

The Insolvency Act 1986

**Notice of move from
administration to dissolution****2.35B**

Name of Company

MK Airlines Property Limited

Company number

6018471

In the
Birmingham District Registry

(full name of court)

Court case number
8320 of 2010(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a) Matthew James Cowlshaw
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZDavid John Langton
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ(b) Insert name and
address of
registered office of
companyhaving been appointed administrator(s) of (b) MK Airlines Property Limited c/o Deloitte LLP Four
Brindleyplace Birmingham(c) Insert date of
appointment

on (c) 7 July, 2010 by (d) Bank of Scotland as QFCH

(d) Insert name of
applicant/appointorhereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986
apply

We attach a copy of the final progress report

Signed

Joint / Administrator(s)

Dated

14/8/15

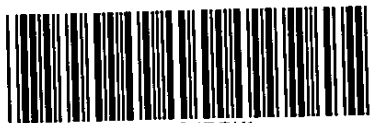
Contact Details:

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

Matthew James Cowlshaw
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

DX Number

0121 632 6000
DX Exchange

A13

13/08/2015

#383

COMPANIES HOUSE

Code

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Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

**MK AIRLINES PROPERTY LIMITED
(IN ADMINISTRATION)
("the Company")**

Court No. 8320 of 2010

**FINAL PROGRESS REPORT TO CREDITORS
FOR THE PERIOD TO 11 AUGUST 2015
PURSUANT TO RULE 2.110 OF THE INSOLVENCY RULES 1986 AND THE
INSOLVENCY (AMENDMENT) RULES 2010**

11 August 2015

This report has been prepared for the sole purpose of updating the creditors for information purposes. The report may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by Creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

Matthew James Cowlshaw and David John Langton were appointed Joint Administrators of MK Airlines Property Limited on 7 July 2010. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners.

**Matthew James Cowlshaw and David John Langton
Deloitte LLP
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Birmingham
B1 2HZ
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- 3. Joint Administrators' time costs for the period from 11 May 2015 to 11 August 2015 and from 7 July 2010 to 11 August 2015**
- 4. Joint Administrators' proposals**

ABBREVIATIONS

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

"the Act"	Insolvency Act 1986 (as amended)
"the Rules"	Insolvency Rules 1986 and the Insolvency (Amendment) Rules 2010
"the Administrators"	Matthew James Cowlshaw and David John Langton of Deloitte LLP
"the Company" / "MKAP"	MK Airlines Property Limited (in Administration)
"MKA"	MK Airlines Limited (in Compulsory Liquidation)
"Savills"	Savills Plc
"Deloitte"	Deloitte LLP
"the Court"	Birmingham District Registry
"the Property" / "Landhurst"	Landhurst, Hartfield, East Sussex, TN7 4DH
"TAA"	Transatlantic Aviation Limited
"the Bank" / "Secured Creditor"	Bank of Scotland Plc
"QFCH"	Qualifying Floating Charge Holder
"the PP"	Prescribed Part
"SIP2 (E&W)"	Statement of Insolvency Practice 2 (England & Wales)
"SIP7 (E&W)"	Statement of Insolvency Practice 7 (England & Wales)
"SIP9 (E&W)"	Statement of Insolvency Practice 9 (England & Wales)
"SIP13 (E&W)"	Statement of Insolvency Practice 13 (England & Wales)

1. INTRODUCTION

1.1 Introduction

This report has been prepared in accordance with Rule 2.110 of the Rules to provide creditors with a summary of the Administration of the Company

The Administrators' proposals were deemed approved following the issue of a notice under Paragraph 52(1) of Schedule B1 of the Act on 8 September 2010 and the expiry of 8 business days thereafter and are detailed in section 2.1 below

For the purposes of Paragraph 100(2) of Schedule B1 of the Act, the Administrators confirm that they have been authorised to carry out all functions, duties and powers by either of them jointly and severally

