

The Insolvency Act 1986

Administrator's progress report

2.24B

Name of Company Graf Finance Limited	Company number 06263926
In the High Court of Justice, Chancery Division Manchester District Registry (full name of court)	For court use only 169 of 2011

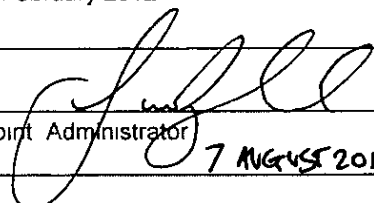
(a) Insert full name(s) and
address(es) of administrators

We (a) David Whitehouse and Sarah Bell of Duff & Phelps Ltd , The Chancery, 58 Spring
Gardens, Manchester, M2 1EW,

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

(b) Insert date

From	To
(b) 2 February 2012	(b) 13 July 2012

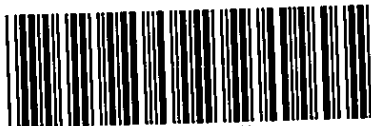
Signed 
Joint Administrator
Dated 7 AUGUST 2012

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 is the

Duff & Phelps Ltd
The Chancery
58 Spring Gardens
Manchester
M2 1EW

Tel: 0161 827 9000



A06 11/08/2012 #216
COMPANIES HOUSE

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

Report to Creditors

7 August 2012

**Graf Finance Limited
Graf Financial & Investment Services Limited
(Both in Liquidation)**

**Final Progress Report of the Former Joint Administrators
for the period from 2 February 2011 to 13 July 2012
pursuant to Rule 2.110 of the Insolvency Rules 1986**

**Names of the
Former Joint Administrators:**

David Whitehouse
Sarah Bell

Names of the Joint Liquidators:

David Whitehouse
Sarah Bell

Dates of Appointments:

Administration:

2 February 2011

Creditors Voluntary Liquidation.

13 July 2012

Date of Report

7 August 2012

Appointed as Joint Administrators By:

Aryeh Ehrentreu as Director
c/o Duff & Phelps Ltd
The Chancery
58 Spring Gardens
Manchester
M2 1EW

Court References:

High Court of Justice
Chancery Division
Manchester District Registry No 169 of 2011
(Graf Finance Limited)

High Court of Justice
Chancery Division
Manchester District Registry No 170 of 2011
(Graf Financial & Investment Services Limited)

Duff & Phelps Ltd.
The Chancery
58 Spring Gardens
Manchester
M2 1EW

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1. Definitions

Word or Phrase	Definition
GFL	Graf Finance Limited
GFISL	Graf Financial & Investment Services Limited
the Companies	GFL and GFISL
the Director	the director of the Companies (Aryeh Ehrentreu)
the Registrar	the Registrar of Companies
the Notice	The Notice to Move from Administration to Dissolution – Form 2 35B
Duff & Phelps	Duff & Phelps Ltd (MCR became part of Duff & Phelps Ltd on 31 October 2011)
HMRC	HM Revenue & Customs
the Proposals	the Former Joint Administrators' Proposals and Report to Creditors dated 29 March 2011
BOS	Bank of Scotland
the Joint Liquidators	David Whitehouse and Sarah Bell in their capacity as Joint Liquidators
the Former Joint Administrators	David Whitehouse and Sarah Bell in their capacity as the former Joint Administrators
BIS	the Department for Business, Innovation & Skills
SOA	The Directors' Statement of Affairs
EC Regulation	EC Regulation on Insolvency Proceedings 2000
CVL	Creditors' Voluntary Liquidation
RPO	Redundancy Payments Office
the Act	the Insolvency Act 1986, as amended
the Rules	the Insolvency Rules 1986, as amended
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
SIP9	Statement of Insolvency Practice 9

