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT and Paul Stanley of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY</p> <p>David Paul Hudson and Paul Stanley were appointed Joint Administrators on 27 January 2009. With effect from 28 April 2010 and as a result of a court application, it was ordered by His Honour Mr Justice Henderson, sitting as a Judge of the High Court of Justice London No 3136 of 2010, that David Hudson be removed as Administrator. Nigel David Nutting has been appointed as replacement Administrator with effect from 28 April 2010 in his stead (If you require a copy of the Order, please contact our office and a copy will be sent to you accordingly.)</p>
"the Act"	The Insolvency Act 1986
"the Rules"	The Insolvency Rules 1986
"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(a), Insolvency Act 1986)
"security"	<p>(i) In relation to England and Wales, any mortgage, charge, lien or other security and</p> <p>(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(b), Insolvency Act 1986)</p>
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

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## 2. STATUTORY INFORMATION

Name of Company	Daylar Limited (formerly Deith Group Limited)
Trading name(s)	Daylar Limited - from 6 January 2009 Deith Group Limited - from 28 January 2003
Date of Incorporation	15 December 1999
Company registered number	03895043
Company registered office	Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT

## 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of Joint Administrators	Nigel David Nutting of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT and Paul Stanley of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY  David Paul Hudson and Paul Stanley were appointed Joint Administrators on 27 January 2009 With effect from 28 April 2010 and as a result of a court application, it was ordered by His Honour Mr Justice Henderson, sitting as a Judge of the High Court of Justice London No 3136 of 2010, that David Hudson be removed as Administrator Nigel David Nutting has been appointed as replacement Administrator with effect from 28 April 2010 in his stead (If you require a copy of the Order, please contact our office and a copy will be sent to you accordingly )
Date of Joint Administrators' appointment	Nigel David Nutting – 28 April 2010 (as detailed above) Paul Stanley – 27 January 2009
Date of Joint Administrators' resignation	N/A
Court:	High Court of Justice, Birmingham District Registry
Court Case Number	8069 of 2009
Person making appointment / application	Alliance & Leicester Commercial Bank PLC
Acts of the Joint Administrators	The Joint Administrators act as officers of the court and as agents of the Company without personal liability Any act required or authorised under any enactment to be done by an Administrator may be done by any one or more persons holding the office of Administrator from time to time
EC Regulation on Insolvency	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation

## 4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 27 January 2010 to 26 July 2010

This report should be read in conjunction with our previous reports, dated 19 August 2009, 17 December 2009 and 24 February 2010

### **Book debt realisations**

Since our last report, our collection agents, Centenary Corporate Recovery Limited ("Centenary"), and their solicitors, Judge Sykes Frixou ("JSF"), negotiated payment of £19,553 in full and final settlement of the debt of £55,386 of the largest single debtor, Jackpot Leisure Limited ("Jackpot")

Centenary have collected the sum of £8,000 from Jackpot, which has been used against their outstanding costs and legal fees, leaving a collectable balance of £11,553

A further sum of £2,922 has been received to date from Jackpot by the Joint Administrators and a payment plan has been agreed with Jackpot in order for the balance of £8,631 to be paid shortly after the end of the Administration

The sum of £36 has been received as a first and final dividend payment in respect of the Company Voluntary Arrangement of the debtor Harbour Amusements Limited

Centenary have advised that they do not consider there to be any merit in taking recovery action in relation to the other book debts, which have so far proved to be irrecoverable

### **Rates Refund**

The sum of £696 has been received in respect of a rates refund

### **Bank Interest**

Bank interest over the period totalled £3

### **Legal fees (relating to stocks subject to distraint and appointment matters)**

As previously reported, solicitors, Shoosmiths LLP, were instructed to assist with realising any value in the stocks purportedly subject to distraint. Their fees in this regard, and including time costs incurred relating to appointment matters, were agreed at £3,393, plus disbursements of £39 and have been paid

### **Joint Administrators' remuneration**

As previously reported the Joint Administrators' is based on hourly costs at scale rates calculated on the time properly spent in the course of the Administration in accordance with the explanatory note on the subject, which accompanied *The Report and Proposals of the Joint Administrators*, in accordance with their firm's policy, details of which accompanied the *Statement of Proposals of the Joint Administrators for Achieving the Purpose of the Administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986*

The Joint Administrators' remuneration is subject to approval by a resolution of the secured creditor pursuant to Rule 2.106 of the Insolvency Rules 1986

