

The Insolvency Act 1986

**Statement of administrator's proposals****2.17B**

Name of Company 2SH LLP	Company number OC312406
In the Bristol District Registry	Court case number 153 / 2011

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

(a) We,  
Adrian Allen  
Baker Tilly Restructuring & Recovery LLP  
2 Whitehall Quay  
Leeds  
LS1 4HG

Nigel Millar  
Baker Tilly Restructuring & Recovery LLP  
Abbotsgate House  
Hollow Road  
Bury St Edmunds  
IP32 7FA

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

(b) Insert date

(b) 1 April 2011

Signed



Joint Administrator

Dated

1 APRIL 2011

**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.

Heather Brunt	
Baker Tilly Restructuring and Recovery LLP, 2 Whitehall Quay, Leeds LS1 4HG	
Tel 0113 285 5000	
DX Number 729243	DX Exchange Leeds 67

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

Companies House, Crown Way, Cardiff, CF14 3UZ

DX3

MONDAY



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04/04/2011

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COMPANIES HOUSE

**IN THE MATTER OF**  
**2SH LLP (FORMERLY KINGS COUNTRY HOTELS LLP) IN ADMINISTRATION**  
**T/A THE WOODLANDS HOTEL**  
**JOINT ADMINISTRATORS' PROPOSALS AND REPORT**  
**30 MARCH 2011**

**ADRIAN ALLEN AND NIGEL MILLAR**  
**JOINT ADMINISTRATORS**

**APPOINTED 7 FEBRUARY 2011**

**BAKER TILLY RESTRUCTURING AND RECOVERY LLP**  
**2 WHITEHALL QUAY**  
**LEEDS LS1 4HG**

## **CONTENTS**

### **SECTIONS**

- 1 JOINT ADMINISTRATORS' APPOINTMENT
- 2 STATUTORY INFORMATION
- 3 EVENTS LEADING UP TO THE ADMINISTRATION
- 4 ESTIMATED STATEMENT OF FINANCIAL POSITION
- 5 CREDITORS' CLAIMS
- 6 PRESCRIBED PART
- 7 CONDUCT OF THE ADMINISTRATION
- 8 JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS
- 9 JOINT ADMINISTRATORS' STATEMENT (NO CREDITORS' MEETING)
- 10 JOINT ADMINISTRATORS' PROPOSALS AND RESOLUTIONS
- 11 PROPOSED EXIT FROM ADMINISTRATION
- 12 DISCHARGE FROM LIABILITY
- 13 DIVIDEND PROSPECTS
- 14 JOINT ADMINISTRATORS' PRE-APPOINTMENT REMUNERATION AND DISBURSEMENTS
- 15 JOINT ADMINISTRATORS' POST-APPOINTMENT REMUNERATION AND DISBURSEMENTS
- 16 EC REGULATIONS

### **APPENDICES**

- A STATUTORY INFORMATION
- B ESTIMATED STATEMENT OF FINANCIAL POSITION
- C SUMMARY OF RECEIPTS AND PAYMENTS & TRADING ACCOUNT
- D CHARGING, EXPENSES AND DISBURSEMENT POLICY STATEMENT
- E. JOINT ADMINISTRATORS' CHARGE OUT AND DISBURSEMENT RATES AND DETAILS
- F. JOINT ADMINISTRATORS' TIME COST ANALYSIS
- G. ANALYSIS OF PRE-ADMINISTRATION COSTS
- H. JOINT ADMINISTRATORS' PRE-APPOINTMENT TIME COST ANALYSIS

## **1. JOINT ADMINISTRATORS' APPOINTMENT**

Adrian Allen of Baker Tilly Restructuring and Recovery LLP, 2 Whitehall Quay, Leeds LS1 4HG and Nigel Millar of Baker Tilly Restructuring and Recovery LLP, Abbotsgate House, Hollow Road, Bury St Edmunds, IP32 3FA were appointed Joint Administrators ("Administrators") of 2SH LLP (formerly Kings Country Hotels LLP) in Administration ("the Partnership") on 7 February 2011 by the designated members, in reliance on paragraph 12(1)(b) of Schedule B1 of the Insolvency Act 1986

The notice of appointment was filed in Bristol District Registry under reference number 153 of 2011

The Administrators' appointment specified that they would have power to act jointly and severally. The Administrators have exercised and will continue to exercise all of their functions jointly and severally as stated in the notice of appointment.