1.2 Extensions to original period of appointment

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

On the basis that there remained a Property and unpaid rents to be realised, the Administrators obtained the approval of the Secured Creditor to an extension of the period of the Administration by six months to 6 January 2012, subsequently, based upon the advice received from Savills of the timescales potentially required to realise the Property, a further extension application was submitted and approved by the Court seeking extending the period of the Administration by 24 months to 6 January 2014

Whilst the Property had been realised and a settlement agreed with the Liquidator of MKA for unpaid rents and legal fee contribution by this time, all rent and legal fee contribution payments had not been received being subject to asset realisations by the liquidator of MKA. We therefore applied to the Court to extend the Administration for a further 12 months to 6 January 2015, and subsequently a further 12 month extension to 6 January 2016 so as to complete the final asset realisations, finalise the VAT position and make a final distribution to the Secured Creditor

1.3 Exit from Administration

The proposals to creditors included a proposal that in the event that the Company has no property remaining to be realised, the Administrators may notify the Registrar of Companies to that effect, at which time the appointment of the Administrators ceases. The Registrar will dissolve the Company after three months following receipt of this notice. This was the exit route that was pursued

1.4 Administrators' discharge

In accordance with the Administrators' proposals, the Secured Creditor of the Company was asked, and agreed on 8 September 2010, 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 and vacating office

1.5 Statutory Information

A schedule of statutory information in respect of the Company is attached at Appendix 1

2. JOINT ADMINISTRATORS' PROPOSALS

2.1 Introduction

The sole asset of the Company was the freehold Property at Landhurst, Hartfield, East Sussex, TN7 4DH, which at appointment was let to a tenant, MKA. The Company had significant secured debts and as a result of unpaid rents, with the tenant MKA twice having been subject to insolvency proceedings, the Company was unable to service this debt.

Against this background, a restructuring of the Company or a sale of its business and assets as a going concern was not possible. Therefore the Administrators performed their functions with the objective set out in Paragraph 3(c) of Schedule B1 of the Act, which is to realise property in order to make a distribution to the Secured Creditor.

The Administrators' proposals in order to achieve this objective, as noted above, were deemed to have been approved on 26 August 2010.

2.1 Achievement of the approved proposals

We have summarised below the outcome in respect of each of the approved proposals.

Proposal	Current status
1	The Administrators managed the affairs of the Company, with the property being realised on 19 February 2013.
2	Investigations into the affairs of the Company and conduct of the directors prior to the appointment of the Administrators have been undertaken and concluded in line with statutory and regulatory requirements. A confidential report was submitted to The Insolvency Service on 29 July 2013.
3	The Administrators have agreed the claims of the Secured Creditor, there were no preferential creditors as the Company employed no staff and there are no funds available to make a distribution to the unsecured creditors.
4	Distributions were made to the Secured Creditor of £750,000 on 1 March 2013, £200,000 on 13 May 2014, £100,000 on 29 October 2014, £100,000 on 6 February 2015 and £38,934.63 on 29 July 2015. There was no dividend available to the unsecured creditors.
5 and 6	No creditors' committee was formed in respect of the Company.
7	No creditors' committee was formed in respect of the Company. As the Administrators were of the view at the outset of the Administration that the Company would not have assets available for distribution to the unsecured creditors, approval was sought (in the absence of preferential creditors) and obtained from the Company's Secured Creditor with regards to the basis, and drawing of Administrators' remuneration and expenses.
8 and 9	The Administrators have sought the dissolution of the Company following ceasing to act as Administrators.
10	No creditors' committee was formed in respect of the Company. Accordingly, the Secured Creditor for the Company has agreed that the Administrators be discharged from liability per paragraphs 98 and 99 of

	Schedule B1 of the Act immediately upon the Administrators filing their report to creditors and vacating office
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Further information in respect of the final outcome of the Administration is contained in the following sections of this report

3. STEPS TAKEN DURING THE ADMINISTRATION

3.1 Securing assets

Following our appointment, the Administrators' liaised with the Provisional Liquidators of MKA to view the Property, ensure it was adequately secured and to obtain the books and records of the Company. We also met with the majority shareholder.