Total remuneration drawn in accordance with the above approval amounts to £21,206.03. This also includes a final fee of £13,845.08, to be paid from funds held on account and future debtor receipts, as agreed by the secured creditor on 22 July 2010

Total time spent to 26 July 2010 on this assignment amounts to 340 hours at an average composite rate of £219 per hour resulting in total time costs to date of £74,441. The following further information as regards time costs and expenses is set out at Appendix 3

- ☐ Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value

## 5. JOINT ADMINISTRATORS' PROPOSALS

Attached at Appendix 2 is a summary of the Joint Administrators' proposals as deemed approved under Rule 2.33(5) of the Insolvency Rules 1986 in the absence of an initial meeting of creditors

## 6. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

### **Upon the Joint Administrators' Appointment**

Following our appointment, we met with the Director and advised him of the restrictions placed upon him, with regards to his powers and duties as a result of the administration. There were no funds available to enable the Company to continue trading, therefore we attended the Company's premises in Bushey, Hertfordshire, to make the employees redundant at once.

### **Sale of Company business and certain assets**

Independent Chartered Surveyors, Edward Symmons LLP ("ES"), were instructed immediately following the Joint Administrators' appointment, to provide a valuation of the business and its underlying assets. It was apparent that a sale of the combined business and assets of the Company and Daylar Operations Limited (formerly in Administration but now dissolved) ("Operations") would achieve a better result for the two companies' respective creditors. Operations was a 100% owned subsidiary, also insolvent, which was placed into Administration on 23 January 2009, with David Hudson and Neil Mather of Begbies Traynor (Central) LLP acting as Joint Administrators and dissolved on 24 November 2009.

Accordingly, the decision was taken to market the assets of both companies, (with the exception of the Company's book debts), for sale as a whole. A 60 day licence was granted to Leisure World (UK) Limited, a company controlled by the Director, to allow the Company's assets to be utilised whilst the business and assets were marketed for sale. Sales particulars were issued to 170 operators, covering the vast majority of existing arcade operators. We did not receive any substantive interest.

### **Unencumbered stocks/goodwill/computer equipment**

The Joint Administrators received an offer from Leisure World (UK) Limited for the business and certain related assets of the Company and Operations, specifically, the unencumbered gaming machines owned by the Company, the computer equipment and the goodwill, and the leasehold arcade owned by Operations. A sale of the Company's unencumbered stocks, computer equipment and its goodwill, to Leisure World (UK) Limited, was completed on 22 June 2009, for a total sum of £20,000, following the recommendations of ES.

JSF were instructed to prepare the necessary sale and purchase agreement.

### **Encumbered stocks**

We were advised that a creditor who had been repairing and storing gaming machines for the Company had sold certain machines prior to Administration, and was purporting to hold a general lien over the other machines in satisfaction of its unpaid invoices

Our solicitors, Shoosmiths LLP, entered into lengthy discussions with the creditor in order to resolve this matter and to establish whether any assets were being held. A list of remaining assets was subsequently provided, which ES advised were of negligible value. Accordingly, there have been nil realisations in this regard.

### **Book Debts**

Centenary, an independent firm of debt recovery specialists, were instructed to collect the Company's book debts. A large number of the book debts were found to be irrecoverable, on the basis that the debtors were subject to insolvency proceedings themselves.

As explained above, Centenary have realised £11,534 of book debts, of which the sum of £8,000 relates to monies recovered in respect of Jackpot's debt.

The sum of £2,922 has been received to date from Jackpot by the Joint Administrators and we anticipate that the balance of £8,631 will be paid by shortly after the end of the Administration.

The sum of £36 has been received as a full and final dividend payment in respect of the Company Voluntary Arrangement of the debtor Harbour Amusements Limited.

Centenary have advised that they do not consider there to be any merit in taking recovery action in relation to the other book debts, which have so far proved to be irrecoverable.

We have incurred £1,502 of legal costs to date in pursuing book debt realisations, which have been paid from the funds held by Centenary, and it has been agreed that all of the remaining funds held by Centenary in respect of recoveries of the Company's book debts, being the sum of £8,422.85, will be split between them and JSF against their outstanding time costs in dealing with this matter and the other Company book debts. Centenary have collected the sum of £8,000 from Jackpot, which has been used against their outstanding costs and legal fees.

### **Bank Interest**

Bank interest over the Administration period to 26 July 2010 has totalled £13.

