

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company Mountgrange Land Limited	Company number 04401506
In the Royal Court of Justice	Court case number 12356 of 2009

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

We, John Charles Reid of Deloitte LLP, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2DB, and Carlton Malcolm Siddle of Deloitte LLP, Athene Place, 66 Shoe Lane, London, EC4A 3BQ

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

* Delete as applicable

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

(b) Insert date

(b) 19 MAY 2009

Signed 
Joint Administrator

Dated 19 MAY 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

Cameron Coles	
Deloitte LLP, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2DB	
	Tel 0131 535 7861
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 DX 33050 Cardiff

WEDNESDAY

TO ALL CREDITORS OF MOUNTGRANGE LAND LIMITED,
MOUNTGRANGE STUD LIMITED AND MOUNTGRANGE FARMS AND
STABLES LIMITED - ALL IN ADMINISTRATION ("THE COMPANIES"/"THE
MOUNTGRANGE LAND GROUP")

Direct: 0131 535 7426
Direct fax: 0131 535 7777
sold@deloitte.co.uk

19 May 2009

Our Ref: JCR/CMS/PZD/CAC/SXO

Dear Sirs

The Mountgrange Land Group (All in Administration)

Further to previous correspondence, I now write enclosing the Administrators' proposals, under schedule B1, Paragraphs 49 to 52 of the Insolvency Act 1986 (as amended).

The following documents are enclosed:

- **Statement of Administrators' Proposals** which includes the additional information, prescribed by the Insolvency Rules 1986 (as amended); and
- **Statements of Affairs for the Companies** including the names, addresses and details of the debts owed to creditors.

As outlined in Sections 1.1 and 4.5 of the enclosed Report and Proposals, the Administrators do not expect that any funds will be available to the unsecured creditors.

Accordingly, pursuant to Paragraph 52 of Schedule B1 of the Insolvency Act 1986 (as amended), the Administrators have not called meetings of creditors of the Companies.

Creditors, either individually or jointly, representing 10% of the total unsecured claims in the Administration have the power to request that the Administrators hold meetings of creditors.

In the absence of such a valid request, the Administrators' proposals will be deemed to have been accepted by the unsecured creditors after the expiry of 12 days from the receipt of the Administrators' Report and Proposals by the creditors.

Important notice: Partners, Associate Partners and Directors acting as receivers and administrators contract without personal liability. Unless otherwise shown, all appointment taking Partners, Associate Partners and Directors are authorised by The Institute of Chartered Accountants in England and Wales.

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**Mountgrange Land Limited
Mountgrange Stud Limited
Mountgrange Farms and Stables Limited**

**Case No. 12356 of 2009
Case No. 12352 of 2009
Case No. 12357 of 2009**

- All In Administration ("the Companies")

**ADMINISTRATORS' STATEMENT OF PROPOSALS PURSUANT TO
PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986**

19 May 2009

**John Charles Reid and Carlton Siddle
Joint Administrators of the Companies - In Administration
Deloitte LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2DB**

Disclaimer Notice

- This Statement of Proposals has been prepared by John Charles Reid and Carlton Siddle, the Administrators of Mountgrange Land Limited, Mountgrange Stud Limited, and Mountgrange Farms and Stables Limited, solely to comply with their statutory duty under paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the administrations, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- This Proposal has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in any of the Companies listed above.
- Any estimated outcomes for creditors included in this Proposal are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this Proposal for any purpose or in any context other than under paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Administrators do not assume any responsibility and will not accept any liability in respect of this Proposal.
- The Administrators act as agents for Mountgrange Land Limited, Mountgrange Stud Limited, and Mountgrange Farms and Stables Limited, and contract without personal liability. The appointments of the Administrators are personal to them and, to the fullest extent permitted by law, Deloitte LLP does not assume any responsibility and will not accept any liability to any person in respect of this Proposal or the conduct of the administration(s).

ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used:

"Act"	The Insolvency Act 1986 (as amended)
"Rules"	The Insolvency Rules 1986
"the Administrators"	John Charles Reid and Carlton Malcolm Siddle of Deloitte LLP
"the Bank"	Bank of Scotland plc
"Directors"	Martin Trevor Myers and Stephen Corner
"LBIT"	Loss Before Interest and Tax
"the Group"	the Mountgrange Land Group and the Mountgrange Capital Group
"ML"	Mountgrange Land Limited
"the Mountgrange Capital Group"	Mountgrange Capital Plc, Mountgrange Limited, Mountgrange (Delphi) Limited, Mountgrange (St Helens) Limited, Mountgrange (Property Holdings) Limited, Mountgrange (Maidstone) Limited, Mountgrange (Linwood) Limited, Mountgrange (Hove) Limited, Mountgrange (Renaissance House) Limited, Mountgrange (New Street) Limited, Mountgrange (Carltongate) Limited and Residential Pensions Scotland Limited
"MS"	Mountgrange Stud Limited
"MF&S"	Mountgrange Farms and Stables Limited
"the Companies" or "the Land Group"	Mountgrange Land Limited, Mountgrange Stud Limited and Mountgrange Farms and Stables Limited
"EBIT / LBIT"	Earnings / loss before interest and tax
"FY06"	Financial year ended 31 March 2006
"FY07"	Financial year ended 31 March 2007
"FY08"	Financial year ended 31 March 2008
"RPO"	The Redundancy Payments Office
"ROT"	Retention of Title
"PP"	The PP of the company's net property subject to s176A of The Insolvency Act 1986
"QFCH"	Qualifying Floating Charge Holder

Summary Group Profit and Loss

	FY08 £000	FY07 £000	FY06 £000
Turnover	1,456	1,725	1,353
Cost of Sales	(3,550)	(3,746)	(2,780)
Gross Profit	(2,094)	(2,021)	(1,427)
Gross Margin %	(143.8)%	(117.2)%	(105.5)%
Other Expenses	(778)	(341)	(798)
LBIT	(2,872)	(2,362)	(2,225)

Source: Management Accounts

The Group has incurred trading losses for the last three years of £2.2m, £2.4m and £2.9m in FY06, FY07 and FY08 respectively.

Summary Group Balance Sheet

	FY08 £000	FY07 £000	FY06 £000
Tangible assets	1,775	1,706	1,794
Investments	8,288	5,998	6,018
Fixed assets	10,063	7,704	7,812
Current Assets			
stock	3,056	2,980	2,779
debtors	70	289	28
other	381	580	665
	3,507	3,849	3,472
Liabilities			
Trade creditors	(267)	(375)	(119)
Other	(927)	(455)	(2,184)
Bank	(10,370)	(4,632)	(7,773)
Total Liabilities	(11,564)	(5,462)	(10,076)
Net Assets	2,006	6,091	1,208

Source: Management Accounts

In FY07 the increase in net assets is due to a net dividend from associate companies of £7.4m not reflected in the summary group profit and loss table above.

2. THE CIRCUMSTANCES GIVING RISE TO THE APPOINTMENT OF THE ADMINISTRATORS

2.1. Events prior to the Administration

ML operated as a non-trading holding company of MF&S and MS, both of which are wholly owned, and also held investments in various other enterprises. ML is wholly owned by Martin Myers and entered into a combined facility arrangement along with Myers personally with the Bank for c.£21.7m.

MS was involved in the breeding and racing of race horses whilst MF&S owned the "gallop" facilities, stables and farm land situated at Kingsdown Estate in Upper Lambourn, Berkshire.

In December 2009 the Directors sought an extension of its Bank facility up to 31 December 2009 to allow for the ordered disposal of assets to repay the facility. In light of this request, the Bank instructed Deloitte LLP in January 2009 to undertake a business review of the Group and a review of Mr Myers' personal assets and expenditure. It became clear that Martin Myers and the Group required an additional £1.8m to meet outstanding creditors and to enable the Group to continue to trade until the end of June 2009.

In light of the significant additional funding, the Bank indicated that they were not prepared to provide the necessary additional funding. Accordingly, the Directors resolved to place the Group companies into Administration and John Reid and Carlton Siddle were appointed Joint Administrators on 24 March 2009.