The Administrators are pleased to present their Proposals and Report pursuant to Paragraph 49 of the Insolvency Act 1986 (as amended) and Rule 2.33 of the Insolvency Rules 1986 (as amended)

## **2. STATUTORY INFORMATION**

We attach as Appendix A an extract of statutory information, including details of the designated members and secured creditors from the Partnership's file held at Companies House

Please note that the Registered Office of the Partnership was changed to c/o Baker Tilly Restructuring and Recovery LLP, 2 Whitehall Quay, Leeds LS1 4HG on 15 February 2011

## **3. EVENTS LEADING UP TO THE ADMINISTRATION**

### **Brief background**

The Limited Liability Partnership was incorporated as Kings Country Hotels LLP ("the Partnership") on 23 March 2005 by its designated members, Mr Howard King and HK Properties (UK) Limited. We have ascertained the following from discussions and our review of financial information made available to us by various parties

- The Partnership purchased two hotels in May 2005, The Woodlands, 80 Pinchbeck Road, Spalding ("Woodlands") and The Cley Hall Hotel, 22 High Street, Spalding ("Cley Hall"). The aggregate cost of the hotels, of c£1,635,000, was financed by loans from HSBC Plc. Following the purchase, additional investment of c£700,000 has been undertaken (based on the level of fixed assets included in the Partnership's financial accounts), funded by loans from Howard King and Sovereign Homes (UK) Limited ("Sovereign"), a company controlled by Howard King

- In May 2007 the Partnership refinanced the business and the debt due to HSBC was repaid from new loans provided by Barclays Bank Plc ("The Bank"). Notices of Satisfaction in respect of the HSBC mortgages have since been filed at Companies House
- The Partnership initially operated the businesses of both hotels but, in December 2008, the business of the Cley Hall appears to have been informally transferred to a third party, Lee Clarke Limited ("LCL") LCL is a company controlled by the chef at Cley Hall, Mr Lee Clarke The agreement with LCL is not in writing but appears to have provided for Mr Clarke to manage the hotel independently in consideration of rent of c£50,000 per annum and contributions towards the cost of repairs and maintenance
- The transfer of the Cley Hall business appears to have been designed to improve trading performance following the incurrence of trading losses and to avert the closure of the hotel, which might otherwise have followed In particular, we understand that turnover at Cley Hall had historically been in the region of £680,000 per annum but that this had fallen to c£450,000 following the redevelopment of a local shopping centre, including a Travelodge hotel and several restaurants
- We are also advised that LCL was placed into Liquidation on 17 February 2011 and that prior to this the informal lease of Cley Hall, along with the employment contracts of LCL's employees, had been transferred to another company controlled by Lee Clarke, LJGT Limited ("LJGT").
- It is apparent from the Partnership's unaudited financial accounts that its financial position trading has worsened each year from March 2006, (when reported net assets were £285k) to March 2010 (when net liabilities of £1 188m were reported). The worsening in the position includes £700k in respect of impairment charges against the book value of freehold property The balance appears to relate to trading losses which, since December 2008, effectively solely relate to the Woodlands, which appears to have traded at a break-even level on trading but has been unable to generate the profits required to fund borrowing costs
- Trading losses appear to have been funded to some extent by additional borrowing from Sovereign, which at the date of our appointment we understand was owed in excess of £900,000 It is also apparent, however, that extended credit has been taken from creditors and that by October 2010 arrears of VAT amounting to c£57,000 had accrued due to HMRC
- In December 2010, following the death of one of the Directors of HK Properties (UK) Limited, the members of the Partnership took the decision to exit the hotel industry Ark Properties were instructed to market Woodlands for sale with a guide price of £800,000 An offer of £550,000 was received in January 2011 but this was rejected

In February 2011, in the absence of an agreed sale and an apparent inability to meet the claims of outstanding creditors, the members sought advice from Baker Tilly Restructuring and Recovery LLP, and concluded that the Partnership should enter into Administration.

