

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company Trongate (GLA) Limited	Company number 05788646
In the High Court of Justice, Chancery Division, Leeds District Registry	Court case number 1000 of 2013

We
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Zolfo Cooper
The Zenith Building
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The Zenith Building
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Elizabeth Mackay
Zolfo Cooper
Cornerstone
107 West Regent Street
Glasgow
G2 2BA

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

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

6 September 2013

Signed



Joint Administrator

Dated

06/09/13

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 researchers of the public record

Hannah Smallwood
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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



Administrators' Statement of Proposals

Stylegreen Limited and
Trongate (GLA) Limited
Both in Administration

6 September 2013

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1 Why this report has been prepared

- 1.1 As you will be aware the Administrators were appointed on 26 July 2013 over Stylegreen Limited (Stylegreen) and Trongate (GLA) Limited (Trongate) (together the Companies).
- 1.2 Under UK Insolvency Legislation, Administrators are required to make a statement setting out their proposals for achieving the purpose of the Administration. This report and all appendices form the Administrators' Proposals.
- 1.3 The purpose of this report is to provide statutory and financial information about the Companies, the background to the Administrations, the Administrators' proposed strategy, details regarding the Administrators' fees and the expected outcome for each class of creditor.
- 1.4 The administrator of a company must perform his functions with a view to achieving one of the following objectives:
 - Objective 1: rescuing the company as a going concern;
 - Objective 2: achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration); or
 - Objective 3. realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.5 In these cases the Administrators are pursuing the third statutory objective. Further details of how they intend to achieve that objective can be found in sections 3 and 4 of this report.
- 1.6 The Companies' creditors are responsible for approving the Administrators' proposals and fees. In this case it is proposed that the basis of the Administrators' fees, category 2 disbursements and pre-appointment fees will be approved by the secured creditor only, Nationwide Building Society (Nationwide), as there are no monies available for preferential and unsecured creditors. Further details of fees and costs can be found at Appendix E.
- 1.7 The Administrators do not intend to convene initial meetings of creditors. However, creditors can request for a meeting to be held and further details on this matter can be found in section 7 of this report.
- 1.8 More information relating to the Administration process, Administrators' fees and creditors' rights can be found on Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>), log-in details to access this information can be found within the covering letter you have received
- 1.9 If you require a hard copy of this report or have any queries in relation to the contents of this report or the Administrations generally, please contact Hannah Smallwood on 0161 838 4552 or by email at hsmallwood@zolfocooper.eu.

2 Summary of information for creditors

Estimated dividend for creditors

Description	Estimated debt £	Likely level of return (£) or (pence/£)
Stylegreen		
Secured creditor - Nationwide	27,735,512	0 pence in the pound
Preferential creditors	0	0 pence in the pound
Unsecured creditors	2,010,782	0 pence in the pound
Trongate		
Secured creditor - Nationwide	4,301,810	2,500,000
Preferential creditors	0	0 pence in the pound
Unsecured creditors	624,872	0 pence in the pound

Notes:

The estimated debt figures have been taken from the directors' Statements of Affairs (SoA).

Full details of Nationwide's security is provided in section 7; however, please note that Nationwide holds cross guarantees between the Group. This provides Nationwide with an entitlement to receive any surplus funds available from asset realisations after the costs of the Administrations.

As detailed in section 4, Trongate's property will not be marketed until 2017 therefore for the purposes of this report the return to Nationwide from Trongate is as detailed in the SoA. The actual return to Nationwide will be dependent upon the realisation of the property.

The Companies do not have any employees and therefore there will not be any preferential claims.

UK Insolvency Legislation stipulates that creditors of the same class should be treated equally. Hence the funds available for distribution are split on a pro-rata basis amongst all creditors of each class, regardless of the size of their claims. However, all of the Companies assets are subject to Nationwide's fixed charges and therefore there will be no monies available for the unsecured creditors of the Companies.

The likely levels of returns are estimated and are subject to change.

Nationwide also holds cross guarantees between the Group companies

According to the SoAs, at the date of appointment Nationwide was owed approximately £27.7 million from Stylegreen, £4.3 million from Trongate and a total of £59.8 million from the Group (excluding accrued interest and charges) under its security.