2 Introduction

- 2 1 David Whitehouse and Sarah Bell previously acted as Joint Administrators of the Companies having been appointed on 2 February 2011 by the Director of the Companies, pursuant to paragraph 22 of Schedule B1 to the Act
- 2 2 As reported previously, BOS consented to an extension of the Administrations by 6 months pursuant to Paragraph 76(2)(b) of Schedule B1 to the Act. As such, the Administrations were due to end on 2 August 2012
- 2 3 Pursuant to Paragraph 83(1) of Schedule B1 to the Act, an Administrator may move a company from Administration to Creditors' Voluntary Liquidation where they think that the total amount which each secured creditor will receive has been paid or set aside and where a distribution will be made to unsecured creditors (if there are any)
- 2 4 As discussed later in this report, once the process of realising the Companies' remaining assets has been finalised, it is estimated that approximately £890,000 will be available for distribution to BOS
- 2 5 Although the Director advised that the Companies had no unsecured creditors, unsecured claims in respect of the Companies have been received from HMRC in the sum of £185 and the Companies' former secretary in the sum £17,700. These claims will be reviewed and adjudicated by the Joint Liquidators in due course. It is anticipated that there will be sufficient net property from which to set aside a Prescribed Part and make a distribution to the unsecured creditors
- 2 6 Based upon the above, the former Joint Administrators considered that it was appropriate to place the Companies into CVL prior to the automatic end of the Administrations on 2 August 2012
- 2 7 Accordingly, Forms 2 34B – Notice to Move from Administration to Creditors Voluntary Liquidation were filed at the Registrar and the Administrations duly ended on 13 July 2012
- 2 8 David Whitehouse and Sarah Bell, of Duff & Phelps, were appointed Joint Liquidators of GFL and GFISL on the same day, 13 July 2012
- 2 9 The purpose of this report is to provide creditors with details of the progress of the Administrations to their closure in accordance with Rule 2 47(1) of the Rules
- 2 10 The Joint Liquidators believe it to be appropriate that this report covers both GFL and GFISL as the Companies operated from the same premises and their businesses were closely related
- 2 11 This report should be read in conjunction with the Former Joint Administrators' earlier reports to creditors dated 29 March 2011, 30 August 2011 and 27 February 2012

3 Background

- 3 1 GFL was incorporated on 30 May 2007 and GFISL was incorporated on 29 August 2003. Statutory information on the Companies is included at Appendix 1
- 3 2 The principal activity of the Companies was the provision of bridging finance to individual and corporate borrowers to assist with the purchase of property. The Companies levied a premium interest rate for providing short-term loans for a period of 1 – 3 months, pending the borrowers' sourcing a refinance with a mainstream funder
- 3 3 The Companies operated from premises at 89-93 Windsor Road, Prestwich, Manchester M25 0DB

- 3 4 The Companies' Shareholder is Graf Securities (UKBFF) Limited. UK Bridging Finance Fund LP hold a debenture against the assets of Graf Securities (UKBFF) Limited dated 7 September 2010. Aryeh Ehrentreu holds the only shareholding in Graf Securities (UKBFF) Limited being an ordinary £1 share. On 13 December 2010, UK Bridging Finance Fund LP signed a Notice of Appointment of an Administrator by holder of a floating charge. On 14 December 2010, Elliot Harry Green of Oury Clark, 58 Herschel Street, Slough SL1 1PG, was appointed Administrator of Graf Securities (UKBFF) Limited.
- 3 5 Further information concerning the background to the Companies and events leading to the appointment of the Former Joint Administrators can be found in the previous reports to creditors.
- 3 6 In accordance with Paragraph 52(1) of Schedule B1 to the Act, a creditors' meeting was not required to be held as it was anticipated there would be insufficient realisations to enable a distribution to non preferential creditors, other than via the Prescribed Part. No meeting was convened and in accordance with Rule 2.33(5) of the Rules, the Proposals were deemed to have been approved by creditors.
- 3 7 As advised in the Proposals, the Former Joint Administrators were required to perform their functions with the purpose of achieving one of the following hierarchical objectives:
- Rescuing the Companies as going concerns, or
 - Achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in Administration), or
 - Realising property in order to make a distribution to one or more secured or preferential creditors.
- 3 8 The Former Joint Administrators were unable to achieve the first objective, as there was no available working capital which would allow the Companies to continue to trade and try and return themselves to a position of solvency.
- 3 9 It is expected that the second and third objectives will be achieved as the Administrations' surplus which has been transferred to the Joint Liquidators will be used to make a distribution to the secured creditor, BOS. In addition, it is expected that there will be funds available for distribution to the unsecured creditors of the Companies by way of the Prescribed Part.
- 3 10 Further details in respect of these proposed distributions can be found in this report.

4 Progress of the Administrations

- 4 1 The manner in which the affairs and business of the Companies have been managed since the appointment of the Former Joint Administrators and will continue to be managed and financed by the Joint Liquidators is set out below.
- 4 2 As previously reported, a significant amount of time has been expended on reconstituting the books and records of the Companies. The Former Joint Administrators and their legal advisors have continued their endeavours to recover and reconstitute the Companies' books and records and significant costs have been incurred. This process will be continued by the Joint Liquidators.
- 4 3 The Former Joint Administrators wrote to all borrowers who had loan facilities outstanding and requested full repayment proposals. A small number of loan facilities were repaid. Other borrowers are in contact with the Joint Liquidators and settlements are being negotiated.
- 4 4 Given that the Companies' books and records remained incomplete, the Former Joint Administrators were unable to market the business and assets for sale.