Accordingly, the designated members of the Partnership filed a notice of intention to appoint Administrators, which was lodged with the Court on 3 February 2011. Administrators were appointed on 7 February 2011.

#### **Partnership's trading history**

Relevant extracts from the Partnership's unaudited financial statements as filed at Companies House

<b>Year ended 31 March</b>	<b>2006 £'000</b>	<b>2007 £'000</b>	<b>2008 £'000</b>	<b>2009 £'000</b>	<b>2010 £'000</b>
<b>Turnover</b>	N/K	N/K	N/K	N/K	N/K
<b>Fixed assets</b>	2,724	2,757	2,535	1,764	1,656
<b>Net current liabilities</b>	(944)	(950)	(872)	(265)	(530)
<b>Net assets / (liabilities)</b>	285	36	(3)	(154)	(1,188)
<b>Profit &amp; loss account</b>	N/K	N/K	N/K	N/K	N/K

We are currently awaiting copies of full accounts for the periods in question

#### **4. ESTIMATED STATEMENT OF FINANCIAL POSITION**

The members of the Partnership have not yet lodged a Statement of Affairs with the Administrators.

Accordingly, pursuant to Rule 2.33 of the Insolvency Rules 1986 (as amended), we attach an Estimated Statement of the Financial Position of the Partnership as at 7 February 2011 as Appendix B. This records the assets and liabilities at their estimated book value at the date of our appointment together with details of the names, addresses and the estimated amounts due to the Partnership's creditors and any security held at the date of our appointment.

The notes accompanying Appendix B provide further information with regard to assumptions made by the Joint Administrators and should be read in conjunction with it.

#### **5. CREDITORS' CLAIMS**

The value at which creditors' claims are stated in the Estimated Financial Position are, as is required by legislation, those which are reflected in books and records of the Partnership. It is our view that some balances may not be wholly correct. In addition, certain claims may be subject to reduction in respect of mitigation, set-off or retention of title.

The agreement of creditors' claims by the Administrators (or any subsequently appointed Supervisor or Liquidator) is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by creditors themselves

## **6. PRESCRIBED PART**

The "Prescribed Part" is a statutory amount of the Partnership's assets subject to a floating charge to be set aside for the benefit of the Partnership's non-preferential creditors

Whilst there are creditors secured by fixed and qualifying floating charges over the assets and undertaking of the Partnership, those creditors will receive no recovery under their floating charges. There is therefore no requirement to estimate the amount of the Prescribed Part of the assets under Section 176A of the Insolvency Act 1986 (as amended)

### **Secured Creditors**

The Bank has the benefit of legal mortgages over the Partnership's two freehold properties, known as The Woodlands, and The Cley Hall Hotel. The mortgages were registered at Companies House on 5 May 2008.

In addition to the mortgages the Bank also has the benefit of a debenture providing fixed and floating charges over the undertaking and all of the Partnership's property and assets. The debenture was registered at Companies House on 22 November 2008.

At the date of appointment, The Bank was owed a total of £1,951,829 comprising

	£
Fixed & Floating Charges	1,705,028
Interest Rate Hedging Instrument	176,939
Overdraft Facility	<u>69,862</u>
	<u><b>1,951,829</b></u>

On the basis of current information the Bank will suffer a shortfall on its indebtedness

## **7. CONDUCT OF THE ADMINISTRATION**

Paragraph 3 to Schedule B1 to the Insolvency Act 1986 (as amended) sets out the purposes of an administration. The Joint Administrators' must perform their functions with the objective of:

- (a) rescuing the Partnership as a going concern; or
- (b) achieving a better result for the Partnership's creditors as a whole than would be likely if the Partnership were wound up (without first being in administration), or

- (c) realising property in order to make a distribution to one or more secured or preferential creditors

Following the Administrators' appointment it became evident that the members were unable to introduce further capital into the Partnership with a view to preserving the corporate entity. However, it was realistic to anticipate that a third party would be prepared to purchase the hotels as going concerns. The Administrators therefore pursued objective (c) realising property in order to make a distribution to one or more secured or preferential creditors.