### **Tax refund**

The Joint Administrators were advised by the Director of a potential Corporation Tax refund. Our in-house tax advisors, BTG Tax, assisted in reviewing the position regarding a potential tax refund due to the Company. Any refund would be subject to Crown set-off of other Crown liabilities, and it was ultimately concluded that there would be no merit in pursuing this any further as it would not result in a net refund.

BTG Tax agreed to pursue any potential net recoveries on a contingent fee basis, and accordingly have not been paid anything in respect of their outstanding time-costs.

### **Petition costs**

Dickinson Dees LLP has been paid £4,975 in respect of petition costs, in accordance with the Court Order dated 28 January 2009.

### **Legal fees and disbursements - sale of stocks**

JSF were paid £2,029 in relation to the preparation of the sale and purchase agreement, and other assistance relating to the sale.

## Statutory Reports

You may be aware that an Administrator 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, an Administrator 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 this respect.

## 7. OUTCOME

To all intents and purposes asset realisations are complete, save for the final receipts from Jackpot, and the purpose of Administration has been sufficiently achieved. Accordingly, we intend to proceed to dissolve the Company immediately.

Once registered by Companies House (which we anticipate shortly), our appointment as Joint Administrators will cease to have effect and, unless the Court makes an order otherwise, the Company will be deemed dissolved at the end of the period of three months from the date of registration of the notice (Form 2.35 B).

Finally, we seek the consent of the secured creditors to our discharge as Joint Administrators by a resolution passed pursuant to Paragraph 98 of Schedule B1 to the Act. We seek the date of our discharge to coincide with the date on which our appointment as Joint Administrators ceases to have effect.

Name



Nigel David Nutting

Date

06 AUGUST 2010



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JOINT ADMINISTRATORS' ACCOUNT OF  
RECEIPTS AND PAYMENTS, SHOWING THE  
OUTCOME FOR CREDITORS AND  
COMPARING IT TO THAT ORIGINALLY  
ESTIMATED

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Period. 27 January 2010 to 26 July 2010

# DAYLAR LIMITED (IN ADMINISTRATION)

## JOINT ADMINISTRATORS' ESTIMATED OUTCOME STATEMENT PERIOD 26 JANUARY 2010 TO 26 JULY 2010

	Receipts & Payments from 27 January 2010 to 26 July 2010 £	Receipts & Payments from 27 January 2009 to 26 July 2010 £	Anticipated Receipts & Payments £	Projected Outcome £
<b>ASSETS SPECIFICALLY PLEDGED</b>				
Investment in Daylar Operations Limited	-	-	Nil	Nil
	-	-	Nil	Nil
<i>Less amounts due to fixed and floating chargeholder</i>				
Alliance & Leicester plc	-	-	(435,000)	(435,000)
Deficiency c/f (floating charge)	-	-	(435,000)	(435,000)
<b>ASSETS NOT SPECIFICALLY PLEDGED</b>				
Book debts	2,959	14,681	8,611	23,292
HMRC tax refund	-	-	Nil	-
Bank interest	3	13	5	18
Rates Refund	696	696	-	696
Stocks (subject to distraint)	-	-	Nil	Nil
Stocks (unencumbered)/goodwill/computer equipment	-	20,000	-	20,000
	3,658	35,390	8,616	44,006
<b>Realisation expenses</b>				
Petition costs	-	(4,975)	-	(4,975)
Debt collection fees/legal costs	-	(1,502)	(6,921)	(8,423)
Legal fees and disbursements - sale of stocks	-	(2,029)	-	(2,029)
Legal fees and disbursements - stocks subject to distraint	(2,500)	(2,500)	-	(2,500)
Legal fees and disbursements - appointment matters	(933)	(933)	-	(933)
Insurance of stocks	-	(221)	-	(221)
Professional fees - HMRC tax refund	-	-	-	-
Agents' fees - stocks/chattel valuation	-	(1,100)	-	(1,100)
Agents' fees - marketing business and assets for sale	-	(2,063)	-	(2,063)
Administrators' fees	-	(12,595)	(8,611)	(21,206)
Administrators' disbursements	-	(422)	-	(422)
Statutory advertising	-	-	(500)	(500)
Books and records storage/removal	-	(103)	-	(103)
Bank charges	-	(5)	(5)	(10)
General provision	-	-	(500)	(500)
<b>Available for preferential creditors</b>	225	6,942	(7,921)	(978)
Insolvency Service preferential claim	-	-	(6,406)	(6,406)
Employee arrears of wages and holiday pay (estimated)	-	-	(4,696)	(4,696)
<b>Net property</b>	225	6,942	(19,023)	(12,080)
Prescribed part of net property set aside for unsecured creditors	-	-	N/A	N/A
<b>Available for floating charge creditors</b>	225	6,942	(19,023)	(12,080)
Alliance & Leicester plc	-	-	(435,000)	(435,000)
Alliance & Leicester plc distribution	-	-	12,080	12,080
Deficiency c/f (unsecured)	225	6,942	(438,638)	(435,000)

## SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

### **Proposals deemed approved under Rule 2.33(5) of the Insolvency Rules 1986**

In accordance with paragraphs 3 and 49 of Schedule B1 of the Act, the Joint Administrators proposed that

- (a) The Joint Administrators take all necessary actions to preserve the value of the Company's assets
- (b) The Joint Administrators realise the assets of the Company for the benefit of the creditors and instigate any Court actions deemed of value to the Company and its stakeholders
- (c) The Joint Administrators propose to make application to Court as they deem fit at any time for directions in relation to any particular matter arising in connection with the carrying on of their functions
- (d) The Joint Administrators investigate any antecedent transactions which may have detrimentally affected the Company's financial position
- (e) The Joint Administrators may make a distribution to secured or preferential creditors in accordance with the requirements of the Act, and if appropriate, may make an application to the Court for payments to unsecured creditors
- (f) The Joint Administrators exit the Administration by way of either Dissolution, Compulsory Liquidation or a Creditors' Voluntary Liquidation at such time as the Joint Administrators consider that one or more of the purposes of the Administration as set out in paragraph 3 above have been achieved. If the exit route is by way of a Creditors' Voluntary Liquidation, it is proposed that David Paul Hudson and Paul Stanley be appointed Joint Liquidators of the Company
- (g) These proposals shall be subject to such modifications or conditions as the Court may approve or impose, or any modification approved by creditors
- (h) That, if no creditors' committee is formed, fees be fixed in accordance with Rule 2.106 of the Rules by reference to time properly given by the Joint Administrators and their staff in attending to matters arising during the Administration and that they may draw their remuneration on account as and when funds permit (Further detail is outlined later in this respect)
- (i) That the Joint Administrators be authorised to draw disbursements in accordance with the explanatory note on the subject, which accompanies this report

- (j) Should the Company later enter into Creditors' Voluntary Liquidation that the Joint Liquidators' fees be based on time costs
- (k) That, if necessary, the Joint Administrators may apply to creditors or to Court for an extension of the Administration

In order that the purpose of the Administration may be fully achieved, we propose to remain in office as Administrators in order to conclude the realisation of the Company's property. The principal matters to deal with in this respect are

- Sale of the business and assets,
- Realisation of book debts,
- Potential recovery of gaming machines or monies from the creditor referred to above

## JOINT ADMINISTRATORS' TIME COSTS AND EXPENSES

- a Begbies Traynor (Central) LLP's policy for re-charging expenses,
- 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

## POLICY FOR RE-CHARGING EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

### 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 make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Standard professional practice<sup>1</sup> requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at.

### DEFINITIONS

Required professional practice classifies expenses into two broad categories

- *Category 1 expenses (approval not required)* – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external supplier's invoice or published tariff of charges,
- *Category 2 expenses (approval required)* – all other items of expenditure
  - Which cannot, or cannot easily, be directly related to a particular insolvency case because there is an element of shared or allocated cost, and/or
  - Where the cost of the expense incurred is an estimated, unitised cost with the estimate based on external costs or opportunity cost

### CHARGING POLICY

- *Category 1 expenses (approval not required)* – with the exception of any items referred to below, all such items are re-charged to the case as they are incurred
- *Category 2 expenses (approval required)*
  - (A) The following items of expenditure are re-charged as described
    - Internal meeting room usage for the purpose of statutory meetings of creditors is re-charged at the rate of £100 (London £150) per meeting,
    - Car mileage is re-charged at the rate of 40 pence per mile,
    - Storage of books and records (when not rechargeable as a *Category 1 expense*) is recharged 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,
  - (B) The following items of expenditure will normally be treated as general office overheads not subject to a re-charge
    - Telephone and facsimile
    - Printing and photocopying
    - Stationery

A re-charge may be made, however, where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 expense*

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<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) effective from April 2007

## **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 London office as at the date of this report are as follows:

<b>Grade of staff</b>	<b>Charge-out Rate (£ per hour)</b>
Partner 1	495
Partner 2	450
Director	375
Senior Manager	350
Manager	300
Assistant Manager	250
Senior Administrator	220
Administrator	180

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units).

## SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	Daylar Limited (formerly Deith Group Limited) (in Administration)
CASE TYPE	ADMINISTRATION
OFFICE HOLDERS	Nigel David Nutting and Paul Stanley
DATE OF APPOINTMENT	27 January 2009

### 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**

Time costs have been incurred in liaising with the Director, in corresponding with our debt collection agents in relation to the recovery of book debts, in reviewing the position regarding a potential tax refund due to the Company and dealing with creditor enquiries. We have also completed detailed investigations into the Company's affairs.

1.3 **Exceptional responsibilities**

There have been no exceptional responsibilities connected with the case.

1.4 **The office holders' effectiveness**

Our collection agents have realised £11,534 in respect of book debts, the Joint Administrators have realised £3,148 in respect of book debts, and the Company's unencumbered stocks have been sold for £20,000. A rates refund of £696 has also been received.

To all intents and purposes asset realisations are complete, save for the final receipts from Jackpot, and the purpose of Administration has been sufficiently achieved. Accordingly, we intend to proceed to dissolve the Company immediately.

1.5 **Nature and value of property dealt with by the office holders'**

There are no extraordinary assets involved in this case. The assets have been the Company book debts and unencumbered stocks.

1.6 **Anticipated return to creditors**

We do not anticipate that there will be funds available to pay a dividend to unsecured creditors, as based upon present information there will be insufficient funds available to pay a distribution to the secured creditor.

1.7 **Time costs analysis**

An analysis of time costs incurred between 27 January 2009 and 26 July 2010 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 The views of the creditors**

The Joint Administrators have welcomed information from creditors to assist us with our investigations into the conduct of the director and the affairs of the Company in the period prior to insolvency

The secured creditor has been kept fully apprised of developments during the Administration

**1 9 Approval of fees**

The Joint Administrators' remuneration is subject to approval by a resolution of the secured creditor pursuant to Rule 2 106 of the Insolvency Rules 1986

Total remuneration drawn in accordance with the above approval amounts to £21,206 03

**1 10 Approval of Expenses and Disbursements**

The Joint Administrators' authority to draw expenses and disbursements is subject to approval by a resolution of the secured creditor pursuant to Rule 2 106 of the Insolvency Rules 1986

Category 1 disbursements drawn in accordance with the above approval amount to £421 95  
No Category 2 disbursements have been drawn to date

**1 11 Other professionals employed & their costs**

Our solicitors, Judge Sykes Frxou ("JSF") and our collection agents, Centenary Corporate Recovery Limited ("Centenary"), were chosen based on their experience in this field

JSF were instructed to carry out work in relation to the preparation of the sale and purchase agreement, and to provide other assistance relating to the sale

Centenary were instructed to collect the Company's book debts. A large number of the book debts were found to be irrecoverable, on the basis that the debtors were subject to insolvency proceedings themselves

**1 12 Staffing and management**

Appropriately experienced staff undertook the various tasks arising, to ensure matters were properly dealt with at the least cost to the Administration. It is the policy of Begbies Traynor (Central) LLP that all grades of staff charge time which solely relates to the case. The analysis in the report seeks to give some indication of the various tasks undertaken by the Joint Administrators and their staff but is not intended to be, nor should be viewed as, an exhaustive list

**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**

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

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

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

- Ensuring compliance with all statutory obligations in the Administration,
- Dealing with residual asset realisations,
- Dealing with all necessary statutory matters,
- Dealing with all payments, receipts and banking in the Administration,
- Preparing reports to the secured creditor,
- Preparing the final progress report to creditors,
- Dealing with creditor enquires,
- Completing detailed investigations into the Company's affairs,
- We have continued to liaise with Centenary and JSF regarding the potential of further recovery of book debts,
- We have liaised directly with the Company's largest single debtor, Jackpot, and we have been collecting monies in respect of this debt.

**Daylat Limited (formerly Deith Group Limited) (in Administration)**  
Time costs analysis for the period from 27 January 2009 to 26 July 2010

21.206