Asset Realisations

Loan Redemptions

4 5 In the period since the last report, GFL received loan redemptions in the sum of £127,916. There were no further receipts in respect of GFISL.

4 6 In summary, total loan redemptions during the Administration period were

	£
GFL	294,873
GFISL	<u>339,996</u>
	634,869

4 7 These receipts are shown as Freehold Land & Property in the attached R&P's

4 8 There are nine known remaining outstanding loans in relation to nine different properties. Of these properties some are currently being marketed for sale. The Joint Liquidators intend to recover the outstanding debts via various methods and it is estimated that these remaining properties will generate total future realisations of £540,000 as summarised below

	£
GFL	260,000
GFISL	<u>280,000</u>
	540,000

4 9 The actual net amount realisable will be dependant upon the prevailing property market conditions and the costs of realisation

Rent

4 10 In the period since the last report, GFL received rent in the sum of £1,622 and GFISL received rent in the sum of £3,802

4 11 In summary, total realisations from rental income during the Administration period were

	£
GFL	4,908
GFISL	<u>12,013</u>
	16,921

Interest Payments Received

4 12 There were no further receipts of interest payments in respect of either GFL or GFISL in the period

4 13 In summary, total realisations from interest payments during the Administration period were

	£
GFL	600
GFISL	<u>480</u>
	1,080

Book Debts

4 14 As previously reported, the Companies' books and records are incomplete and therefore the precise level of book debts remains unknown. The Joint Liquidators will continue to make all efforts to fully reconstitute the Companies' books and records

Bank Interest

- 4 15 Bank Interest totalling £74 in respect of GFL and £95 in respect of GFISL was received in the period into the respective estate bank accounts
- 4 16 In summary, total realisations from bank interest during the Administration were

	£
GFL	136
GFISL	<u>295</u>
	431

Directors' Loan

- 4 17 GFL's books and records indicated that Abraham Crochovsky, previously a director of GFL provided a letter of postponement dated 23 August 2007 in respect of loans advanced by him, to the extent of £350,000, plus interest, in favour of BOS
- 4 18 GFISL's books and records indicated that Abraham Crochovsky, previously a director of GFISL, provided a letter of postponement dated 23 January 2007 in respect of loans advanced by him, to the extent of £400,000, plus interest, in favour of BOS
- 4 19 The Joint Liquidators' investigations into the Directors' Loans will remain ongoing The Companies have no other known assets to be realised for the benefit of creditors
- 4 20 The Joint Administrators' investigations into the affairs of the Companies also remain ongoing

Other Assets

- 4 21 £1,050 has been received from Leslie Wolfson Solicitors into GFL This represents pre-paid legal fees in respect of litigation in respect of ongoing negligence claims
- 4 22 There are no other known assets to be realised for the benefit of creditors

5. Receipts and Payments Accounts (R&P's)

- 5 1 The Former Joint Administrators' detailed R&P's, for the periods 2 February 2011 to 13 July 2012 and 2 February 2012 to 13 July 2012 are shown at Appendix 2
- 5 2 Also attached at Appendix 2 are the Joint Liquidators' R&P's which show the transfer of the Administration surplus as summarised below

	£
GFL	234,225
GFISL	<u>245,090</u>
	479,315

6. Investigations

- 6 1 The Former Joint Administrators had a statutory obligation to file a report with the Department for Business Innovation & Skills regarding the conduct of all Directors of the Companies that served in the three years prior to the Appointment The content of these reports are confidential and were submitted to the Insolvency Practitioners Compliance Unit on 29 July 2011

7 Former Joint Administrators' Costs and Expenses

7.1 The time costs charged in the period from 2 February 2011 to 13 July 2012 by the Former Joint Administrators are analysed at Appendix 3 and in accordance with SIP 9

7.2 The Former Joint Administrators' time costs to date are summarised below

	£
GFL	151,838
GFISL	<u>131,202</u>
	283,040

7.3 No remuneration has been paid to date

7.4 BOS, as secured creditor, provided their consent that the Former Joint Administrators' remuneration be fixed by reference to time costs incurred in dealing with matters arising in respect of the Administrations. Pursuant to Paragraph 99 of Schedule B1 to the Act, the Former Joint Administrators outstanding time costs will be payable out of the respective Administration surpluses

7.5 It is currently anticipated that approximately £250,000 plus VAT and disbursements will be drawn as remuneration in respect of the Former Joint Administrators' time costs in respect of dealing with the Administrations, as summarised below