3 Background and circumstances leading to the Administration

- 3.1 Stylegreen was incorporated on 5 August 2005 and Trongate was incorporated on 20 April 2006.
- 3.2 Trongate owns a property at 176-186 Trongate, Glasgow, G1 5HF (the Property). The Property is a terrace of three retail units.
- 3.3 Stylegreen is the 100% shareholder of Trongate and also the 100% shareholder of Glassford Property Management Limited (Glassford) (together the Group). Glassford is also in administration with the same appointees. Glassford is a Scottish registered company and a separate report has therefore been prepared for its creditors.
- 3.4 Stylegreen holds no other assets other than the above shareholdings.
- 3.5 Nationwide provided funds to enable the purchase of the Property. This lending was subject to certain terms and conditions and during April 2013 there was a material breach of the lending criteria. The breach was in respect of a significant deterioration in the loan to asset value ratio.
- 3.6 The directors indicated they would submit a restructuring proposal to address this breach; however, by June 2013 a proposal had not been received.
- 3.7 In July 2013, there was a further breach as the account fell into arrears against the scheduled repayments. Nationwide therefore concluded that in order to maintain control of the Property, the stability and control of an Administration Order was needed to enable a recovery strategy to be implemented and realisations maximised.
- 3.8 Due to the structure of the lending, Stylegreen was placed into Administration as Nationwide holds cross guarantees between the Group. This also allowed Nationwide to offset the monies held in the pre-appointment account as detailed in section 5.1.

4 The Administrations

- 4.1** As detailed in section 1.5, the Administrators are pursuing the third objective of an administration in both cases. The strategy to achieve this objective and progress to date is detailed below.
- 4.2** On appointment, the Administrators appointed GVA Grimley Limited (the Agent) to conduct a valuation of the Property and assist with the management of the Property.
- 4.3** The Agent's formal report has not yet been received; however, it is likely that a holding strategy will be implemented until at least January 2017.
- 4.4** This rationale for this strategy is that there is an interest rate hedging product which expires on the above date. To realise the Property earlier than this date will result in significant break costs being incurred. Nationwide, being the only creditor to receive any benefit from the Administration, has confirmed its preference for the agreement not to be broken to avoid such costs.
- 4.5** Until January 2017, the Agent will assist with the management of the Property. The Property is fully tenanted at present and, based on the historic information provided, generates a gross annual rental income of approximately £306,000.
- 4.6** Please note that Nationwide has an assignment over the rental income generated from the Property. All rental receipts will be transferred directly from the Agent to Nationwide.

5 Financial position and Administrators' receipts and payments

Financial position

- 5.1 The Administrators have the following observations to make in relation to the SoAs. As is normal, SoAs are before provision for the costs of the Administration.

Stylegreen

- The directors have detailed an estimated to realise value of £19.9 million in respect of the company's shareholding in Glassford. Glassford is also insolvent and there will be no monies available for its shareholders.
- A deposit held with Nationwide in the sum of £363,292 is also detailed on the SoA. Nationwide has offset this against their lending and no monies will be realised in the Administration.
- The directors have detailed Nationwide as a preferential creditor. This is an incorrect categorisation as only employee claims for outstanding wages and holiday pay rank as preferential claims in an insolvency procedure. Nationwide is a secured creditor (see section 7) and the balance outstanding on appointment per the formal demand document issued on 18 July 2013 was £32.6 million.
- The company had no employees, therefore no preferential claims will be received during the Administration.

Trongate

- The directors have estimated a realisable value of the Property in the sum of £2.5 million. This is the directors' opinion only and is not confirmation of the Agent's valuation.
- The bank account balance of £8 is immaterial and will be set-off by Nationwide against the balance outstanding.
- The sum of £4.3 million is detailed as due to preferential creditors. As above, the directors have detailed the amount due to Nationwide here in error. Nationwide is a secured creditor of Trongate and the balance outstanding per the formal demand document issued on 18 July 2013 was £5.2 million.
- The company had no employees, therefore no preferential claims will be received during the Administration.

Administrators' Receipts and Payments Accounts

- 5.2 Summaries of the receipts and payments are attached at Appendix C. There have been no monies received or payments made to date.

6 The Proposals

Stylegreen

- 6.1 It is proposed that the Administrators continue to manage the affairs of the company and complete all statutory matters. As per section 5.1, Nationwide has off-set the funds held in the company's bank account against its debt thereby achieving the objective of the Administration.
- 6.2 In the circumstances it is proposed that the Administrators will complete all statutory duties and progress this case to closure as soon as possible.
- 6.3 Based on current information, the Administrators think that the company has no property which might permit a distribution to its unsecured creditors. As a result, following completion of the Administration, the Company will be dissolved.