2.2. Details of the Appointment of Administrators

John Reid and Carlton Siddle, both partners of Deloitte LLP, were appointed Joint Administrators of the Companies by the Royal Court of Justice with effect from 24 March 2009, following the filing of a Notice of Appointment of Administrators by the Directors of the Companies.

For the purposes of Paragraph 100 of Schedule B1 of the Act the Administrators are each authorised to carry out all functions, duties and powers either jointly or severally.

2.3. Purpose of the Administration

The purpose of an Administration under The Enterprise Act 2002 is split into three parts:

1. To rescue a company as a going concern (in other words a restructuring which keeps the actual entity intact).
2. If the first purpose is not reasonably practicable (or the second purpose would clearly be better for the creditors as a whole), then the Administrators must perform their functions with the objective of achieving a better result for creditors than would be obtained through an immediate liquidation of the

3. THE MANNER IN WHICH THE AFFAIRS OF THE COMPANIES HAVE BEEN MANAGED AND FINANCED AND WILL CONTINUE TO BE MANAGED AND FINANCED IF THE ADMINISTRATORS' PROPOSALS ARE APPROVED.

3.1. Introduction

The Administrators concluded that it would not be possible to trade the business profitably within the constraints of an Administration process. No potential purchaser of the business had been identified to acquire the business as a going concern, so it was decided to sell the assets individually on a break-up basis. Further marketing was therefore carried out to identify additional interested parties' outwith those connected with the Companies.

Consideration of the above meant that trading of the Companies in Administration would be wound down whilst asset sales were realised.

3.2. Sale of the Businesses & Assets

Bloodstock

As at the date of appointment MS owned a significant quantity of bloodstock which was being maintained by trainers, who held liens over the horses in respect of unpaid fees. We instructed two independent valuers, Tattersalls' and Doncaster Bloodstock, to provide valuations of the horses.

Following appointment, the Administrators identified an opportunity to enter the bloodstock at the Tattersalls' Guineas Breeze Up Sale on 1 May 2009. This sale is situated in the calendar alongside the first of the five classic flat races of 2009 and therefore offers an opportunity to market the bloodstock in front of significant bloodstock buyers.

21 horses were sold at auction and in total, the Administrators achieved gross sale proceeds of £669,600, which was 27% in excess of the average valuations received prior to the auction.

In addition, the Administrators have concluded the private sale of the 75% interest in Geordieland to its 25% part owner for £75k, which is 29% above the average valuation received.

Negotiations are still ongoing for the disposal of the remaining bloodstock.

Horse Training Facilities and Land Assets

MF&S owns farming property, gallops and stables located at Upper Lambourn, Berkshire. The estate surrounds Kingsdown House, a substantial residence which is owned personally by Mr Myers.

Limited (50%), Emaré Services (Overseas) SA (45%) and Mr David Rowe-Beddoe of Kilgetty (5%).

We are endeavouring to arrange a meeting with Mr Martin Landau, a Director of EHC International Limited, to determine if there is any interest from related parties to purchase ML's shareholding.

SportsXchange Limited

ML has a 26.8% shareholding in SportsXchange Limited which traded as a TV station on SKY and on the internet. The Directors advised that the business model failed and during November 2008 the decision was taken to undertake a solvent wind up of its operations.

As part of this winding up process we understand that an interim dividend of approximately £150k was paid to ML as a shareholder prior to our appointment. The Directors estimate a further final return of shareholders funds of £15k.

Amanda Lacey (London) Limited

ML's interest in Amanda Lacey (London) Limited comprises preference shares (participating and non-participating) and an inter-company receivable of £194k.

We have arranged to meet Amanda Lacey (who owns 51% of the ordinary share capital of Amanda Lacey (London) Limited) with a view to establishing an agreement to recover the £194k inter-company loan.

We are seeking a copy of the shareholders agreement to understand the rights available to ML as a preference shareholder.

Director's Loan

The balance of Martin Myers' loan account as at the date of appointment was £1.152m. We have commenced a review seeking to validate this amount following which we will seek repayment.

3.3. Post appointment strategy

Immediately following the appointment of the Administrators, members of the Administrators' staff attended each of the Companies' sites throughout the UK to advise employees of the Administrators' appointment. Staff were briefed with regards to the Administration and informed that the business would be wound down until assets were eventually realised. Staff were then informed that their employment was being continued by the Company in Administration until further notice.

The Administrators' staff are in the process of collating creditor claims and have handled creditor queries as they have arisen which include telephone calls and correspondence.

4. DIRECTORS' STATEMENT OF AFFAIRS

4.1. Introduction

Statements of Affairs have been submitted by the Directors of the Companies, as at 24 March 2009, which are attached at Appendix 3.

There are a number of different classes of creditors within the Companies. These include:

- **Secured creditors:** They have fixed and floating charge debenture security across all of the Companies and as such are paid in priority to other creditors. This priority is subject to payments to preferential creditors and unsecured creditors under the PP (see section 4.5). Further details of the Companies' security are set out in section 4.3.
- **Preferential creditors:** These relate to specific employee wage arrears, holiday pay and certain pension contributions and are paid in priority to unsecured creditors out of net floating charge realisations before the PP and before payment to the secured floating charge holder.
- **Unsecured creditors:** They rank behind secured and preferential creditors and receive any surplus available from net realisations (after payment of the preferential creditors) is made under the PP.

4.2. Notes to the Directors' Statement of Affairs

The Directors' have stated the following:

- the net book values have been taken from the Companies' management accounts prepared at 24 March 2009;
- the estimated to realise values are based on the Directors' understanding of the consideration that could potentially be achieved by the Administrators for the sale of the trade, business and assets of the Companies on 24 March 2009;
- the Companies' total bank indebtedness at the date of appointment was £20.2m; and
- no provision has been made in the Statements of Affairs for the costs of the Administration (including agents, legal and professional fees).

It should also be noted that the Companies operated a number of bank accounts some of which were in credit and some of which were overdrawn at 24 March 2009. As a result of the Administrations, the Bank exercised its right of set-off and the credit balances, including those included in the Statements of Affairs were applied against the overdrawn accounts. Consequently, the cash shown in the related Statements of Affairs is not an asset available for creditors.

4.6. Unsecured Claims

The unsecured creditors' position as at 24 March 2009 per the Directors' Statements of Affairs (excluding any shortfall to floating charge holders) is summarised in the table below:

	£000
Mountgrange Land Ltd	606
Mountgrange Stud Ltd	8,693
Mountgrange Farms & Stables Ltd	<u>4,363</u>
	<u>13,662</u>

After discharging the costs of the Administration, there is unlikely to be sufficient realisations from floating charge assets to fully repay the Bank.

Accordingly, we do not expect any funds to be available to pay a dividend to the unsecured creditors of any of the Companies other than the distribution under the PP as noted above.

4.7. Creditors Meeting

As the Administrators do not expect any funds will be available to the unsecured creditors, other than by virtue of a PP distribution as detailed above, meetings of creditors will not be held. A request that the Administrators call a meeting can be made by creditors representing 10% or more of the total debts of the Companies (individually or jointly). Creditors wishing to submit this request should complete the attached Form 2.21B and return it to the Administrators within 12 days of issue of this statement.

The range of charge out rates for the separate categories of staff is based on our discounted charge out rates as summarised below. Manager rates include all grades of manager up to Director:

Grade	£ per hour
Partner	615
Managers	440
Assistants/Support staff	170

Charge out rates are subject to review each year and material increases in rates will be reported to creditors in the next scheduled report following such an increase.

5.2. Administrators' expenses

A summary of the Administrators' expenses (excluding VAT if applicable) which relate to direct expenses such as travel are set out by company below. Please note that the Administrators' expenses for mileage are calculated by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising in the Administrations, at the prevailing standard mileage rate used by Deloitte LLP at the time when the mileage is incurred (presently up to 40p per mile).