	£
GFL	125,000
GFISL	<u>125,000</u>
	250,000

7.6 Information regarding the fees of Administrators, called a Creditors' Guide to Administrators' Fees, can be found on our website at www.duffandpHELPS.co.uk. Should you require a copy, please contact John-Paul Lander of this office

7.7 The Former Joint Administrators have incurred the following expenses in dealing with the Administrations

GFL

Company	Role	Amount £
AUA Insolvency Risk Services	Insurance cover in respect of property assets	10,000*
DWF LLP	Legal advice and disbursements	75,000*
Legal Counsel	Legal advice on numerous matters	6,000*
Willis Bond	Statutory Bond	250
Courts Advertising	Statutory Advertising	80
Land Registry	Online searches over property assets	300*

*These figures are estimates and the costs will be met in the CVL

GFISL

Company	Role	Amount £
AUA Insolvency Risk Services	Insurance cover in respect of property assets	25,000*
DWF LLP	Legal advice and disbursements	75,000*
Legal Counsel	Legal advice on numerous matters	6,000*
Willis Bond	Statutory Bond	250
Courts Advertising	Statutory Advertising	80
Land Registry	Online searches over property assets	300*
DM Hall	Valuation	200

*These figures are estimates and the costs will be met in the CVL

- 7 8 In accordance with Rule 4 127(5A) of the Rules the Former Joint Administrators' fee resolutions have been carried over into the respective CVL's

8. Dividend Prospects / Prescribed Parts

- 8 1 In consideration for the monies advanced under its loan facilities, GFL granted BOS a mortgage debenture, which confers fixed and floating charges over all of the assets of GFL, created on 3 September 2007 and registered on 4 September 2007
- 8 2 At the date of the Former Joint Administrators' appointment, GFL's indebtedness to BOS was approximately £1,900,000
- 8 3 In consideration for the monies advanced under its loan facilities, GFISL granted BOS a mortgage debenture which confers fixed and floating charges over all of the assets of GFISL, created on 28 February 2007 and registered on 2 March 2007
- 8 4 At the date of the Former Joint Administrators' appointment, GFISL's indebtedness to BOS was approximately £2,100,000
- 8 5 As discussed earlier in this report it is estimated that, once asset realisations have been exhausted and the costs of realisations discharged, there will be approximately £890,000 available for distribution to BOS as summarised below

	£
GFL	290,000
GFISL	<u>600,000</u>
	890,000

- 8 6 The final amount available for distribution to BOS will be dependent upon the level of realisations, particularly in relation to the sale of the various freehold properties, and the costs of realisation. In addition, the amount available for distribution to BOS may be reduced if additional unsecured claims are received which will increase the level of the Prescribed Part fund set aside and subsequently distributed to unsecured creditors
- 8 7 It is anticipated that there will be insufficient realisations to repay BOS in full. No personal guarantee was provided by the Director

Preferential Creditors

- 8 8 The Director has advised that there were no paid employees therefore the Joint Administrators do not anticipate that there will be any preferential claims

Prescribed Part

- 8 9 Pursuant to section 176A of the Act, where a floating charge is created after 15 September 2003, a Prescribed Part of the Companies' net property shall be made available to unsecured creditors
- 8 10 Based on current information, the prospects are that there will be sufficient funds to make a distribution to BOS, under its floating charge
- 8 11 Accordingly, it is anticipated that the Prescribed Part will apply and consequently, funds will be set aside for the benefit of non-preferential creditors

8 12 The Prescribed Part is calculated as a percentage of net property, as follows -

Net property less than £10,000	50% unless costs of distribution > benefit
Net property greater than £10,000	50% up to £10,000 plus 20% thereafter to a maximum of £600,000

8 13 The maximum value of the ring-fenced proportion of the funds, known as the "Prescribed Part", is £600,000

8 14 Based upon expected future asset realisations and the associated costs of realisation, it is estimated that there will be Net Property of £308,000 in respect of GFL and £601,000 in respect of GFISL

8 15 Based upon the above, the estimated Prescribed Part funds which will be available are summarised below

	£
GFL	64,600
GFISL	<u>123,200</u>
	187,800

8 16 At present, the Joint Liquidators are in receipt of unsecured claims in respect of the Companies which total less than the Prescribed Part funds which are expected to be available

8 17 These claims have yet to be reviewed and agreed. Any Prescribed Part surplus, after distribution to the unsecured creditors and payment of the costs associated with making the Prescribed Part, will be available to BOS

Non-Preferential Creditors

8 18 The Director advised that the Companies have no creditors, other than BOS. The Former Joint Administrators' investigations revealed an amount outstanding to HM Revenue & Customs. The Former Joint Administrators' investigations in to this matter remain ongoing.