Trongate

- 6.4 It is proposed that the Administrators continue to manage the affairs of the company in order to achieve the objective of the Administrations.
- 6.5 In the circumstances it is proposed that the Administrators will continue to manage the Property until a sale is achieved.
- 6.6 Based on current information, the Administrators think that the company has no property which might permit a distribution to its unsecured creditors. As a result, following completion of the Administrations, the Company will be dissolved.
- 6.7 If any matters come to light which require further investigation and potential action by a liquidator the Administrators will consider taking steps to place the Companies into compulsory liquidations.
- 6.8 More information on the possible exit routes from Administration can be found at Appendix G.

7 Estimated outcome for creditors

Secured creditor - Nationwide

- 7.1 The charges and dates granted to Nationwide by the Companies are summarised below:

Security	Stylegreen	Trongate
Debenture	20 January 2006	8 June 2006
Standard security over the Property	-	8 June 2006
Charge over deposit account	20 January 2006	29 May 2012
Assignment of rental income	-	8 June 2006
Share pledge	31 January 2006	-

- 7.2 Nationwide also holds cross guarantees between the Group companies
- 7.3 According to the SoAs, at the date of appointment Nationwide was owed approximately £27.7 million from Stylegreen, £4.3 million from Trongate and a total of £59.8 million from the Group (excluding accrued interest and charges) under its security.

Preferential creditors

- 7.4 The Companies do not have any employees therefore the Administrators do not expect any preferential claims to be received.

Unsecured creditors

- 7.5 Where a company granted a floating charge after 15 September 2003, the administrators are required to create a fund from the Company's net property available for the benefit of the unsecured creditors (Unsecured Creditors' Fund), commonly known as the 'Prescribed Part'.
- 7.6 The Companies have no floating charge assets therefore the value of the Companies' net floating charge property is nil. Arising from this, the value of the Unsecured Creditors' Funds is also nil.
- 7.7 As there will be no monies available, creditors are not invited at this stage to submit their claims, however, should they wish to do so claims will be held on file

8 What happens next

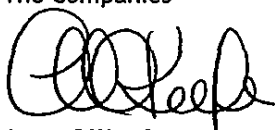
Meeting of creditors

- 8.1 The Administrators think that a dividend will not be available to the unsecured creditors in either case. In accordance with paragraph 52(1)(b) of schedule B1 of the Insolvency Act 1986, an initial meeting of the Company's creditors is therefore not being convened
- 8.2 The Administrators are required to hold an initial creditors' meeting if 10% in value of the creditors request it. If you wish for a meeting to be held, you must notify us in writing in the prescribed form on or before 20 September 2013. If a meeting is not requisitioned by creditors by this date the proposals will be deemed to have been approved.

Report

- 8.3 The Administrators are required to provide a progress report within one month of the end of the next six month period.

For and on behalf of
The Companies



Anne O'Keefe
Administrator

Encs

Statutory information

Appendix A

Company information

	Stylegreen	Trongate
Registered number	05528595	05788646
Registered office	c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	11 Upper Grosvenor Street, Mayfair, London, W1K 2ND	11 Upper Grosvenor Street, Mayfair, London, W1K 2ND
Trading address	As former registered office	As former registered office
Trading names	Stylegreen Limited	Trongate (GLA) Limited
Name of appointor	Nationwide	Nationwide
Address of appointor	Nationwide House, Pipers Way, Swindon, SN38 1NW	Nationwide House, Pipers Way, Swindon, SN38 1NW
Court details	High Court of Justice, Chancery Division, Leeds District Registry	High Court of Justice, Chancery Division, Leeds District Registry
Court reference	1001 of 2013	1000 of 2013

Details of the Companies directors and shareholders at the date of appointment are as follows. Please note that neither company had a secretary at the date of appointment.

	Date appointed	Date resigned	Number of shares held	Percentage of shareholding
Directors of Stylegreen				
Hardip Singh	12/05/2005			
Bharat Thakar	12/05/2005			
Directors of Trongate				
Hardip Singh	20/04/2006			
Bharat Thakar	20/04/2006			
Shareholder of Stylegreen				
Milebank Limited			1	100
Shareholder of Trongate				
Stylegreen			1	100

Administrators' information

Name	Address	Name of Authorising Body
Anne O'Keefe	Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	Insolvency Practitioners Association
Simon Wilson	Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	Insolvency Practitioners Association
Elizabeth Mackay	Zolfo Cooper, Cornerstone, 107 West Regent Street, Glasgow, G2 2BA	Institute of Chartered Accountants of Scotland

Stylegreen Limited and Trongate (GLA) Limited - both in
Administration



The validity of the security and the appointment has been confirmed by the Administrators' legal
advisor, DWF Biggart Baillie LLP.