5.2.1 Mountgrange Stud Limited

Mountgrange Stud Ltd		£
Expenses		
Travel		516.7
Subsistence		34.8
		<u>551.5</u>
Source: Deloitte analysis		

5.2.2 Mountgrange Farms & Stables Limited

Mountgrange Farms & Stables Ltd		£
Expenses		
Travel		563.9
Subsistence		17.4
		<u>581.3</u>
Source: Deloitte analysis		

Note – No expenses have been incurred with regards to Land at the time of reporting.

6. OTHER INFORMATION TO ASSIST CREDITORS

6.1. Directors' Conduct

As part of their statutory duties, the Administrators will consider the conduct of the Directors and any person they consider a shadow or de facto director in relation to their management of the affairs of the Companies and the causes of failure and will submit a confidential report to the Department for Business, Enterprise & Regulatory Reform.

As part of their investigations the Administrators will consider, among other matters, the following:

- statutory compliance issues;
- misfeasance or breach of duty; and
- antecedent transactions (including transactions at an undervalue and preferences).

Creditors who wish to draw any matters to the attention of the Administrators should write to the Administrators at the address given on the front of this report.

6.2. Connected Party Transactions

The Administrators are not aware of any connected party transactions which have not been carried out on an arm's length basis. Should creditors have information regarding any such transactions they should forward details in writing to the Administrators.

6.3. Exit Routes from Administration

In accordance with the provisions of the Act incorporated by the Enterprise Act 2002, all Administrations automatically come to an end after one year, unless an extension is granted by the Court or with consent of the creditors.

There are several exit routes which are available to the Administrators such as:

- an application to Court (in the event of a Court appointment);
- filing a notice in Court and with the Registrar of Companies confirming that the purpose of Administration has been sufficiently achieved; or
- in the event that the company has no property the Administrators may notify the Registrar of Companies to that effect at which time the appointment of the Administrators ceases and three months following that date the company is deemed to be dissolved.

In addition the Administrators could propose to place the Companies into Creditors' Voluntary Liquidation, a Compulsory Liquidation or a Company Voluntary Arrangement. Reference will be made in the resolutions within this report as to the exit route most suitable to the circumstances of each Administration.

**7. STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF
SCHEDULE B1 OF THE INSOLVENCY ACT 1986**

Mountgrange Land Limited

Case No. 12356 of 2009

Mountgrange Stud Limited

Case No. 12352 of 2009

Mountgrange Farms and Stables Limited

Case No. 12357 of 2009

All in Administration (each being "a Company" and together being "the Companies")

The Administrators' proposals are as follows:

1. the Administrators continue to manage the affairs and any remaining assets of the Companies and the settlement of all Administration expenses;
2. the Administrators continue with their enquiries into the conduct of the Directors of the Companies and continue to assist any regulatory authorities with their investigation into the affairs of the Companies;
3. the Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against each of the Companies unless the Administrators conclude, in their reasonable opinion, that a Company will have no assets available for distribution;
4. the Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application;
5. that, in the event the creditors of each Company so determine, at meetings of creditors, a Creditors Committee be appointed in respect of each or any Company comprising of not more than five and not less than three creditors of that Company or Companies;
6. that, in respect of each Company, the Creditors' Committee, if one is appointed, shall be asked to agree that the Administrators' fees be fixed by reference to the time given in attending to matters arising in the Administrations and asked to agree the Administrators' expenses.
7. that, if a Committee is not appointed at a meeting of creditors, the meeting of creditors' shall be asked to agree the Administrators' fees as well as the Administrators' expenses to be drawn from the Companies assets and that the Administrators' expenses for mileage be calculated by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising in the Administrations, at the prevailing standard mileage rate used by Deloitte LLP at the time when the mileage is incurred (presently up to 40p per mile);
8. that, if a Creditors' Committee is not appointed, the secured and preferential creditors of each Company shall be asked to agree the Administrators' fees, in accordance with Rule 2.106(5A)(a), by reference to the time given in attending to matters arising in the Administration and that the Administrators' expenses for mileage be calculated by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising in the Administrations, at the prevailing standard mileage rate used by Deloitte LLP at the time when the mileage is incurred (presently up to 40p per mile);

Appendix I - Statutory Information

Company Name:	Mountgrange Land Limited (In Administration)
Court Reference:	Royal Court of Justice London 12356 of 2009
Date of Appointment of Joint Administrators:	24 March 2009
Joint Administrators:	John Reid and Carlton Siddle Deloitte LLP Saltire Court 20 Castle Terrace Edinburgh EH1 2DB
Registered Office Address:	c/o Deloitte LLP Lomond House 9 George Square Glasgow G2 1QQ
Company Number:	04401506
Appointment by:	The Directors of the Company (under paragraphs 22-34 of Schedule B1 of the Insolvency Act 1986 (as amended))
Directors at date of Appointment :	Martin Myers Stephen Corner
Company Secretary(ies):	Nicholas Berry
Shareholders (disclosed only where shareholder is a director or company secretary):	Martin Myers (200 ordinary £1 shares)

Appendix I - Statutory Information

Company Name:	Mountgrange Farms & Stables Limited (In Administration)
Court Reference:	Royal Court of Justice London 12357 of 2009
Date of Appointment of Joint Administrators:	24 March 2009
Joint Administrators:	John Reid and Carlton Siddle Deloitte LLP Saltire Court 20 Castle Terrace Edinburgh EH1 2DB
Registered Office Address:	c/o Deloitte LLP Lomond House 9 George Square Glasgow G2 1QQ
Company Number:	03122354
Appointment by:	The Directors of the Company (under paragraphs 22-34 of Schedule B1 of the Insolvency Act 1986 (as amended))
Directors at date of Appointment :	Martin Myers Stephen Corner
Company Secretary(ies):	Nicholas Berry
Shareholders (disclosed only where shareholder is a director or company secretary):	n/a

Appendix III – Directors' Statements of Affairs (*see overleaf*)

A – Summary of Assets

Assets

Assets subject to fixed charge:

	Book Value £	Estimated to Realise £
Investment in Cashcade Limited	3,144,200	15,000,000
Investment in Malaysian Hotel	687,532	500,000
Investment in SportsXchange	670,394	15,000
Investment in Mountgrange Capital plc	100,000	NIL
Investment in Buxstat Investments Ltd	599	NIL
Investment in Mountgrange Stud Ltd	2	NIL
Investment in Mountgrange Farms & Stables Ltd	100	NIL
Intercompany – Mountgrange Farms & Stables Ltd	4,103,257	4,103,257
Intercompany – Buxstat Investments Ltd	21,141	NIL
Intercompany – Moorlake Properties Ltd	45,089	NIL
Intercompany – Mountgrange Equestrian Property Services Ltd	347	347
Intercompany – Amanda Lacey (London) Ltd	193,723	NIL
Pierre II final distribution	322	322
M T Myers	1,152,215	1,152,215
Bank of Scotland Account	7,203,378	<u>7,203,378</u>
		27,974,519

Less Fixed charge holder: Bank of Scotland plc

(12,497,565)

Assets subject to floating charge:

Uncharged assets:

Estimated total assets available for preferential creditors

17,322,299 15,476,954

Signature



Date 3/4/09

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession.

Signature _____ Date 3/4/09

Statement of affairs

Name of Company MOUNTGRANGE STUD LIMITED

Company number
03560526

In the Royal Court of Justice

[full name of court]

Court case number
12352/2009(a) Insert name and address of
registered office of the company

Statement as to the affairs of (a) Mountgrange Stud Limited, 13 Albemarle Street, London, W1S 4HT

(b) Insert date on the (b) 24 March 2009, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 24 March 2009 the date that the company entered administration.