8 19 In addition, an unsecured claim in the sum of £17,700 in respect of GFL has been received from the Companies' Secretary.

8 20 As such, the Former Joint Administrators have received total unsecured claims as summarised below

GFL

	£
HMRC	42
Company Secretary	<u>17,700</u>
Total	17,742

GFISL

	£
HMRC	<u>143</u>
Total	143

8 21 Based upon the current information available, it is anticipated that there will not be sufficient realisations to enable a distribution to the non-preferential creditors of the Companies, other than from the Prescribed Part.

9. Creditor's Meetings

- 9 1 In accordance with Paragraph 52(1) of Schedule B1 to the Act, a creditors' meeting was not required to be held as the Former Joint Administrators believed that the Company would have insufficient realisations to enable a distribution to be made to unsecured creditors, other than via the Prescribed Part

10. Former Joint Administrators' Proposals

- 10 1 As no meeting was convened and in accordance with Rule 2 33(5) of the Rules, the Joint Administrators' proposals were deemed to have been approved by creditors on 11 April 2011
- 10 2 The Former Joint Administrators' proposals as approved are attached at Appendix 4

11. End of the Administrations

- 11 1 Pursuant to Paragraph 83(1) of Schedule B1 to Act an Administrator may move a company from Administration to CVL where they think that the total amount which each secured creditor will receive has been paid or set aside and where a distribution will be made to unsecured creditors (if there are any)
- 11 2 As set out in this report, the Former Joint Administrators have moved the Companies from Administration to CVL in order to continue the process of realising the Companies' remaining assets and in order to make distributions to both BOS and the unsecured creditors, by way of the Prescribed Part. Based upon the estimated future realisations and costs of realisation, it is expected that a total of approximately £890,000 will be available to BOS under its floating charge from both Administrations
- 11 3 It is also anticipated that a total of approximately £187,800 will be set aside, by way of the Prescribed Part, for the benefit of the unsecured creditors from both Administrations
- 11 4 The Former Joint Administrators sought advice from their legal advisers and counsel prior to moving the Companies from Administration to CVL. The Former Joint Administrators were advised that this was an appropriate strategy
- 11 5 The Former Joint Administrators' proposals, as approved, allowed for an exit from the Administrations via a move to CVL. It was also approved that in such event David Whitehouse and Sarah Bell would be the appointed Joint Liquidators
- 11 6 Accordingly, the Former Joint Administrators took the necessary steps to place the Companies into CVL and Forms 2 34B – Notice of Move from Administration to Creditors' Voluntary Liquidation were filed at the Registrar. Following the registration of Forms 2 34B at the Registrar the Administrations ended on 13 July 2012 and the Companies were placed into CVL on the same day
- 11 7 The Joint Liquidators will continue to deal with the outstanding matters from the Administrations, including
- The continuation and progression of ongoing litigation
 - Continuing the process of recovering outstanding book debts
 - The continuation and progression of litigation with lawyers in Scotland in respect of two cases which resulted in the Companies suffering financial loss. As reported previously, these matters are currently with the relevant insurers

- In due course, making a distribution to BOS
- In due course, making a distribution to the unsecured creditors (if there are any valid claims), by way of the Prescribed Part
- The preparation and submission of Corporation Tax returns for the period of the Administrations

12 Further Information

- 12 1 In accordance with Rule 2.48A of the Rules (as amended), secured creditors and unsecured creditors (with the concurrence of at least 5% in value of total claims) may make a request in writing to the Joint Liquidators for further information about the remuneration and expenses set out in this progress report. This should be done within 21 days of receipt of this report.

13 Other Matters

- 13 1 If you have any queries or require any further assistance, please do not hesitate to contact my colleague John-Paul Lander of this office.

Sarah Bell
Joint Administrator

Appendix 1

Statutory Information

Statutory Information

Company Name Graf Finance Limited

Date of Incorporation 30 May 2007

Registered Number 06263926

Company Director Aryeh Ehrentreu

Company Secretary Maurice Goldin

Shareholders Graf Securities (UKBFF) Limited (In Administration)
Company Number 06919757
c/o Oury Clark
Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1PG

Shareholder of Graf Securities (UKBFF) Limited (In Administration) is Aryeh Ehrentreu, 1 £1 Ordinary Share

Trading Address 89-93 Windsor Road
Prestwich
Manchester
M25 0DB

Registered Office	Current	Formerly
	The Chancery 58 Spring Gardens Manchester M2 1EW	16 Kings Close London NW4 2JT

