

The Insolvency Act 1986

Administrator's progress report

Name of Company Betbrokers PLC	Company number 5871374
In the High Court of Justice, Chancery Division, Manchester District Registry	Court case number 3433 of 2008

We, Fraser J Gray and Elizabeth G Mackay of Zolfo Cooper, Cornerstone, 107 West Regent Street, Glasgow, G2 2BA

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

from

to

2 March 2009

1 September 2009

Signed

E. G. Mackay
Joint Administrator

Dated

16/09/2009

Contact Details:

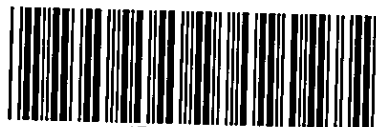
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

Katie Wells	
Zolfo Cooper, The Observatory, Chapel Walks, Manchester, M2 1HL	
	Tel 0161 838 4541
DX Number	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

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Joint Administrators' Progress Report

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

**Betbrokers PLC -
In Administration**

16 September 2009



ZC ZOLFO COOPER



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1 Statutory Information

- 1.1 I was appointed Joint Administrator of Betbrokers PLC (the Company) together with Elizabeth G Mackay on 2 September 2008 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 Cornerstone, Ground Floor, 107 West Regent Street, Glasgow, G2 2BA.
- 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 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.
- 1.5 The functions of the Administrators may be exercised by either or both, acting jointly or alone.

2 Progress of the Administration

- 2.1 Attached at Appendix A is my Receipts and Payments Account for the period from 2 March 2009 to 1 September 2009 and cumulative from 2 September 2008 to 1 September 2009. The sum of £588 has been paid by Zolfo Cooper on behalf of the Company in respect of category one disbursements incurred during the Administration.
- 2.2 The Joint Administrators are continuing to pursue the objective of realising property in order to make a distribution to one or more secured or preferential creditors.
- 2.3 Aberdeen Asset Management (AAM) holds a fixed and floating charge over the assets of the Company.

Winning Edge

- 2.4 As previously reported, the value of the Company's investment in Winning Edge Inc (Winning Edge) was significantly reduced following the decision by Winning Edge to cease trading. As a result it is not expected that there will be any realisations in this regard.

Winning Edge Database

- 2.5 I can confirm that I am currently continuing to pursue the sale of the Winning Edge customer database as stated in my last report. However, there has been minimal interest.
- 2.6 As the asset realisation process has not yet concluded, I have obtained consent from AAM that the Administration be extended for a period of six months. Accordingly, the Administration has been extended from 2 September 2009 to 1 March 2010.

3 Assets still to be Realised

- 3.1 As stated above, the only asset to be realised is the Winning Edge customer database. Negotiations are still ongoing in this regard.

4 Administrators' Remuneration

- 4.1 As reported previously, fee approval will be requested from AAM 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.
- 4.2 The Joint Administrators' time costs at 1 September 2009 are £124,207. This represents 484 hours at an average rate of £257 per hour. Attached at Appendix B and C are Time Analyses, which provide details of the activity costs incurred by staff grade during the period 2 March 2009 to 1 September 2009 and cumulative from 2 September 2008 to 1 September 2009. To date no fees or disbursements have been drawn.

4.3 Attached as Appendix D 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 the case, a significant amount of time has been spent devising and implementing strategy. Time has also been spent reporting to AAM and creditors. A number of hours have been spent on general administrative duties and travel time in respect of the Administration.
- **Investigation** - Time has been spent on general investigative matters as required in our capacity as Joint Administrators, as well as other investigations into the affairs of the Company. This is in line with AAM's request.
- **Realisation of Assets** - A significant amount of time has been spent negotiating with interested parties in the investment of Winning Edge, and the customer database. This includes marketing, producing sales packs and liaising with interested parties.

5 Estimated Outcome for Creditors

5.1 It is still expected that AAM will receive a significant shortfall in respect of its fixed and floating charge.

5.2 As the floating charge was created after the implementation of the Enterprise Act 2003, I am required to create an unsecured creditors fund from the Company's net floating charge property. However, at this time I am unable to estimate the level of the Company's net floating charge property. Accordingly, I am unable to create an unsecured creditors fund at this time.

5.3 As previously reported, the Company has no preferential creditors.

5.4 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 As stated above the Administration has been extended for a period of six months until 1 March 2010.

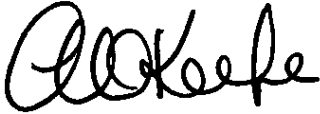
6.2 Once the remaining issues have been finalised, I will file a notice and my final report at the Court and the Registrar of Companies, following which the Company will be dissolved. My appointment will end following the registration of the notice by the Registrar of Companies.