The Administrators' proposals in relation to the Partnership are set out in section 10 below. The work we have undertaken since our appointment in line with those proposals and with a view to achieving the purpose of the Administration are as follows.

### **The business and assets**

Immediately following our appointment we visited both of the hotels in order to establish their current trading position. We also instructed Colliers International ("Colliers") to provide us with valuation and marketing advice and to liaise as required with the agents instructed by the Partnership prior to our appointment. We concluded that:

- realisations from the hotels would be maximised if trading continued and to that end we have reached agreement with the Bank to fund the costs involved,
- we should seek to formalise the terms of LJGT's occupancy at Cley Hall in order to ensure that we are able to deliver vacant possession to a purchaser in due course,
- marketing in respect of Woodlands should be delayed until such time as the existing interest in the hotel had been investigated further.

We have subsequently received two offers for Woodlands and accepted one of these on 3 March 2011. Sale negotiations are progressing and completion is estimated to take place within the next 8 weeks.

Colliers commenced marketing Cley Hall with a guide price of £500,000. Best and final offers were sought on 25 March 2011 and two offers were received. One of these was accepted on 30 March 2011 and our solicitors are in the process of issuing a contract.

As both sales are still in progress, information relating to the identity of the purchasers and the proposed sale prices is deemed commercially sensitive and we are unable to disclose these at present.



## **Trading**

The Administrators have traded the Woodlands since 7 February 2011 and have instructed Licensed Solutions ("LS") to assist with day-to-day management, due to their expertise in this field

It is anticipated that trading will result in a break-even position on post-appointment operations and a small net loss overall, after taking account of arrears of wages and LS's set-up costs, which the Bank has agreed to fund out of fixed charge realisations. A trading summary up to 20 March 2011 is set out in Appendix C

Other points to note are:

- Upon commencement of insolvency proceedings the liquor license at Woodlands lapsed. TLT LLP ("TLT"), solicitors, were instructed to obtain a liquor license for the Administrators to allow the Partnership to trade as normal during this period. The license is now held in the name of LS who act as agents of the Administrators
- At the date of appointment, the Partnership employed 18 staff at Woodlands and these have been retained where possible in order to maintain normal trading. Two staff have subsequently left to take up alternative employment and, to date, these have not been replaced.
- Prior to the Administrators' appointment Woodlands used Barclays Merchant Services ("BMS") in order to process card payments on the premises. At appointment, £5,380 was held by BMS in respect of receipts which had not yet been transferred into the Partnership's bank account. The Administrators have now collected these monies and agreed the continued use of this facility. Charges of £250 have been paid in this regard.

## **Book debts**

The Partnership had a book debt ledger totalling £8,037 at the date of our appointment, the majority of which was overdue for payment. The Administrators are in the process of collecting these overdue amounts and have received £4,440 to date.

## **Future Actions**

The Administrators will continue to trade the business at Woodlands until the proposed sale of the business is completed. LS will be retained to assist with the day-to-day formalities of trading.

The business at Cley Hall is to continue to be traded by LJGT until either a sale of the hotel is completed or LJGT gives notice to terminate the lease. Should notice be given, the Administrators will need to consider whether the best outcome for creditors would be achieved by closing down the hotel or continuing to trade it as a going concern on the Partnership's behalf.

## **8. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS**

We attach as Appendix C(i) a summary of our receipts and payments. This incorporates, as Appendix C(ii), an account of the Administrators' trading, which is prepared on a cash basis, for the period from 7 February 2011 to 20 March 2011

### **VAT Basis**

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue & Customs shown separately

## **9. JOINT ADMINISTRATORS' STATEMENT (NO CREDITORS' MEETING)**

In accordance with Paragraph 52(1) of Schedule B1 to the Insolvency Act 1986 (as amended), the Administrators are not convening a meeting of creditors because in their opinion the Partnership has insufficient property to enable a distribution to be made to unsecured creditors

- Under Paragraph 52(2) of Schedule B1 to the Insolvency Act 1986 (as amended), the Administrators shall convene a meeting of creditors if so requested by creditors of the Partnership whose debts amount to at least 10% of the total debts of the Partnership. Such request must be submitted in writing to the Administrators on Form 2.21B within 8 business days of the date on which these proposals are sent out, and the Administrators may require any such creditor to lodge with them a deposit, at an amount to be determined by the Administrators, as security for expenses of convening a meeting
- Under Rule 2.33(5) of the Insolvency Rules 1986 (as amended) the Administrators' Proposals shall be deemed to be approved if no creditors' meeting has been requisitioned within the specified time period as set out above
- Creditors are also entitled at a meeting of creditors to establish a Creditors' Committee should they so wish, provided that there are no fewer than three and no more than five wishing to be represented on the Committee.