Any Other Trading Names Graf Financial & Investment Services Limited

Financial Information The figures below are unaudited

	FYE 28 February 2010	FYE 28 February 2009
	£	£
Debtors	2,361,782	2,361,376
Creditors	2,222,567	2,322,434
Shareholders' Funds	139,214	63,642

Statutory Information

Company Name Graf Financial & Investment Services Limited

Date of Incorporation 29 August 2003

Registered Number 04881630

Company Director Aryeh Ehrentreu

Company Secretary Maurice Goldin

Shareholders Graf Securities (UKBFF) Limited (In Administration)
Company Number 06919757
c/o Oury Clark
Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1PG

Shareholder of Graf Securities (UKBFF) Limited (In Administration) is Aryeh Ehrentreu, 1 £1 Ordinary Share

Trading Address 89-93 Windsor Road
Prestwich
Manchester
M25 0DB

Registered Office	Current	Formerly
	The Chancery 58 Spring Gardens Manchester M2 1EW	16 Kings Close London NW4 2JT

Any Other Trading Names Graf Finance Limited

Financial Information The figures below are unaudited

	FYE 28 February 2010	FYE 28 February 2009
	£	£
Debtors	2,822,590	3,066,373
Creditors	2,814,225	3,063,303
Shareholders' Funds	239,860	161,064

Appendix 2

Former Joint Administrators' Receipts and Payments Accounts

Graf Finance Limited

Former Joint Administrators' Summary of Receipts & Payments

RECEIPTS	Estimated Book Value	01/02/2012 to 13/07/2012 (£)	02/02/2011 to 13/07/12 (£)
Freehold Land & Property	415,000 00	127,916 00	294,872 51
Interest Payments Received		-	600 00
Rent		1,622 09	4,907 50
Bank Interest Gross		74 44	135 83
Pre-paid legal Fees		0 00	1,050 00
		<u>129,612 53</u>	<u>301,565 84</u>
PAYMENTS			
Legal Fees		11,261 45	61,593 40
Legal Disbursements		118 00	118 00
Storage Costs		46 50	51 90
Insurance of Assets		1,145 85	5,226 10
Property Maintenance Costs		351 50	351 50
Transfer to CVL		<u>234,224 94</u>	<u>234,224 94</u>
		<u>247,148.24</u>	<u>301,565 84</u>
Net Receipts/(Payments)		<u><u>(117,535 71)</u></u>	<u><u>-</u></u>
MADE UP AS FOLLOWS			
VAT Receivable			- *
Floating/main current account			-
			<u><u>-</u></u>

* VAT Receivable of £12,295 46 from the Administration will be reclaimed in the CVL

Graf Financial & Investment Services Limited

Former Joint Administrators' Summary of Receipts & Payments

RECEIPTS	Estimated Book Value	01/02/2012 to 13/07/2012 (£)	02/02/2011 to 13/07/2012 (£)
Freehold Land & Property	715,000 00	-	339,996 12
Rent		3,801 97	12,013 37
Bank Interest Gross		95 00	295 18
Interest Payments Received		-	480 00
		<u>3,896 97</u>	<u>352,784 67</u>
PAYMENTS			
Agents/Valuers Fees		-	200
Legal Fees		-	71,375 00
Legal Disbursements		-	16,136 75
Insurance of Assets		2,822 12	19,983 13
Transfer to CVL		<u>245,089 79</u>	<u>245,089 79</u>
		<u>247,911 91</u>	<u>352,784 67</u>
Net Receipts/(Payments)		<u>(244,014 94)</u>	<u>-</u>

MADE UP AS FOLLOWS

VAT Receivable	-
Floating/main current account	-
Floating/main deposit account	-
	<u>-</u>

* VAT Receivable of £17,153 66 from the Administration will be reclaimed in the CVL