Full name STEPHEN KIMLEY CORNER

Signed 

Dated 3/4/09

A1 – Summary of Liabilities

	to realise	Estimated £
Estimated total assets available for preferential creditors (carried from page A)		£ (3,718,386)
Liabilities		
Preferential creditors:-	£1,032	
Estimated deficiency/surplus as regards preferential creditors		£ (3,719,418)
	£ NIL	
Estimated prescribed part of net property where applicable (to carry forward)		
Estimated total assets available for floating charge holders		£ (3,719,418)
Debts secured by floating charges – Group indebtedness to Bank of Scotland plc	£ 21,483,850	
Estimated deficiency/surplus of assets after floating charges		£ 25,203,268
	£ NIL	
Estimated prescribed part of net property where applicable (brought down)		
Total assets available to unsecured creditors		£ NIL
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ 8,693,111	
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)		£ (8,693,111)
	£ 25,203,268	
Shortfall to floating charge holders (brought down)		
Estimated deficiency/surplus as regards creditors		£ (33,896,379)
Issued and called up capital	£ 2	
Estimated total deficiency/surplus as regards members		£ (33,896,381)

Signature



Date

3/1/09

COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
E J Wicks	Lambourn, Berkshire, RG17 8PB	93.25			
Emerald Bloodstock Services Ltd	Main Street, Kilcullen, Co. Kildare, Ireland €800	750.47			
Hillwood Bloodstock	Hillwood Stud, Aldbourne, Marlborough, Wilts, SN8 2NU	8,128.45			
Jamie Osborne	Kingsdown, Upper Lambourn, Hungerford, Berkshire, RH17 8QX	128,464.02			
Jeremy Nosedo Racing Ltd	Shalfleet, Bury Road, Newmarket, Suffolk, CB8 7BX	45,641.93			
Jockey Hall Stud	The Curragh, Co Kildare, Ireland €3,451.12	3,237.45			
John W Hills	The Croft, Uplands Lane, Upper Lambourn, Berkshire, RG17 8QH	21,795.38			
Lambourn Racehorse Transport Ltd	Baydon Road, Lambourn, Hungerford, Berkshire, RG17 8NT	276.00			
Lycetts	1 Stable Court, The Parade, Marlborough, Wiltshire, SN8 1NP	32,346.80			
Martin McCall	11 High Street, Lambourn, Hungerford, Berkshire, RG17 8XL	251.30			
Newbury Racecourse plc	The Racecourse, Newbury, Berkshire, RG14 7NZ	1,342.75			
Ottley Design Company Ltd	Unit 3.02 The Tea Building, 56 Shoreditch, High Street, London, E1 6JJ	523.25			

Signature _____

Date 3/4/09

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
HSDL Nominees Limited	Trinity Road, Halifax, West Yorkshire, HX1 2RG	2	£2	Ordinary
TOTALS			2	£2



Signature

Date 3/4/09.

A – Summary of Assets

Assets

Assets subject to fixed charge:

	Book Value £	Estimated to Realise £
Whitcombe Gallops	146,239	NIL
Kingsdown Gallops	355,793	
Park Farm	}	}
Racing Stables	} 5,111,980	} 4,500,000
Frenchman's View	}	}
King's Farm	}	}
Terra Spike	4,925	2,500
Holland Tractor TL100A DC	7,500	5,000
Mini Tractor	6,994	5,000
Sundry Plant & Equipment	9,069	2,500
Less fixed charge holder: Bank of Scotland plc		(505,475)

Assets subject to floating charge:

Trade Debtors	34,547	6,000
Prepayments	6,752	NIL
Bank of Scotland account	8,071	8,071

Uncharged assets:

Estimated total assets available for preferential creditors

5,691,870	4,023,596
-----------	-----------

Signature



Date

3/4/09

COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Bank of Scotland plc	The Mound, Edinburgh, EH1 1YZ	505,475.19	Fixed & floating charge	02/08/1996 27/05/2008	505,475
James Deans	Frenchmans View, Upper Lambourn, Berkshire, RG17 8QT	1,689.48	Preferential		
Christy Kilgour	Smithy Orchard, Farnborough Wantage, Oxon, OX12 8NX	2,115.80	Preferential		
Carole Mullord	33 Maderia Avenue, Bromley, Kent, BR1 4AP	825.04	Preferential		
Martin Rouse	Kingsfield Bungalow, Maddle Road, Upper Lambourn, Berkshire, RG17 8GX	1,091.74	Preferential		
Nicola Rossa	41 Baydon Road, Lambourn, Hungerford, Berkshire, RG17 8PD	734.88	Preferential		
David McCarthy	Deacons Cottage, 14 Newbury Street, Lambourn, Hungerford, Berkshire, RG17 8PD	441.05	Preferential		
Pawel Szydlowski	C/o Kingsdown Stables, Upper Lambourn, Hungerford, Berkshire, RG17 8QT	12.60	Preferential		
HM Revenue & Customs 951P142429	Chapel Wharf Area, Trinity Bridge House, 2 Dearnans place, Salford, M3 5BS	22,094.29			
HM Revenue & Customs (VAT) 798488636	VAT Central Unit, 21 Victoria Avenue, Southend-on-Sea, SS99 1AA	3,582.29			
A4 Hire Ltd	1 Bath Road, Hungerford, Berks, RG17 0HD	92.00			
Barnes Roffe LLP	13 Albemarle Street, London, W1S 4HJ	14,375.00			

Signature _____

Date 3/4/09

COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Mr R Wilder	10 Newbury Road, Eastbury Nr Hungerford, Berkshire, RG17 7JD	300.15			
Mountgrange Investment Management LLP	6 Cork Street, London, W1S 3NX	5,533.56			
ND Services (Lambourn) Ltd	The Garage Wantage Road, Mile End, Lambourn, Berkshire, RG17 7EX	316.90			
P J S Agricultural Services Ltd	East Garston, Hungerford, Berkshire, RG17 7EX	2,500.29			
Rock I.T. Services	6 The Spinney, Potters Bar, Herts, EN6 5HH	209.19			
RICS	Membership Renewals, PO Box 822, Doncaster, DN1 9AP	441.00			
Southdown Oil Supplies	Brinkworth, Chippenham, Wiltshire, SN15 5DN	666.93			
Tim Shutt	Flat 4, Woodstock House, Rockfel Road, Lambourn, Hungerford, Berkshire, RG17 8NQ	1,001.53			
Thames Water	Customer Service, PO Box 234, Swindon, SN38 3TW	372.26			
Vodafone Ltd	PO Box 932, Doncaster, DN4 5XW	102.94			
Whitty King Solicitors	Ailsbury Court, High Street, Marlborough, Wiltshire, SN8 1AA	4,465.33			
Woodgate-Loydor Ltd	2 Elmfield Avenue, Teddington, Middlesex, TW11 8BS	29.93			

Signature 

Date 3/4/09

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
HSDL Nominees Limited	Trinity Road, Halifax, West Yorkshire, HX1 2RG	100	£100	Ordinary
TOTALS		100	£100	



Signature _____ Date 3/4/09

Creditor's request for a meeting

Name of Company* Mountgrange Land Limited Mountgrange Stud Limited Mountgrange Farms and Stables Limited	Company number* 04401506 03560526 03122354
--	--

(*delete as applicable)

In the Royal Court of Justice	Court case number * 12356 of 2009 12352 of 2009 12357 of 2009
---	---

(a) Insert full name and
address of the creditor making
the request

I (a) _____

(b) Insert full name and
address of registered office of
the company

request a meeting of the creditors of (b) _____

(c) Insert amount of claim

My claim in the administration is (c) _____

(d) Insert full name(s) and
address(es) of creditors
concurring with the request (if
any) and their claims in the
administration if the
requesting creditor's claim is
below the required 10%

(d) _____

concur with the above request, and I attach copies of their written confirmation of concurrence.

The purpose of the meeting is (e) _____

(e) Insert details of the
purpose of the meeting

Signed _____

Dated _____

- the stage during the Administration of the case at which it is being sought; and
- the size and complexity of the case.

5.1.2. Where, at any creditors' or committee meeting, the Administrators seek agreement to the terms on which s/he is to be remunerated, s/he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

5.1.3. Where the Administrators seek agreement to his fees during the course of the Administration, s/he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs, the Administrators should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation for what the Administrators have achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the Administrators must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out, it may be necessary for the administrator to prove an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to the insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent.

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case specific matters.

The following categories are suggested as a basis for analysis by grade of staff:

- Partner

- Manager
- Other senior professionals
- Assistants and support staff.

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy.
- Any comments on any figures in the summary of time spent accompanying the request the Administrators wish to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

5.1.4. Where the fee is charged on a percentage basis the Administrators should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an Administrator or his staff.