We were advised that the Company's only asset was the Property. The Company had no employees or trading operations.

3.2 Realisation of assets

Sale of residential portfolio

The sale of the property was completed on 19 February 2013 for £2,005,000.

Arrears of Rent and associated legal costs

As previously reported, the Liquidators of MKA disputed that the rent accrued post their appointment until the lease was disclaimed was payable. The matter became subject to court proceedings, with a settlement concluded in early 2014, with a settlement at £395k in respect of rents and £95k payable as a contribution to the legal costs incurred.

The final instalment of these funds was received in January 2015.

3.3 Meeting of creditors

As stated in paragraph 1.1 above, under paragraph 52(1)(b) of the Act, the Administrators are not required to call a creditors meeting if the Company has insufficient funds to make a distribution to the unsecured creditors, unless 10% of the value of the Company's unsecured creditors request it.

As there were no funds available to make a distribution to the unsecured creditors of the Company, a creditors meeting was not convened.

In the absence of a meeting being called, the Administrators' proposals were deemed to have been approved on 8 September 2010.

3.4 Distributions to creditors

Distributions were made to the Secured Creditor of £750,000 on 1 March 2013, £200,000 on 13 May 2014, £100,000 on 29 October 2014, £100,000 on 6 February 2015 and £38,934.63 on 29 July 2015.

3.5 Investigations

As part of the Administrators' statutory duties, an investigation into the conduct of the Company Directors was completed.

In this regard, a confidential report was submitted to The Insolvency Service on 29 July 2013.

3.6 EU regulations

As stated in the Administration Order in respect of the Company, Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation

4. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT AND ADMINISTRATION OUTCOME

4.1 Introduction

Attached at Appendix 2 is an abstract Receipts and Payments account covering the period from 11 May 2015 to 11 August 2015 together with cumulative details of the transactions from 7 July 2010, in accordance with SIP7 (E&W)

In this section, we have summarised the main asset realisations during the period since our last progress report to creditors

4.2 Asset realisations

There were no assets realised in the period

4.3 Unrealised assets

There are no unrealised assets

4.4 Outcome for creditors

As previously reported to creditors, there are insufficient realisations to make a distribution to the unsecured creditors

5. DISTRIBUTIONS TO CREDITORS

5.1 Secured creditors

MKAP's bank debt at appointment was £5,964,418. The Bank holds fixed and floating charge debenture security and a legal charge dated 8 February 2007.

Distributions were made to the Secured Creditor of £750,000 on 1 March 2013, £200,000 on 13 May 2014, £100,000 on 29 October 2014, £100,000 on 6 February 2015 and £38,934.63 on 29 July 2015.

5.2 Preferential creditors

As the Company employed no staff as at the date of the Administrators' appointment there were no preferential claims against the Company.

5.3 Prescribed Part and unsecured creditors

The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs to be set aside for unsecured creditors. This equates to

- 50% of net property up to £10,000,
- Plus, 20% of net property in excess of £10,000
- Subject to a maximum of £600,000

No funds were available to pay a Prescribed Part or unsecured distribution, with the floating charge realisations being offset by the costs of realisation attributable to the floating charge.

6. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

6.1 SIP13 (E&W) – Transactions with connected parties

In accordance with the guidance given in SIP13 (E&W), we confirm that there have been no transactions with connected parties during the period of this report or in the two years prior to our appointment

7. JOINT ADMINISTRATORS' PRE-ADMINISTRATION COSTS

Included within the Administrators' Report and Proposals dated 26 August 2010 was a Statement of Pre-Administration Costs, in accordance with rule 2.33(2)(ka) of the Rules

The basis of the Administrators' Pre-Administration costs was fixed on 8 September 2010 by the Secured Creditor on a time costs basis together with expenses. Pre-Administration costs amounting to £14,700 were paid on 1 March 2013.