Appendix 3

Analysis of Time Costs

38501 GRAF FINANCIAL & INVESTMENT SERVICES LIMITED - GVT025

ANALYSIS OF TIME COSTS FOR THE PERIOD 01/02/2011 to 13/7/2012

ADM-Admin - Post Appt

Classification of Work Function	Hours					Total Hours	Time Cost	Avg Hourly Rate
	Partner	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review and Case Diary management	0 00	1 80	0 00	9 60	0 00	11 40	2,067 00	181 32
Cashiering & accounting	0 20	0 40	2 20	17 30	2 50	22 60	4 196 50	185 69
Dealings with Directors and Management	7 90	22 50	0 00	0 20	0 00	30 60	11,463 00	374 61
IPS set up & maintenance	0 00	0 60	0 10	2 60	0 00	3 30	757 00	229 39
Insurance	0 00	0 00	0 00	0 20	0 00	0 20	38 00	190 00
Statement of affairs	0 00	0 00	0 00	1 40	0 00	1 40	198 00	141 43
Statutory matters (Meetings & Reports & Notices)	1 90	15 50	9 60	22 40	0 00	49 40	12,492 00	252 87
Strategy planning & control	1 60	162 30	1 70	34 30	0 00	199 90	60 352 00	301 91
Creditors								
Communications with Creditors/Employees	1 00	0 10	0 00	0 60	0 00	1 70	607 50	357 35
Non Pref Creditors/Employee claims handling	0 00	0 00	0 00	1 60	0 00	1 60	185 00	115 63
Secured Creditors	0 00	14 80	1 80	0 00	0 00	16 60	5,491 00	330 78
Investigations								
CDDA & reports & Communication	2 30	28 80	0 00	3 00	0 00	34 10	11,415 00	334 75
Financial review and investigations (S238/239 etc)	0 00	6 20	0 00	10 10	0 00	16 30	4,027 00	247 06
Realisation of Assets								
Book debts	0 00	11 50	0 00	0 20	0 00	11 70	3,948 00	337 44
Freehold and Leasehold Property	1 70	36 60	0 00	3 00	0 00	41 30	13 830 00	334 87
Sale of business	0 00	0 00	0 00	0 20	0 00	0 20	38 00	190 00
Trading								
Trading - Operations	0 00	0 00	0 00	0 40	0 00	0 40	76 00	190 00
	0 00	0 00	0 00	0 20	0 00	0 20	21 00	105 00
Total Hours	16 60	301 10	15 40	107 30	2 50	442 90		296 23
Total Fees Claimed	7,981 00		3,997 50	15,976 50	636 00		131,202 00	

Category 2 Disbursements

ANALYSIS OF TIME COSTS FOR THE PERIOD 24/01/2011 to 13/7/2012

ADM-Admin - Post Appt

Classification of Work Function	Hours					Total Hours	Time Cost	Avg Hourly Rate
	Partner	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review and Case Diary management	1 00	1 90	0 00	9 80	0 00	12 70	2,624 00	206 61
Cashiering & accounting	0 00	0 70	2 70	14 60	1 30	19 30	3,774 00	195 54
Dealings with Directors and Management	10 90	21 10	0 00	0 20	0 00	32 20	12,427 00	385 93
IPS set up & maintenance	0 00	0 40	0 00	2 60	0 00	3 00	650 00	216 67
Insurance	0 00	0 00	0 00	0 20	0 00	0 20	38 00	190 00
Statement of affairs	0 00	0 00	0 00	1 40	0 00	1 40	198 00	141 43
Statutory matters (Meetings & Reports & Notices)	22 80	21 90	10 10	24 00	0 00	78 80	25,149 00	319 15
Strategy planning & control	5 70	157 60	1 70	34 20	0 00	199 20	60,721 00	304 82
Tax Compliance/Planning	0 00	0 00	0 00	0 10	0 00	0 10	16 00	160 00
Creditors								
Communications with Creditors/Employees	3 50	0 10	0 00	0 50	0 00	4 10	1,792 00	437 07
Non Pref Creditors/Employee claims handling	0 00	0 00	0 00	1 80	0 00	1 80	206 00	114 44
Secured Creditors	0 00	12 40	1 80	0 00	0 00	14 20	4,675 00	329 23
Investigations								
CDDA & reports & Communication	3 00	26 30	0 00	4 00	0 00	33 30	11,139 00	334 50
Financial review and investigations (S238/239 etc)	0 00	7 30	0 00	9 80	0 00	17 10	4 344 00	254 04
Realisation of Assets								
Book debts	0 00	34 60	0 00	0 00	0 00	34 60	11 764 00	340 00
Freehold and Leasehold Property	2 20	27 20	0 00	10 00	0 00	39 40	12 084 00	306 70
Sale of business	0 00	0 00	0 00	0 20	0 00	0 20	38 00	190 00
Trading								
Trading - Accounting	0 00	0 30	0 00	0 00	0 00	0 30	102 00	340 00
Trading - Operations	0 00	0 00	0 00	0 40	0 00	0 40	76 00	190 00
	0 00	0 00	0 00	0 20	0 00	0 20	21 00	105 00
Total Hours	49 10	311 80	16 30	114 00	1 30	492 50		308 30
Total Fees Claimed	23,568 00		4,231 00	17,405 00	336 00		151,838 00	