Statutory information (cont'd)

Appendix A

The EC Regulation on Insolvency Proceedings 2000 applies to the Administration. The proceedings are main proceedings as defined by article 3 of the Regulation. The Company is based in the UK.

In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Administrators are to be exercised by any or all of the Administrators. All references to the Administrators should be read as the Joint Administrators

**Directors' Statements of Affairs of the
Companies**

Appendix B

Stylegreen

Rule 2.29

Form 2.14B

Statement of affairs

Name of Company

Stylegreen Limited

Company number

5528595

In the
High Court of Justice, Chancery Division, Leeds
District Registry

Court case number

1001 of 2013

WS

Statement as to the affairs of Stylegreen Limited, c/o Zolfo Cooper, The Zenith Building, 26 Spring
Gardens, Manchester, M2 1AB

on the 26 July 2013, 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 26 July 2013 the date that the company entered
administration

Full name Waleed Singh

Signed [Signature]

Dated 16/08/13

Appendix B

Assets

AMOUNT DUE FROM CLASFORD PROPERTY
MANAGEMENT LIMITED

DEPOSIT WITH NATIONALS BUILDING
SOCIETY

Uncharged assets:

Book Value £	Estimated to Realise £
23,735,512	19,900,000
363,291.82	363,291.82
24,098,803.82	20,263,291.82

Estimated total assets available for preferential creditors

Signature

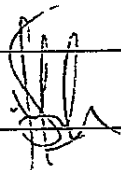
Date 16/08/13

Directors' Statements of Affairs of the Companies (cont'd)

Appendix B

A1 – Summary of Liabilities

	Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	£ 20,263,291.82
Liabilities	
Preferential creditors:- <i>WIDOWS BUILDING SOCIETY</i>	£ 27,735,512 (27,735,512)
Estimated deficiency/surplus as regards preferential creditors	£ (7,472,220.18)
Estimated prescribed part of net property where applicable (to carry forward)	
Estimated total assets available for floating charge holders	£ (7,472,220.18)
Debts secured by floating charges	
Estimated deficiency/surplus of assets after floating charges	£ (7,472,220.18)
Estimated prescribed part of net property where applicable (brought down)	
Total assets available to unsecured creditors	£ (7,472,220.18)
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ 2,010,782.27 (2,010,782.27)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£ (9,483,002.45)
Shortfall to floating charge holders (brought down)	
Estimated deficiency/surplus as regards creditors	£ (9,483,002.45)
Issued and called up capital	£ 1
Estimated total deficiency/surplus as regards members	£ (9,483,001.45)

Signature  Date 16/08/13

Appendix B

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.

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Signature _____

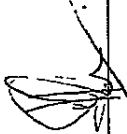
Date 16/08/13

Directors' Statements of Affairs of the Companies (cont'd)

Appendix B

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
MINEBANK LTD	11 UPPER GROSVENOR STREET, MINDFAR, LONDON W1K 2ND	01	£1	ONE ORDINARY SHARE OF £1 EACH
TOTALS			01	£1

Signature 

Date 16/08/13

**Directors' Statements of Affairs of the
Companies (cont'd)**

Appendix B

Trongate

Rule 2.29

Form 2.14B

Statement of affairs

Name of Company Trongate (GLA) Limited	Company number 05788646
In the High Court of Justice, Chancery Division, Leeds District Registry	Court case number 1000 of 2013

WS

Statement as to the affairs of Trongate Limited, c/o Zolfo Cooper, The Zenith Building,
26 Spring Gardens, Manchester, M2 1AB

on the 26 July 2013, 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 26 July 2013 the date that the company entered
administration.