6.3 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 one month 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 read 'A O'Keefe', written in a cursive style.

Anne O'Keefe
For Fraser J Gray
Joint Administrator

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Receipts and Payments Account for the Period from 2 March 2009 to 1 September 2009 and cumulative from 2 September 2008 to 1 September 2009

Appendix A

	From 02/03/2009 To 16/09/2009 £	From 02/09/2008 To 16/09/2009 £
RECEIPTS		
	0	0
	<hr/> 0	<hr/> 0
PAYMENTS		
VAT	0	27
Re-Direction of Mail	0	50
Statutory Advertising	0	315
Courier	0	196
	<hr/> 0	<hr/> 588
Advance from Zolfo Cooper -		<hr/> (588) <hr/>

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

No statement of Affairs has been received and I am therefore unable to show this as a comparison

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

Appendix B

	<u>Partner/ Director</u>	<u>Senior Associate</u>	<u>Associate/ Analyst</u>	<u>Junior Analyst/ Support</u>	<u>Total Hours</u>	<u>Total Cost</u>	<u>Average Rate p/h</u>
Administration and Planning							
Strategy and Control	5.9	2.7	4.2	-	12.8	3,619.5	283
Bank and Creditor Reporting	4.5	2.6	7.7	3.1	17.9	4,345.5	243
Creditors Committee	-	-	-	-	-	-	-
Statutory Duties	-	0.2	1.7	0.2	2.1	437.0	208
Job Administration	-	1.0	2.6	2.7	6.3	1,147.0	182
Cash Accounting and Time Records	-	0.2	-	1.5	1.7	211.0	124
Travel and Waiting Time	-	-	-	-	-	-	-
Case Closure	-	-	-	-	-	-	-
Internal Documentation and IT	-	-	1.0	0.6	1.6	276.0	173
Investigations							
D Reports	-	-	-	-	-	-	-
Other Investigations	9.8	-	5.5	-	15.3	4,885.0	319
Internal Documentation	-	-	7.5	-	7.5	1,650.0	220
Realisation of Assets - Fixed Charge							
Initial Actions and Valuations	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
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	-	-	-	2.0	2.0	220.0	110
Creditors							
Creditor Dealings	-	1.0	0.1	0.3	1.4	354.0	253
Creditor claims	-	-	-	-	-	-	-
Litigation	-	-	-	-	-	-	-
Shareholders / Bankrupts	-	-	-	-	-	-	-
Internal Documentation	-	-	-	-	-	-	-
Employees	-	0.6	-	1.0	1.6	290.0	181
Employee Communications	-	-	-	-	-	-	-
Totals	20.2	8.3	30.3	11.4	70.2	17,435.0	248

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

Appendix C

	<u>Partner/ Director</u>	<u>Senior Associate</u>	<u>Associate/ Analyst</u>	<u>Junior Analyst/ Support</u>	<u>Total Hours</u>	<u>Total Cost</u>	<u>Average Rate p/h</u>
Administration and Planning							
Strategy and Control	66.9	14.0	40.6	3.5	125.0	34,357.5	275
Bank and Creditor Reporting	18.9	10.5	13.6	3.1	46.1	11,945.5	259
Creditors Committee	-	-	-	-	-	-	-
Statutory Duties	-	1.5	2.2	0.7	4.4	925.5	210
Job Administration	0.2	3.1	28.1	4.6	36.0	6,941.0	193
Cash Accounting and Time Records	-	1.4	8.5	3.3	13.2	2,490.0	189
Travel and Waiting Time	10.2	7.0	6.7	-	23.9	6,502.0	272
Case Closure	-	-	-	-	-	-	-
Internal Documentation and IT	-	-	6.6	0.6	7.2	1,337.0	186
Investigations							
D Reports	-	1.5	5.0	-	6.5	1,475.0	227
Other Investigations	14.1	44.2	5.5	-	63.8	17,888.0	280
Internal Documentation	-	-	7.8	-	7.8	1,705.5	219
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	-	-	-	2.0	2.0	220.0	110
Creditors							
Creditor Dealings	-	1.5	9.6	0.3	11.4	2,266.5	199
Creditor claims	-	-	-	-	-	-	-
Litigation	-	-	-	-	-	-	-
Shareholders / Bankrupts	-	0.5	-	-	0.5	132.5	265
Internal Documentation	-	-	-	-	-	-	-
Employees	-	2.2	9.6	1.0	12.8	2,618.0	205
Employee Communications	-	-	-	-	-	-	-
Totals	160.9	138.0	165.7	19.1	483.7	124,207.0	257

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

Appendix D

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, e.g., 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.

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.

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	75
Support	75
*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	



The Observatory
Chapel Walks
Manchester
M2 1HL
+44 (0) 161 838 4500