8. JOINT ADMINISTRATORS REMUNERATION AND EXPENSES

8.1 Administrators' Remuneration and Expenses

Basis of Remuneration

The basis of the Administrators' remuneration was fixed on 8 September 2010 by the Secured Creditor by reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed (plus VAT)

The basis of the Administrators' remuneration has been fixed by reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed (plus VAT) In addition, that the Administrators be authorised to draw their remuneration from the Administration estate, together with expenses incurred which relate specifically to the case, as and when funds allow

8 1 1 Remuneration

During the period since our last report, the Administrators have incurred time costs of £13,574 00 made up of 34 55 of hours at an average charge out rate of £392 88 across all grades of staff, this time is charged in six minute increments

The Administrators' total time costs over the period of their appointment are £918,741 70 Of this sum, a total of £470,300 has been drawn during the administration as indicated in the Receipts and Payments account at Appendix 2

Please refer to Appendix 3 where the work has been categorised into the following task headings and sub categories

- **Administration and planning** includes case planning, case set-up, notification of appointment, maintenance of our case files and insolvency case record, statutory reporting, compliance, cashiering and accounting
- **Investigations** includes investigating the Company's affairs and in particular any antecedent transactions and also reporting on the conduct of its directors
- **Realisation of Assets** includes identifying, securing and insuring assets, sale of freehold property, obtaining vacant possession and other property issues, collection of rents, VAT and taxation matters
- **Trading** includes closing down the operations of the Company
- **Creditors** includes set-up of creditor records, creditor communications and unsecured claims
- **Other** includes time spent on VAT and tax matters and time spent dealing with the litigation issues regarding outstanding rents

"A Creditors' Guide to Remuneration" is available for download at www.deloitte.com/uk/sip-9-england-and-wales

Should you require a paper copy, please send your request in writing to the Administrators at the address on the front of this report and this will be provided to you at no cost

Expenses

The Administrators' expenses incurred during the period of this report are £1 34 in relation to storage. The total expenses incurred from 7 July 2010 to date are as follows

Nature of expenses	Total Incurred £	Paid £	Outstanding £
Mileage	288 77	288 77	-
Sustenance	3 00	3 00	-
Train / Taxi Travel	583 06	439 56	143 50
Copying	2 50	2 50	-
Bonding	474 00	474 00	-
Stationery	21 00	-	21 00
Storage	20 26	-	20 26
Total	1,392 59	1,207 83	184 76

Outstanding expenses will be written off. Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred.

8.2 Charge out rates

The range of charge out rates for the separate categories of staff is based on our 2013/2014/2015 national charge out rates as summarised below. Please also note that the range of charge out rates is now provided separately for Assistant Directors and Assistant Managers; this information was previously provided under the category of Managers' rates.

Grade	2010	2011	2012 (Jan-Aug)	2012 / 2014 (Sept 2012 - Aug 2014)	Sept 2014 Onwards
	£ per hour	£ per hour	£ per hour	£ per hour	£ per hour
Partner & Director	535 - 895	560 - 895	585 - 920	605 - 950	615 - 970
Assistant Director	410 - 640	430 - 670	450 - 700	465 - 720	475 - 735
Manager	310 - 560	370 - 590	295 - 700	400 - 645	410 - 660
Assistant Manager	265 - 445	280 - 470	295 - 500	305 - 515	310 - 525
Assistant & Support	50 - 265	50 - 280	50 - 295	50 - 305	50 - 310

The average charge - out rates applicable to this case are provided at Appendix 3

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Financial Advisory or Deloitte Real Estate may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands.

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Charge out rates increased on 1 September 2014.

8.3 Other professional costs

As previously advised, the Administrators engaged Drivers Jonas Deloitte (now Deloitte Real Estate) to review the planning issues and alternative use / redevelopment options for use of the site. Their work has been provided on a fixed fee basis approved by the Secured Creditor following a competitive proposal.

GVA Grimley Limited assisted with clearance of the site and supervised TAA's removal of assets from the Property. As previously detailed, TAA contributed £5k to these costs.