Full name Hardeep Singh
Signed [Signature]
Dated 16/08/13

x

Directors' Statements of Affairs of the Companies (cont'd)

Appendix B

A – Summary of Assets

Assets

Assets subject to fixed charge:

PROPERTY

Assets subject to floating charge:

Uncharged assets:

BANK ACCOUNT

Estimated total assets available for preferential creditors:

Signature

Date 16/08/13

Book Value £	Estimated to Realise £
2,500,000	2,500,000
8.26	8.26
2,500,008.26	2,500,008.26

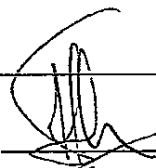
**Directors' Statements of Affairs of the
Companies (cont'd)**

Appendix B

A1 – Summary of Liabilities

	Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	£ 2,500,000.26
Liabilities	
Preferential creditors:-	£ 4,301,810.08 (4,301,810.08)
Estimated deficiency/surplus as regards preferential creditors	£ (1,801,809.82)
Estimated prescribed part of net property where applicable (to carry forward)	£ (1,801,809.82)
Estimated total assets available for floating charge holders	£
Debts secured by floating charges	£
Estimated deficiency/surplus of assets after floating charges	£ (1,801,809.82)
Estimated prescribed part of net property where applicable (brought down)	£
Total assets available to unsecured creditors	£ (1,801,809.82)
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ 624,871.72 (624,871.72)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£ (2,426,681.54)
Shortfall to floating charge holders (brought down)	£
Estimated deficiency/surplus as regards creditors	£ (2,426,681.54)
Issued and called up capital	£
Estimated total deficiency/surplus as regards members	£ (2,426,681.54)

Signature



Date

16/08/13

Appendix B

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

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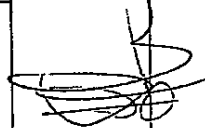
Signature _____ Date 16/08/13

**Directors' Statements of Affairs of the
Companies (cont'd)**

Appendix B

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
STYLEGREEN LIMITED	11 MILLER CROSVENOR STREET, MANCHESTER, LONDON W1K 2ND	01	£1	1 ORDINARY SHARE OF £1 EACH
TOTALS		01	£1	

Signature 

Date 16/08/13

Administrators' Receipts and Payments Accounts

Appendix C

Stylegreen

	£
Receipts	-
	-
Payments	-
	-
Balance	-

Trongate

	£
Receipts	-
	-
Payments	-
	-
Balance	-

Time Analyses and details of time spent

Appendix D

Total time costs for the period spent dealing with the Administration of Stylegreen are £2,787. This represents 16 hours at an average rate of £170 per hour.

Total time costs for the period spent dealing with the Administration of Trongate are 3,402. This represents 20 hours at an average rate of £174 per hour.

Principal areas of activity during the period are discussed in further detail below.

Administration and planning - formulating and implementing the initial case strategy, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here.

Realisation of assets: fixed charge - formulating a realisation strategy and liaising with the Agent. Time has also been incurred complying with security and insurance requirements at the Property.

Creditors - notifying all creditors of the appointments and preparing statutory reports.

Time Analyses and details of time spent (cont'd)

Appendix D

Stylegreen

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Strategy and control		0.2	0.2	1.8	2.2	337.00	153
Statutory duties	-	0.4	0.1	1.6	2.1	347.50	165
Case administration		0.8	0.6	6.0	7.4	1,150.50	155
Accounting and treasury		-	-	0.8	0.8	92.00	115
Internal documentation	0.1	-	0.1	0.9	1.1	172.50	157
Investigations							
Director conduct reports	-	-	-	0.2	0.2	25.00	125
Realisation of assets - fixed charge							
Asset realisation strategy		0.9	-	-	0.9	288.00	320
Asset identification and valuation		0.3	-	0.2	0.5	121.00	242
Creditors							
Reporting to creditors	-	-	0.9	-	0.9	216.00	240
Secured creditors	-	-	-	0.1	0.1	12.50	125
Unsecured creditors	-	-	-	0.2	0.2	25.00	125
Totals	0.1	2.6	1.9	11.8	16.4	2,787.00	170

Trongate

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Strategy and control	-	0.2	-	1.2	1.4	214.00	153
Statutory duties		0.3	-	1.5	1.8	279.00	155
Case administration		0.8	0.7	6.2	7.7	1,195.00	155
Accounting and treasury	-	-	-	1.4	1.4	151.00	108
Internal documentation	0.1	-	-	0.8	0.9	136.00	151
Investigations							
Director conduct reports		-	-	0.2	0.2	25.00	125
Realisation of assets - fixed charge							
Asset realisation strategy	-	1.3	-	-	1.3	416.00	320
Asset identification and valuation		-	0.1	1.4	1.5	199.00	133
Dealing with third party assets			0.2	-	0.2	44.00	220
Creditors							
Reporting to creditors	-	-	1.8	-	1.8	432.00	240
Secured creditors	-	-	-	0.1	0.1	12.50	125
Unsecured creditors		0.7	0.1	0.4	1.2	298.00	248
Totals	0.1	3.3	2.9	13.2	19.5	3,401.50	174

Administrators' fees and pre-appointment costs

Appendix E

Administrators' fees

There were no costs incurred prior to the Administrators' appointments.