5.2 After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before s/he has substantially completed his functions, the Administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration s/he has drawn in accordance with the resolution. Where the fee is based on time costs, s/he should also provide details of the time spent and

the charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. S/he should also provide such additional information as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the Administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

5.3. Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the Administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the Administrators' own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

6. What if a Creditor is Dissatisfied?

6.1 If a creditor believes that the Administrators' remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the Court for an order that it be reduced. If the Court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the Court orders otherwise, the costs must be paid by the applicant and not as an expense of the Administration.

7. What if the Administrators are Dissatisfied?

If the Administrators consider that the remuneration fixed by the creditors' committee is insufficient s/he may request that it be increased by resolution of the creditors. If s/he considers that the remuneration fixed by the committee or the creditors is insufficient, s/he may apply to the Court for it to be increased. If s/he decides to apply to the Court s/he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the Administrators' notice of his application must be sent to such of the creditors as the Court may

direct, and they may nominate one or more of their number to appear or be represented. The Court may order the costs to be paid out as an expense of the Administration.

8. Other Matters Relating to Fees

8.1 Where there are joint Administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the Court, the creditors' committee or a meeting of creditors.

8.2 If the Administrator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the Court.

9. Provision of information – additional requirements.

In any case where the Administrators are appointed on or after 1 April 2005 s/he must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is –

- The total number of hours spent on the case by the Administrators or staff assigned to the case;
- For each grade of staff, the average hourly rate at which they are charged out;
- The number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the Administrators' appointment, or where s/he has vacated office, the date that s/he vacated office.

The information must be provided within 28 days of receipt of the request by the Administrators, and requests must be made within two years from vacation of office.

10. Commissions and Discounts

As a major purchaser of services, Deloitte LLP as a whole is occasionally able to negotiate enhanced services with preferred suppliers in relation to travel, advertising and other costs. The use of

these suppliers may sometimes result in annual commissions being paid to Deloitte LLP. The reallocation of such commissions to each case is impracticable and this is not done.

10. What if you are Dissatisfied with the Conduct of the Administration Generally?

We hope that you will not have cause to complain about the way our partners and staff conduct their work on what are generally sensitive and emotive issues for creditors affected by the insolvency. Occasionally misunderstandings arise and mistakes are made. Should you have cause to complain or if you would like to discuss how our service could be improved, please let us know by telephoning the person appointed as Administrator. We undertake to look into any complaint carefully and promptly and to do all we reasonably can to explain the position to you. If you are still not satisfied with the explanations given, you can refer the matter to the RS National Compliance & Risk Partner responsible for investigating any complaints made against our partners and staff. The RS National Compliance & Risk Partner is located in our office at Athene Place, 66 Shoe Lane, London, EC4A 3BQ. If the RS National Compliance & Risk Partner is unable to resolve matters to your satisfaction then you can refer the matters to:

The Professional Standards Office,
Institute of Chartered Accountants in
England & Wales, Level 1, Metropolitan
House, 321 Avebury Boulevard,
Milton Keynes, MK9 2FZ in the case of
appointment takers licensed by the
Institute of Chartered Accountants in
England & Wales. A list of the partners
and appointment taking directors and
their licensing bodies is available from
the RS National Compliance & Risk
Partner.

December 2008 Edition

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A Creditors' Guide To Administrators' Fees

Deloitte.

England and Wales

Creditors or their representatives are required to approve the remuneration of Administrators. This guide is designed to assist creditors of businesses where members or directors of Deloitte LLP have been appointed Administrators. Apart from the final three paragraphs the main text has been prepared by the Association of Business Recovery Professionals. If you need any assistance on the matters set out below, please feel free to contact us.

1. Introduction

1.1 When a company goes into Administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as Administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the Administrators' fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees and explains the basis on which fees are fixed.

2. The Nature of Administration

Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in Administration,

or, if the Administrators think neither of these objectives is reasonably practicable

- realising property in order to make a distribution to secured or preferential creditors.

3. The Creditors' Committee

3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the Administrators' remuneration. The committee is established at the meeting

of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the Administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the Administrator decides s/he needs to hold one. The committee has power to summon the Administrators to attend before it and provide such information about the exercise of his functions.

4. Fixing the Administrators' Fees

4.1 The basis for fixing the Administrators' remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that the remuneration shall be fixed either:

- as a percentage of the value of the property which the Administrator has to deal with, or
- by reference to the time properly given by the Administrator and his staff in attending to matters arising in the Administration.

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is fixed as a percentage, to fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:-

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property which the administrator has to deal with.

4.2 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same

matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the Administrators.

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets. In this case a resolution of the creditors shall be taken as passed if, and only if, passed with the approval of -

- each secured creditor of the company; or
- if the Administrators have made or intend to make a distribution to preferential creditors -
 - each secured creditor of the company; and
 - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval,

having regard to the same matters as the committee would.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

4.4 A resolution of creditors may be obtained by correspondence.

5. What Information should be provided by the Administrators?

5.1 When seeking fee approval

5.1.1. When seeking agreement to his fees the Administrators should provide sufficient supporting information to enable the committee or the creditors to form a judgment as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought;

Appendix IV - Administrators' Time Costs Analysis

Mountgrange Land Limited

Area	Partner hours	Value partner hours	Manager hours	Value manager hours	Assistants / Support staff hours	Value other hours	Total hours	Time cost	Average hourly rate
Admin & Planning	6	3,690	5	2,494			11	6,184	575
Creditors	0		37	10,768			37	10,768	295
Realis. of Assets	24	14,760	2	590			26	15,350	590
Total	30	18,450	43	13,851			73	32,301	

Average Rate (£)

441

Source: Deloitte analysis

Mountgrange Stud Limited

Area	Partner hours	Value partner hours	Manager hours	Value manager hours	Assistants / Support staff hours	Value other hours	Total hours	Time cost	Average hourly rate
Admin & Planning					5	734	5	734	163
Creditors			1	263	13	2,095	14	2,357	175
Realis. of Assets			68	31,180	69	11,300	137	42,480	312
Trading					93	1,436	93	1,436	160
Total			69	31,443	98	15,564	165	47,006	

Average Rate (£)

293

Source: Deloitte analysis

Mountgrange Farms & Stables

Area	Partner hours	Value partner hours	Manager hours	Value manager hours	Assistants / Support staff hours	Value other hours	Total hours	Time cost	Average hourly rate
Admin & Planning			17	5,804	16	2,536	33	8,340	255
Creditors					8	1,265	8	1,265	169
Realis. of Assets			27	18,210	9	1,438	36	17,648	308
Trading					85	13,720	85	13,720	180
Total			44	22,014	118	18,959	141	40,970	

Average Rate (£)

290

Source: Deloitte analysis

COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Mountgrange Land Limited	13 Albemarle Street, London, W1S 4HJ	4,103,257.00			
Mountgrange Stud Limited	13 Albemarle Street, London, W1S 4HJ	151,708.00			
Mountgrange Limited	13 Albemarle Street, London, W1S 4HJ	33,581.00			
Mountgrange (Property Holdings) Ltd	13 Albemarle Street, London, W1S 4HJ	50.00			
Rent paid by various trainers for us to 31.03.09		2,847.00			
Brendan Powell	Newlands Stables, Upper Lambourn, Hungerford, Berkshire, RG17 8QX	55.00			
Charlie Mann Racing Limited	Whitcoombe House Stables, Upper Lambourn, Hungerford, Berkshire, RG17 8RA	42.00			
James Deans	Frenchmans View, Upper Lambourn, Berkshire, RG17 8QT	50.00			
Bank of Scotland plc	The Mound, Edinburgh, EH1 1YZ	26,858,458.56	Floating	27/05/2008	3,416,685