Savills Plc, a firm of property agents, were instructed by the Administrators to undertake a reinstatement valuation of the Property for insurance purposes, and to market and sell the Property. They also supervised urgent repair work on the Property.

Eversheds LLP were instructed by the Administrators to advise on appropriate legal matters, especially the rent claim, obtaining vacant possession and the Property sale, with Counsel also instructed to progress the rent claim.

The professional costs incurred to date are summarised in the table below.

Name of lawyer/agent	NET (£)	VAT (£)	TOTAL (£)
Drivers Jonas Deloitte	5,801 35	1,160 27	6,961 62
GVA Grimley Limited	12,964 31	2,592 86	15,557 17
Savills Plc – Property repairs and restatement valuation	5,062 99	987 60	6,050 59
Savills Plc – Marketing costs	14,371 25	2,874 25	17,245 50
Savills Plc – Agents Fees	28,070 00	5,614 00	33,684 00
Eversheds LLP – Counsel Fees	67,056 80	13,411 36	80,468 18
Eversheds LLP – Legal Fees	285,085 00	57,017 00	342,102 00
Total	418,411 70	83,657 34	502,069 06

8.4 Creditors' right to request information

Any secured creditor or, unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with leave of the Court, may, in writing, request the Administrators to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 2.47(1)(fa) and 2.48A of the Rules.

8.5 Creditors' right to challenge Remuneration and/or Expenses

Any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors or, with leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 2.109(4) of the Rules), reducing the amount or the basis of remuneration which the Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2.109 of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

MK AIRLINES PROPERTY LIMITED - IN ADMINISTRATION**STATUTORY INFORMATION**

Company Name	MK Airlines Property Limited
Proceedings	In Administration
Court	Birmingham District Registry
Court Reference	8320 of 2010
Date of Appointment	7 July 2010
Joint Administrators	Matthew James Cowlshaw and David John Langton Deloitte LLP Four Brindleyplace Birmingham B1 2HZ
Registered office Address	c/o Deloitte LLP Four Brindleyplace Birmingham B1 2HZ
Company Number	06018471
Incorporation Date	5 December 2006
Company Secretary	Mr Kevin Bodley (resigned 30 June 2010)
Bankers	Bank of Scotland Plc
Auditors	Rizvi & Co Chartered Accountants
Appointment by	Bank of Scotland Plc as Qualified Floating Charge Holder – under paragraph 14 of Schedule B1 of the Insolvency Act 1986
Directors at date of Appointment	Mr Omar Abdullah Alanizi (appointed 28 June 2010) Mr Loay Jolag (resigned 25 June 2010) Mr Michael Kruger (resigned 25 June 2010) Mr Richard Taylor (resigned 8 April 2009)
Directors' Shareholdings	Mr Abdullah Alanizi (98 Ordinary Shares, 98%) Transatlantic Aviation Limited (2 Ordinary Shares, 2%)

Joint Administrators' Receipts and Payments Account
For the period 7 July 2010 to 11 August 2015