The basis of the Administrators' fees may be fixed on one or more of the following bases, and different bases may be fixed for different duties performed by the Administrators

- a percentage of the value of the assets with which they have to deal;
- by reference to time properly spent by them and their staff dealing with matters arising in the Administration; or
- as a set amount.

On this assignment it is proposed that the basis of the Administrators' fees shall be fixed by reference to the time properly spent by the Administrators and their staff on matters arising in the Administration.

If a creditors' meeting is held or requested, and creditors resolve to establish a committee, it shall as part of the committee's duties to determine the basis or bases of the Administrators' remuneration and authorise their disbursements

Where no creditors' committee is appointed, the remuneration of the Joint Administrators shall be fixed by reference to the time properly spent by the Joint Administrators and their staff on matters arising in the Administration.

As there are no funds to distribute to unsecured creditors, it will fall upon the secured creditors to approve the Joint Administrators' remuneration. Separate approval will be sought from those creditors.

Subject to the approval of the relevant creditors, it is proposed that the Administrators will draw remuneration when funds are available.

Additional information in relation to the Administrators' remuneration pursuant to Statement of Insolvency Practice 9

Appendix F

Policy

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

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

Staff allocation and the use of sub-contractors

The Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The case team will usually consist of a partner, an associate director or senior associate, an associate and an analyst. The exact 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. The Administrators' charge-out rate schedule below provides details of all grades of staff and their experience level.

With regard to support staff, the Administrators advise that time spent by their treasury department in relation to specific tasks on an assignment is charged. The Administrators only seek to charge and recover secretarial time if a large block of time is incurred, eg report compilation and distribution.

The Administrators have not utilised the services of any sub-contractors in these cases

Professional advisors

On these assignments the Administrators have used the professional advisors listed below. The Administrators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
DWF Biggart Baillie LLP (legal advice)	Hourly rate and disbursements
Willis Limited (insurance)	Risk based premium
GVA Grimley Limited (valuation and disposal advice)	Fixed fee and percentage of realisations

The Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them.

Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case, such as postage,

case advertising, invoiced travel, external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by the Administrators and their staff.

Approval for Category 2 disbursements will be sought as specified in section 2 of this report and may include:

- photocopying - charged at the rate of ten pence per sheet for notifications and reports to creditors and other copying;
- printing - charged at the rate of ten pence per sheet for black and white printing and 15 pence per sheet for colour; and
- business mileage for staff travel - charged at the rate of 45 pence per mile

Charge-out rates

A schedule of Zolfo Cooper LLP's charge-out rates for this assignment effective from 1 April 2013 is detailed. Time is charged by partners and case staff in units of six minutes.

Description	Rates from 1 April 2013 £
Partner 1 ^(a)	445
Partner 2 ^(b)	415
Director	360
Associate director	320
Senior associate	280
Associate	240
Analyst	220
Junior analyst	125
Senior treasury associate	170
Treasury associate	110
Treasury analyst	85
Support	79

*Key. (a) Partner 1 - partners with three or more years' experience at partner level
(b) Partner 2 - partners with fewer than three years' experience at partner level*

Exit routes and discharge from liability

Appendix G

Compulsory liquidation

A liquidator of a company has greater powers to investigate, and if required, take action on behalf of a company to recover funds for the benefit of creditors, if, prior to its insolvency, transactions had been entered into by a company without commercial justification and which diminished its net assets

If the Administrators become aware of transactions requiring further investigation and potential action by a liquidator, but it is not possible or appropriate to place the Companies into creditors' voluntary liquidation, they may make an application to court to end the Administrations and request that the court places the Companies into compulsory liquidation. The Administrators will send notice of any such application to the Companies and its creditors.

Dissolution

The Administrators think that the Companies have no property which might permit a distribution to their unsecured creditors. The Administrators will therefore file notices together with their final progress reports at court and with the Registrar of Companies for the dissolution of the Companies. The Administrators will send copies of these documents to the Companies and their creditors. The Administrations will end following the registration of the notices by the Registrar of Companies.

Discharge from liability

Subject to the approval of the relevant creditors, the Administrators will be discharged from liability under paragraph 98 of schedule B1 to the Insolvency Act 1986 directly after their appointments as Administrators ceases to have effect.