Signature

Date 3/4/09

COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Brett Adams	25 Manchester Square, London, W1U 3PY	2,300.00			
The Berkshire Fireplace & Stove Centre Ltd	Unit 8, Wyevale Country Gardens, Bath Road, Thatcham, Berkshire, RG16 7DB	1,000.00			
Brookside Service Station	Wantage Road, GT. Shefford, Nr. Hungerford, Berkshire, RG16 7DB	231.11			
Central Association of Agricultural Valuers	Market Chambers, 35 Market Place, Coleford, Gloucestershire, GL16 8AA	255.00			
Chartered Institute of Arbitrators	12 Bloomsbury Square, London, WC1A 2PL	210.00			
GJ Anderson	2 The Cottage, Norris Lane, Chaddleworth, Berkshire, RG20 7OZ	2,188.73			
Harris Brothers (Lambourn) Ltd	14 Oxford Street, Lambourn, Hungerford, Berkshire, RG17 8XS	1,452.36			
Kilgour & Co. Ltd	Smithy Orchard, Farnborough, Wantage, Oxfordshire, OX12 8NX	308.44			
Lambourn Universal Stores	High Street, Lambourn, Hungerford, Berkshire, RG17 8XL	73.18			
Lister Wilder	Crowmarsh, Wallingford, Oxon, OX10 8EA	996.73			
Matthew Land Group Ltd	Bybrook House, Old Manor Court, Letcombe Regis, Oxfordshire, OX12 9JL	5,867.30			
MCD Office Supplies Ltd	Unit 6, The Beresford Centre, Wade Road, Basingstoke, Hampshire, RG24 8FA	96.75			

Signature _____

Date 3/4/09

A1 – Summary of Liabilities

to realise		Estimated
		£
Estimated total assets available for preferential creditors (carried from page A)		£ 4,023,596
Liabilities	£ 6,911	
Preferential creditors:-		
Estimated deficiency/surplus as regards preferential creditors		£ 4,016,685
	£600,000	
Estimated prescribed part of net property where applicable (to carry forward)		
Estimated total assets available for floating charge holders		£ 3,416,685
	£	
Debts secured by floating charges	26,858,458	
Estimated deficiency/surplus of assets after floating charges		£ (23,441,773)
	£ 600,000	
Estimated prescribed part of net property where applicable (brought down)		
Total assets available to unsecured creditors		£ 600,000
	£	
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	4,362,653	
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)		£ (3,762,653)
	£	
Shortfall to floating charge holders (brought down)	23,441,773	
Estimated deficiency/surplus as regards creditors		£ (27,204,426)
	£	
Issued and called up capital	£ 100	
Estimated total deficiency/surplus as regards members		£ (27,204,526)

Signature



Date

3/4/09

Statement of affairs

Name of Company MOUNTGRANGE FARMS &
STABLES LIMITED

Company number
03122354

In the Royal Court of Justice

[full name of court]

Court case number
12357/2009

(a) Insert name and address of
registered office of the company

Statement as to the affairs of (a) Mountgrange Farms & Stables Limited, 13 Albemarle Street, London,
W1S 4HJ

(b) Insert date

on the (b) 24 March 2009, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs
of the above named company as at (b) 24 March 2009 the date that the company entered administration.

Full name STEPHEN ASHLEY CORNER

Signed

Dated

3 APRIL 2009

COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Ridgeway Veterinary Group	Valley Equine Hospital, Lambourn, Hungerford, Berkshire, RG17 8QG	81.66			
Rossdale & Partners	Beaufort Cottage Stables, High Street, Newmarket, CB8 8JS	4,107.04			
Templeton Stud	Templeton Road, Kimbury, Hungerford, Berkshire, RG17 9SG	1,884.07			
The Irish National Stud Company	Tully, Co. Kildare, Ireland €75,150.00	70,497.19			
Tattersalls Ltd	Terrace House, Newmarket, Suffolk, CB8 9BT	57,210.42			
Troytown Equine Hospital	Green Road, Co. Kildare, Ireland €719.12	674.60			
Bank of Scotland plc	The Mound, Edinburgh, EH1 1YZ	21,483,850.00	Fixed and floating charge	30/06/1999	
Mountgrange Ltd	13 Albemarle Street, London, W1S 4HJ	8,108,634.00			
Land Australia GST	C/o PKG, Level 10, 1 Margaret Street, Sydney, New South Wales, 2000 Australia	9,446.00			

Signature



Date

8/4/09

COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Bank of Scotland plc	The Mound, Edinburgh, EH1 1YZ	5,880,083.00	Fixed and floating charge	30/06/1999	2,161,697
Christy Kilgour	Smithy Orchard, Farnborough Wantage, Oxon, OX12 8NX	1,031.80	Preferential		
Anthony Stroud Bloodstock Ltd	Beechwood House, Meeting Green, Wickhambrook, Suffolk, CB8 8UR	4,163.74			
Ballyhinkin Stud	Rockford, Nenagh, Co Tipperary, Ireland €23,412.92	21,975.37			
Beckhampton Stables Ltd	Beckhampton House, Malborough, Wilts, SN8 1QR	127,621.22			
Barnes Roffe LLP	13 Albemarle Street, London, W1S 4HJ	27,600.00			
Brett Adams	25 Manchester Square, London, W1U 3PY	3,162.50			
Chapel Forge Farriers Ltd	Upper Lambourn, Berkshire, RG17 8QP	14.38			
Charlie Mann Racing Limited	Whitcombbe House Stables, Upper Lambourn, Hungerford, Berkshire, RG17 8RA	6,665.02			
Chimneys Restaurant Services Ltd	Unit 38, Inca Business Park, Acton, Sudbury, Suffolk, CO10 0BB	29.05			
David Hayes Racing Pty Ltd	PO Box 138, Angaston SA 5353 AUSS\$10,713.65	5,139.34			
David Redvers Bloodstock	Tweenhills Farm & Stud, Hartbury, Gloucestershire, GL19 3BG	1,354.07			

Signature  Date 3/4/09

A – Summary of Assets

Assets

Assets subject to fixed charge:

	Book Value £	Estimated to Realise £
Investment in The Searchers Partnership	250,000	150,000
Investment in Ten Partnership	57,022	35,000
Bloodstock	2,156,246	1,500,000
Laptop	714	NIL
M T Myers	265,919	265,919
EastWind Racing Limited	1,424	1,424
Prepayments (Insurance/leasing charges)	61,211	NIL
Six Syndicate final distribution	6,000	6,000
Mountgrange (Farms & Stables) Limited	151,708	151,708
Mountgrange Limited	373	NIL
VAT	48,899	48,899
Weatherbys Bank Accounts	5,821	NIL
Milford Aviation/City Air Services debenture	2,747	2,747
Less Fixed Charge Holder: Bank of Scotland plc		(5,880,083)

Assets subject to floating charge:

Uncharged assets:

Estimated total assets available for preferential creditors

3,008,084 (3,718,386)

Signature  Date 3/4/09

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
HSDL Nominees Limited	Trinity Road, Halifax, West Yorkshire, HX1 2RG	200	£200	Ordinary
TOTALS		200	£200	

[Handwritten Signature]

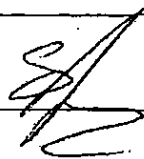
Signature

Date 3/4/09

A1 – Summary of Liabilities

to realise		Estimated £
Estimated total assets available for preferential creditors (carried from page A)		£ 15,476,954
Liabilities		
Preferential creditors:-		
Estimated deficiency/surplus as regards preferential creditors		£ 15,476,954
Estimated prescribed part of net property where applicable (to carry forward)		£600,000
Estimated total assets available for floating charge holders		£ 14,876,954
Debts secured by floating charges – Group indebtedness to Bank of Scotland plc		£14,866,369
Estimated deficiency/surplus of assets after floating charges		£ 10,585
Estimated prescribed part of net property where applicable (brought down)		£ 600,000
Total assets available to unsecured creditors		£ 610,585
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		£605,872
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)		£ 4,713
Shortfall to floating charge holders (brought down)		£ NIL
Estimated deficiency/surplus as regards creditors		£ 4,713
Issued and called up capital		£ 200
Estimated total deficiency/surplus as regards members		£ 4,513

Signature



Date

3/4/09

Statement of affairsName of Company MOUNTGRANGE LAND LIMITEDCompany number
04401506

In the Royal Court of Justice

[full name of court]

Court case number
12356/2009(a) Insert name and address of
registered office of the companyStatement as to the affairs of (a) Mountgrange Land Limited, 13 Albemarle Street, London, W1S 4HJ(b) Insert date on the (b) 24 March 2009, the date that the company entered administration.**Statement of Truth**

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 24 March 2009 the date that the company entered administration.