		7 July 2010 to 10 May 2015	11 May 2015 to 11 August 2015	7 July 2010 to 11 August 2015
	Notes	£	£	£
Receipts				
Property Sale		2,005,000 00	-	2,005,000 00
Rent arrears		395,000 00	-	395,000 00
Legal Fees recovered		95,000 25	-	95,000 25
TAA access costs reimbursed		5,000 00	-	5,000 00
Bank Interest	A	3,798 70	-	3,798 70
		<u>2,503,798 95</u>	<u>-</u>	<u>2,503,798 95</u>
Payments				
<i>Property costs</i>				
Security Costs		108,782 38	-	108,782 38
Site Clearance Costs (includes GVA Grimley Costs)		31,618 31	-	31,618 31
Other Property Expenses		26,735 12	-	26,735 12
Insurance of Assets		84,861 42	-	84,861 42
Surveys		14,820 00	-	14,820 00
Maintenance (includes Savills repair costs)		24,898 25	-	24,898 25
Electricity		40,008 99	-	40,008 99
Property Searches		21 00	-	21 00
<i>Sundry Costs</i>				
Statutory Advertising		75 60	-	75 60
Bank Charges	A	4,350 38	30 00	4,380 38
Irrecoverable VAT	B	81,129 32	3,636 14	84,765 46
Record Storage		-	167 04	167 04
<i>Professional Costs</i>				
Pre Appointment Administrators Fees		14,700 00	-	14,700 00
Administrators Fees	C	470,300 00	-	470,300 00
Administrators Expenses	C	733 83	-	733 83
Planning Fees		5,801 35	-	5,801 35
Marketing Costs		14,371 25	-	14,371 25
Property Agents Fees		28,070 00	-	28,070 00
Counsel Fees		67,056 80	-	67,056 80
Legal Fees		285,085 00	-	285,085 00
Legal Expenses		7,138 14	-	7,138 14
Case Bond		474 00	-	474 00
<i>Distribution</i>				
Secured Creditor	D	<u>1,150,000 00</u>	<u>38,934 63</u>	<u>1,188,934 63</u>
		<u>2,461,031 14</u>	<u>42,767 81</u>	<u>2,503,798 95</u>
Balance in Hand		42,767 81	(42,767 81)	-
		<u>2,503,798 95</u>	<u>-</u>	<u>2,503,798 95</u>
Represented by				
Interest Bearing Account	A	39,165 08	(39,165 08)	-
VAT	B	3,602 73	(3,602 73)	-
		<u>42,767 81</u>	<u>(42,767 81)</u>	<u>-</u>

- A An overdraft facility was provided by the Secured Creditor to defray Property holding costs. This has been fully repaid. All funds have been banked in an interest bearing account, any corporation tax payable on interest has been accounted for to HM Revenue & Customs.
- B The Joint Administrators have registered the Company for VAT with HMRC in order to recover a proportion of input tax. All sums shown above are shown net of VAT.
- C The Joint Administrators were authorised by the Secured Creditor to draw their fees on a time costs basis on 8 September 2010.
- D Distributions totalling £1,188,964 63 were made to the Secured Creditor under the terms of their Fixed Charge security previously granted by the Company.
- E Further information, including a creditors right to request further information or to challenge remuneration and/or expenses can be found in sections 8.5 and 8.6 of the report.

In Administration

Time costs for the period 11 May 2015 to 11 August 2015

Appendix 3

[illegible]