Category 2 Disbursements

Appendix 4

Former Joint Administrators' Proposals

The Joint Administrators' Proposals

The Joint Administrators proposed the following

- 12 1 1 That the Joint Administrators continue the Administration to deal with such outstanding matters in relation to the Companies as the Joint Administrators consider necessary until such time as the Administration ceases to have effect
- 12 1 2 That the Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration
- 12 1 3 That the Joint Administrators, once all outstanding matters have been satisfactorily completed, take the necessary steps to put the Companies into Creditors' Voluntary Liquidation. It is proposed that the Joint Administrators, currently David John Whitehouse and Sarah Helen Bell of MCR would act as Joint Liquidators should the Companies be placed into Creditors' Voluntary Liquidation
- 12 1 4 In accordance with S231(2) of the Insolvency Act 1986, any act required or authorised under any enactment to be done by the Liquidator is to be done by all or any one or more of the persons for the time being holding the office in question
- 12 1 5 In accordance with Paragraph 83(7) of Schedule B1 to the Insolvency Act 1986 and Rule 2 117A creditors may nominate a different person as the proposed liquidator, provided the nomination is received at this office prior to the approval of these proposals. In the absence of such nomination, the Joint Administrators will be appointed Joint Liquidators
- 12 1 6 That the Joint Administrators, in the event that they form the view that a distribution cannot be made to unsecured creditors, take the necessary steps to give notice under paragraph 84 of Schedule B1 of the Insolvency Act 1986 to the Registrar of Companies to the effect that the Companies have no property which might permit a distribution to its creditors, at which stage the Administration will cease
- 12 1 7 That the Joint Administrators be discharged from all liability pursuant to paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing
- 12 1 8 That the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the Administration
- 12 1 9 That the Joint Administrators be authorised to draw their firm's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements"), if any

Appendix 5

Form 2 34B – Notice of Move from Administration to Creditors Voluntary Liquidation

The Insolvency Act 1986

Notice of move from administration to creditors'
voluntary liquidation**2.34B**

Name of Company

Graf Finance Limited

Company number

06263926

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

(full name of court)

For court use only
169 of 2011(a) Insert full name(s) and
address(es) of administratorsWe (a) David Whitehouse and Sarah Bell of Duff & Phelps Ltd , The Chancery, 58 Spring
Gardens, Manchester, M2 1EW(b) Insert name and address of
the registered office of companyhaving been appointed Joint Administrator(s) of (b) Graf Finance Limited, The Chancery, 58
Spring Gardens, Manchester, M2 1EW

(c) Insert date of appointment

On (c) 2 February 2011 by (d) the director of the company hereby give notice that

(d) Insert name of appointor

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is
proposed that (e) David Whitehouse and Sarah Bell of Duff & Phelps Ltd , The Chancery, 58
Spring Gardens, Manchester, M2 1EW(e) Insert name(s) and
address(es) of liquidator(s)

will be the Joint Liquidators of the company (IP No(s) 8699 and 9406)

Signed

Joint Administrator

Dated

11.7.12

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 searches of
the public record

Duff & Phelps Ltd
The Chancery
58 Spring Gardens
Manchester
M2 1EW

Tel 0161 827 9000

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

The Insolvency Act 1986

Notice of move from administration to creditors'
voluntary liquidation**2.34B**

Name of Company

Graf Financial & Investment
Services Limited

Company number

04881630

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

(full name of court)

For court use only
170 of 2011(a) Insert full name(s) and
address(es) of administratorsWe (a) David Whitehouse and Sarah Bell of Duff & Phelps Ltd , The Chancery, 58 Spring
Gardens, Manchester, M2 1EW(b) Insert name and address of
the registered office of companyhaving been appointed Joint Administrator(s) of (b) Graf Financial & Investment Services
Limited, The Chancery, 58 Spring Gardens, Manchester, M2 1EW

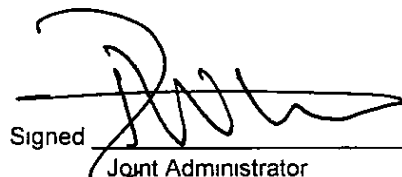
(c) Insert date of appointment

On (c) 2 February 2011 by (d) the director of the company hereby give notice that

(d) Insert name of appointor

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is
proposed that (e) David Whitehouse and Sarah Bell of Duff & Phelps Ltd , The Chancery, 58
Spring Gardens, Manchester, M2 1EW(e) Insert name(s) and
address(es) of liquidator(s)

will be the Joint Liquidators of the company (IP No(s) 8699 and 9406)


Signed _____
Joint Administrator

Dated 11.7.12

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 searches of
the public record

Duff & Phelps Ltd
The Chancery
58 Spring Gardens
Manchester
M2 1EW

Tel 0161 827 9000

When you have completed and signed this form please send it to the Registrar of Companies at

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