Full name STEPHEN ASHLEY CORNERSigned Dated 3 April 2009

Appendix II -- Administrators' Receipts and Payments to 13 April 2009

Mountgrange Land Limited

	£
RECEIPTS	
	0.00
PAYMENTS	
	0.00
Balances in Hand	0.00
	<u>0.00</u>

Mountgrange Stud Limited

	£
RECEIPTS	
	0.00
PAYMENTS	
Insurance	32,614.02
Lien Payments	<u>40,000.00</u>
	72,614.02
Balances in Hand	(72,614.02)
	<u>0.00</u>

Mountgrange Farms & Stables Limited

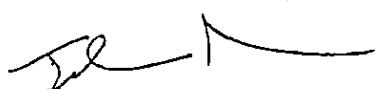
	£
RECEIPTS	
	0.00
PAYMENTS	
Direct Labour	<u>6,542.93</u>
	6,542.93
Balances in Hand	(6,542.93)
	<u>0.00</u>

Appendix I - Statutory Information

Company Name:	Mountgrange Stud Limited (In Administration)
Court Reference:	Royal Court of Justice London 12352 of 2009
Date of Appointment of Joint Administrators:	24 March 2009
Joint Administrators:	John Reid and Carlton Siddle Deloitte LLP Saltire Court 20 Castle Terrace Edinburgh EH1 2DB
Registered Office Address:	c/o Deloitte LLP Lomond House 9 George Square Glasgow G2 1QQ
Company Number:	03560526
Appointment by:	The Directors of the Company (under paragraphs 22-34 of Schedule B1 of the Insolvency Act 1986 (as amended))
Directors at date of Appointment :	Martin Myers Stephen Corner
Company Secretary(ies):	Martin Myers Stephen Corner
Shareholders (disclosed only where shareholder is a director of company secretary):	n/a

9. that, following the realisation of assets and resolution of all matters in the Administrations, and as quickly and efficiently as is reasonably practicable, the Administrators implement the most cost effective steps to formally conclude the Administrations. This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Companies or alternatively, seeking to put each or any of the Companies into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors;
10. that, if each or any of the Companies were to be placed into CVL, the Administrators propose to be appointed Liquidators and any Creditors' Committees appointed will become Liquidation Committees pursuant to R4.174 of the Rules. As per paragraph 83(7) of Schedule B1 of the Act and R2.117 (3) of the Rules, the creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the proposals are approved by creditors. For the purposes of s231 of the Act the Liquidators will each be authorised to carry out all functions; duties and powers either jointly or severally.
11. in the absence of Creditors' Committees, the secured and preferential creditors (to the extent that they exist) of each Company shall be asked to agree that the Administrators be discharged from liability per paragraphs 98 and 99 of Schedule B1 of the Act immediately upon the Administrators' filing their final report to creditors.

Yours faithfully
For and on behalf of the Companies



John C Reid
Joint Administrator of the Companies - In Administration
Deloitte LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2DB

The exit route chosen in relation to the Companies will largely depend on the circumstances of each Administration. However, it is most likely that the Administrators will file a notice in Court and with the Registrar of Companies confirming that the purpose of Administration has been sufficiently achieved.

If funds do become available for a distribution under the PP, the Administrators may apply to the Court for the authority to make a distribution to unsecured creditors (under the PP) and then take the requisite steps to dissolve the Company; or if appropriate, to apply to the Court to obtain an order pursuant to Section 176A(5) that Section 176A(2) (PP for unsecured debts) shall not apply.

If there is a distribution to unsecured creditors, the Administrators are discharged from liability in respect of any action of theirs as Administrators pursuant to Paragraph 98(1) of Schedule B1 of the Act upon registration of the notice given pursuant to Paragraph 84 of Schedule B1 of the Act. Where there will be no distribution to unsecured creditors, the Administrators will seek their discharge from the secured creditor.

6.4. EC Regulations

As stated in the appointment documentation, in relation to the Companies Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that Regulation.

6.5 Third Party Assets

Should you believe that you own items that may have been present at the Companies former trading premises at the date of appointment please contact the Administrators as soon as possible.

5.3. Other Professional Costs

To advise on appropriate legal matters and to prepare required legal documentation the Administrators instructed Shepherd & Wedderburn LLP, a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations. Their fees are based upon their recorded time costs incurred at discounted charge out rates and will be reviewed by the Administrators' staff before being approved for payment. We have estimated that their fees will not exceed £25k (exclusive of VAT and disbursements) across the Companies.

5. ADMINISTRATORS' FEES AND EXPENSES

5.1. General

There will be no funds available to the unsecured creditors other than by virtue of Section 176A(2)(a) of the Act. Therefore, fixing of Administrators' remuneration will be approved in accordance with Rule 2.106(5A)/Rule 2.39A of the Rules, which is outlined as follows:

- Where the Administrators have made a statement under paragraph 52(1)(b) the Administrators' remuneration may be fixed by approval of
 - each secured creditor; or
 - if the Administrators intend to make a distribution to preferential creditors, with the approval of each secured creditor and 50% of preferential creditors who respond to an invitation to consider approval.

The Administrators have agreed with the Bank the basis of the remuneration in respect of fixed and floating charge realisations (which will be on the basis of time spent).

In line with paragraph 52(1)(b) of Schedule B1 of the Act outlined above there is no requirement for unsecured creditors to pass a resolution in respect of Administrators' remuneration.

A summary of the Administrators' time costs incurred to 14 May 2009 for each company are analysed at Appendix 4. The work has been categorised into the following task headings and sub categories:

- Administration and Planning includes such tasks as case planning and set-up, appointment notification, statutory reporting, compliance, cashiering, accounting and administrative functions;
- Creditors include such tasks as creditor set up, communication and meetings, reviewing and agreeing preferential and unsecured claims, retention of title issues, corresponding with secured creditors, reviewing and obtaining advice in relation to security granted to the Bank. Also, dealing with trade creditors; dealing with customer creditors, employee issues; and submitting documentation to HM Revenue & Customs.
- Realisation of Assets includes such tasks as identifying and securing assets, dealing with the sale of business, property issues, activities in relation to other fixed assets, stock, debtors, investments and any related legal issues; and
- Trading includes tasks such as planning, strategy, managing day one site visits and corresponding with suppliers and customers;

There were also a number of inter-company debts between the various Companies. The Directors have assumed any inter-company balances are recoverable, which may not prove to be the case.

4.3. Secured creditors

The Companies' Bank debt at the date of the appointment of the Administrators, and as set out in the Statements of Affairs, can be summarised as follows:

	£m
Term loan facility	20.7
Net cash balances	<u>(0.5)</u>
	<u>20.2</u>

The above figures are inclusive of £8.2m of Martin Myers personal debt that has been guaranteed by the Group. The above figures have been confirmed by the Bank as at the date of appointment and a cross guarantee exists between each of the Companies.

4.4. Preferential Claims

Preferential claims relating to employee deductions are expected to be submitted to the RPO who will have a small preferential claim in the Companies. These have not been included in the Directors' Statements of Affairs but are unlikely to exceed £5k. There are no other preferential claims outstanding.

4.5. The Prescribed Part

By virtue of Section 176A(2)(a) of the Act, the Administrators must make a PP of the Companies' net property available for the satisfaction of unsecured debts. Net property is the amount of the Companies' property which would, but for this section, be available for the holders of floating charges created by any of the Companies.

The value of the PP cannot exceed £600,000 per Company. It is not envisaged that the PP for any of the Companies will reach the maximum amount of £600,000 as illustrated below.

The Administrators have determined that the disclosure of an estimate of the realisable value of the Companies' assets would seriously prejudice the commercial interests of the Companies. Accordingly, pursuant to Rule 2.33(3)/Rule 2.25(k)(i)(bb) of the Rules, this information is not disclosed as part of the Administrators' Proposals.