Time costs for the period 7 July 2010 to 11 August 2015

Partners & Directors										Assistant Directors				Managers				Assistant Managers				Assistants & Support				TOTAL		Average rate/h
		Hours	Cost (£)		Hours	Cost (£)		Hours	Cost (£)		Hours	Cost (£)		Hours	Cost (£)		Hours	Cost (£)		Hours	Cost (£)		Hours	Cost (£)		Cost (£)		
Administration and Planning Cashiering and Statutory Filing Case Management and Closure Initial Actions Liaison with Other Insolvency Practitioners General Reporting		0.85	721.25	6.35	3,778.50	18.40	8,732.50	58.90	19,065.00	38.97	9,320.30			123.47	41,617.55	337.07												
		3.00	2,140.50	18.55	8,201.25	35.70	13,991.50	22.65	6,920.50	68.30	13,643.25			148.20	44,897.00	302.95												
		18.50	10,372.50	-	-	30.50	10,827.50	9.30	2,645.50	11.15	1,851.75			69.45	25,697.25	370.01												
		13.50	7,425.00	2.75	1,306.25	41.65	15,594.00	26.10	8,081.00	72.50	12,682.00			156.50	45,088.25	288.10												
		35.85	20,659.25	27.65	13,286.00	126.25	49,145.50	116.95	36,712.00	190.92	37,497.30			497.62	157,300.05	316.10												
Investigations Investigations Reports on Directors' Conduct		-	-	-	-	-	-	-	-	-	-					1.00												
		0.50	280.00	-	-	1.00	355.00	-	-	5.00	825.00			11.50	11.50	1.00												
		0.50	280.00	-	-	1.00	355.00	-	-	16.50	836.50			18.00	1,471.50	224.62												
Trading Day 1 Control of Trading Ongoing Trading Monitoring Trading Closure of Trade		-	-	-	-	-	-	-	-	-	-			-	-	-												
		-	-	-	-	-	-	1.90	567.50	13.50	2,430.00			15.40	2,997.50	194.64												
		-	-	-	-	-	-	-	-	-	-			-	-	-												
Realisation of Assets Book Debts Other Assets (e.g. Stock) Chattel Assets Property - Freehold and Leasehold Retention of Title Sale of Business / Assets Third Party Assets		1.30	923.00	-	-	0.70	287.00	-	-	-	-			2.00	1,210.00	605.00												
		-	-	-	-	-	-	-	-	-	-			-	-	-												
		-	-	-	-	-	-	-	-	-	-			-	-	-												
		703.10	407,564.00	17.00	10,890.00	384.75	149,059.25	53.35	18,788.50	37.40	6,712.00			1,195.60	583,013.75	496.00												
		-	-	-	-	-	-	-	1.70	530.50	-	-			1.70	530.50	312.06											
Creditors Employees Preferential Secured Shareholders Unsecured		704.40	408,487.00	17.00	10,890.00	385.45	149,346.25	55.05	19,319.00	37.40	6,712.00			1,199.30	594,754.25	495.92												
		-	-	-	-	-	-	-	-	-	-			-	-	-												
		-	-	-	-	-	-	-	-	-	-			-	-	-												
		145.20	81,847.50	-	-	5.50	2,145.00	2.90	928.00	1.85	349.50			155.45	85,270.00	548.54												
		-	-	-	-	0.50	177.50	-	-	3.60	21.00			4.10	198.50	48.41												
Case Specific Matters Litigation Pensions VAT Tax		145.20	81,847.50	-	-	6.00	2,322.50	2.90	928.00	5.45	370.50			159.55	85,468.50	535.68												

£ 183 10

1121

470,300.00



Joint Administrators' Proposals

The following were deemed approved on 26 August 2010

- 1 the Administrators continue to manage the affairs and any remaining assets of the Company and the settlement of all Administration expenses,
- 2 the Administrators continue with their enquiries into the conduct of the Directors of the Company and continue to assist any regulatory authorities with their investigation into the affairs of the Company,
- 3 the Administrators be authorised to agree the claims of the secured and unsecured creditors against the Company 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 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 the Company so determine, at meetings of creditors, a creditors Committee be appointed in respect of the Company comprising of not more than five and not less than three creditors of that Company,
- 6 that, if a Creditors' Committee is not appointed, the secured creditors and preferential creditors (if applicable) of the Company shall be asked to fix the basis of the Administrators' remuneration in accordance with Rule 2 106(5A)(a), to be fixed by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the Administrations, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT. In addition those creditors shall also be asked to agree the Administrators' expenses of which 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 at the time when the mileage is incurred, plus VAT where applicable,
- 7 that, the Administrators' Pre Administration Costs as detailed in Appendix 4 of the Administrators' Proposals be approved and that the Administrators be authorised to draw their Costs, plus VAT, from the Administration estate,
- 8 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 Company or alternatively, seeking to put the Companies into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors,
- 9 that, if the Company were to be placed into CVL, the Administrators propose to be appointed Liquidators and any Creditors' Committee appointed will become the Liquidation Committee pursuant to Rule 4 174 of the Rules and that the basis of the Liquidators' remuneration be fixed by reference to the time given in attending to matters arising in the Administrations. As per Paragraph 83(7) of Schedule BI of the Act and Rule 2 117A(2)(b) 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 Section 231 of the Act the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and
- 10 in the absence of Creditors' Committees, the secured creditors of the Company agree that the Administrators be discharged from liability per Paragraphs 98 and 99 of Schedule BI of the Act immediately upon the Administrators' filing their final report to creditors and vacating office