Please also note that the net property figures can only be estimated at this stage and therefore the value of the PP for the Group would only be an estimate (once creditor claims and the Administrators' costs and expenses have been finalised).

For certain of the Companies in Administration, it may be necessary to make an application to Court to disapply the PP under Section 176A(5) where the cost of making a PP distribution is deemed to be disproportionate to the benefits.

The Administrators' legal advisors have advised in respect of all legal issues arising on the sale of business and assets and have been assisting the Administrators with post appointment matters.

Legal advice has been required in relation to the various partnership and share holder agreements, investment agreements, bloodstock trainer liens, contracts, terms of sale at auction houses, validity of appointment and security review. The trainers were granted payment of certain outstanding debts in exchange for maintaining the horses and discharge of their lien.

Bloodstock Realisation Strategy

Following discussions with Tattersalls, we entered all the bloodstock excluding the youngstock and the brood mares into the Guineas Breeze-up sale at Newmarket on 1 May 2009, as discussed previously.

The rationale to dispose of the bloodstock at an early stage was as follows:

- retaining the horses would incur considerable cost;
- there was no guarantee that the value of the horses would be enhanced, as this would largely depend upon performance in races; and
- given the current economic climate, there was a concern that the overall market would continue to deteriorate.

We continue to seek the disposal of the remaining horses.

We invited marketing and sales proposals from two national and one local specialist agent, all of whom advised that the value of both assets would be enhanced if sold jointly.

We approached Mr Myers who has agreed that the assets should be marketed jointly, although if offers are received in respect of the assets individually, these will be considered on their merits.

However, on advice from our agents Savills (see below), we have agreed with Mr Myers that, if an undifferentiated offer is received and accepted, the assets owned by MS will be allocated 45% of the net proceeds.

We have appointed Savills and George Windsor-Clive to act as joint selling agents and marketing literature is currently being prepared, with a view to placing the property on the market shortly.

Other Assets

The principal realisable assets held by ML are:

- shares in Cashcade Limited;
- an indirect shareholding in a Malaysian hotel;
- shares in SportsXchange Limited;
- shares in and a loan to Amanda Lacey (London) Limited; and
- a Directors loan to Martin Myers.

ML held shares in a number of dormant companies, none of which are listed as they have no realisable value.

Cashcade Limited

We understand that ML has a 17.1% holding in Cashcade Limited whose principal activity is the operation of online bingo and casinos. Jefferies, the American investment bank have been instructed by the directors of Cashcade Limited to sell 100% of the share capital.

Mr Buckley, the Managing Director of Cashcade Limited, has confirmed that he will keep the Administrators informed of progress.

The last set of audited accounts for the year to 31 December 2008, disclose that Cashcade Limited recorded post tax profits of £7.5m.

Malaysian Hotel

ML owns a 25% holding in EHC (Malaysia) Limited which owns 10% of Kingdom Langkawi BV. We understand that the principal asset of Kingdom Langkawi BV is the Four Seasons Resort Langkawi, Malaysia.

The remaining 75% of the shares in EHC (Malaysia) Limited are owned by EHC International Limited which is in turn owned by Sir Robert McAlpine Enterprises

company. This would normally envisage a sale of the business and assets as a going concern (or a more orderly sales process than in liquidation).

3. If neither of the first two parts of the purpose is reasonably practicable, the Administrators must perform their functions with the objective of realising property in order to make a distribution to secured and/or preferential creditors as applicable.

The Companies had significant secured and unsecured liabilities and therefore a restructuring of these creditors would have been required to meet the first objective. It was apparent that there was insufficient ascribed value by third parties in order to affect a restructuring of the Companies' considerable debt and the Administrators concluded that the first option was not possible to achieve.

Accordingly, the purpose of the Administrations was to achieve a better result for creditors than would be obtained through an immediate liquidation of the Companies.

1.4. Mountgrange Land Ltd

ML is the parent company of the Group and was incorporated in 2002. Its key assets are investments in subsidiary undertakings and it owns two trading subsidiaries, MS and MF&S.

1.5. Mountgrange Stud Ltd

MS was incorporated in 1998 with the objective of breeding and racing horses to establish and develop a good quality bloodline. It was intended that once a bloodline had been established then it would be able to breed valuable bloodstock. However, the value of horses is highly volatile.

1.6. Mountgrange Farms & Stables Ltd

MF&S was incorporated in 1995, and operated as a landlord collecting rent from buildings, stables and farm land, and charging fees to jockeys for using artificial gallops owned by the company. MF&S holds the 280 acre estate at Lambourn as an investment property and bears the cost of the staff of both the estate and MS.

1.7. Management and Employees

As at 24 March 2009, the Companies employed 7 staff.

Statutory information on the Companies is provided at Appendix 1.

1. BACKGROUND

1.1. Introduction

This report is prepared pursuant to Paragraph 49 of Schedule B1 of the Act, which requires the Administrators to provide creditors with details of their proposals to achieve the purposes of the Administrations.

To assist the creditors and enable them to decide on whether or not to vote for the adoption of the proposals, the following information is included in the report:

- background of the Group; and
- the circumstances giving rise to the appointment of the Administrators.

As there are insufficient funds for a distribution to the unsecured creditors other than the PP, a fund set aside for the benefit of unsecured creditors by virtue of Section 176A(2)(a) of the Act, and in accordance with Paragraph 52(1)(b) of Schedule B1 of the Act, the Administrators will not be convening creditors' meetings, unless required to do so.

Should creditors of the Companies, whose total debts amount to at least 10% of the total debts of that specific Company wish to request a meeting be held they should complete the attached Form 2.21B (Appendix 5) and return it within the deadline stated. In the event no request (in the prescribed manner) is received within 12 days of issue of this statement, the proposals will be deemed approved.

For the purposes of this report, we will refer to the Companies by the abbreviations set out on the previous page.

1.2. Background

MF&S was the first business in the Group to be incorporated in 1995, which generated income from 3 sources, namely rent from buildings and stables, fees from gallops and rent from farm land.

MS was incorporated in 1998 and its activities include horse breeding and horse racing. ML was incorporated as a holding company in 2002, and has no trading activity.

Both MS and MF&S are fully owned subsidiaries of ML. ML is 100% owned by Martin Myers.

1.3. Overview of Financial Information

Extracts from the Group management accounts for FY06, FY07 and FY08 are shown on the following page.

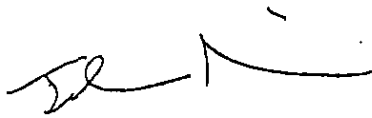
CONTENTS	PAGE
1. BACKGROUND	3
2. THE CIRCUMSTANCES GIVING RISE TO THE APPOINTMENT OF THE ADMINISTRATORS	6
3. THE MANNER IN WHICH THE AFFAIRS OF THE COMPANIES HAVE BEEN MANAGED AND FINANCED AND WILL CONTINUE TO BE MANAGED AND FINANCED IF THE ADMINISTRATORS' PROPOSALS ARE APPROVED.	8
4. DIRECTORS' STATEMENT OF AFFAIRS	12
5. ADMINISTRATORS' FEES AND EXPENSES	15
6. OTHER INFORMATION TO ASSIST CREDITORS	18
7. STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986	20

Appendices

1. Statutory Information
2. Administrators' Receipts and Payments to 13 April 2009
3. Directors' Statements of Affairs
4. Administrators' Time Costs Analysis
5. Form 2.21B (Creditor's request for a meeting)
6. A Creditors' Guide To Administrators Fees

Deloitte

Yours faithfully
For and on behalf of the Companies



John C. Reid
Joint Administrator

Encs

THE AFFAIRS, BUSINESS AND PROPERTY OF THE COMPANIES ARE CURRENTLY MANAGED BY JOHN REID AND
CARLTON SIDDLE AS JOINT ADMINISTRATORS. THE ADMINISTRATORS ACT AS AGENT OF THE COMPANIES AND
WITHOUT PERSONAL LIABILITY.