## **10. JOINT ADMINISTRATORS' PROPOSALS AND RESOLUTIONS**

The Administrators' proposals in relation to the Partnership are

- 10.1 The Joint Administrators should continue to trade the business to explore the possibility of selling the Partnership and/or its business and assets upon the terms they consider to be the most beneficial to creditors of the Partnership.
- 10.2 If a sale of the Partnership and/or its business is unachievable then the Administrators should consider and pursue the most appropriate alternative method of realising the assets for the benefit of the creditors.

- 10 3 The Administrators should arrange to distribute available funds from the realised assets to those creditors entitled to them in such manner as they consider will lead to an early distribution of the available assets in an economic manner
- 10 4 The Administrators be authorised to make such application to court for directions as they consider appropriate with a view to achieving the purposes of the Administration or their proposals
- 10 5 The Administrators conclude the Administration when all the property and assets have been realised and distributed (after costs).
- 10 6 The Partnership exits Administration by way of dissolution

## **11 PROPOSED EXIT FROM ADMINISTRATION**

It is proposed that the Partnership shall exit Administration by dissolution

## **12 DISCHARGE FROM LIABILITY**

We will, in accordance with legislation, be seeking an order of court for discharge from liability in respect of any action of ours as Administrators to take effect at the conclusion of the Administration

## **13 DIVIDEND PROSPECTS**

On present information it is anticipated that there will be sufficient funds to enable preferential creditors to be repaid in full. These are expected to relate to any unpaid arrears of wages and holiday pay and are expected to be minimal.

The net proceeds of sale from the Company's assets are payable to the Bank under its fixed charge. No return to the Bank under its floating charge is expected to be available.

No funds are anticipated to be available to enable a distribution to unsecured creditors.

## **14 JOINT ADMINISTRATORS' PRE-APPOINTMENT REMUNERATION AND DISBURSEMENTS**

Details of the fees charged and expenses incurred by the Administrators prior to appointment are set out in Appendix G, together with details of the amounts paid to discharge these costs (if any), and the balance that remains unpaid (if any). Unpaid pre-appointment costs amount to £17,773 comprising the following:

- £15,560 in respect of advice provided to the Company by Baker Tilly Restructuring and Recovery LLP in relation to strategic options and the formalities of placing the Partnership into Administration as approved at a board meeting on 28 January

2011 This comprises £15,560 time costs, based on the rates set out in Appendix E. Time costs are higher than the level of £5,000 to £7,500 initially anticipated due to additional time spent obtaining information regarding the occupation of Cley Hall, formulating a strategy for trading the Woodlands, correspondence with the secured creditors, and employee matters.

- £2,213 in respect of TLT LLP, solicitors, who were instructed to deal with the formalities of appointing Administrators. Their fees in this regard are based on their normal time costs for work of this nature

To the best of my knowledge no fees were charged, or expenses incurred, by any other Insolvency Practitioner prior to my appointment

I would advise you that payment of unpaid pre-administration costs as an expense of the Administration is

- (i) Subject to approval under Rule 2 67A, and
- (ii) Not part of the proposals subject to approval under paragraph 53 of Schedule B1 of the Insolvency Act 1986 (as amended)

As there is unlikely to be any return to unsecured creditors we will, in accordance with legislation, seek approval for the outstanding pre-appointment costs, fees and disbursements from the secured and preferential creditors. Please note that, if a Creditors' Committee is appointed, it will be for the Committee to approve these costs

We shall propose that:

- The Administrators shall be authorised to draw their outstanding pre-appointment remuneration and disbursements as set out in Appendix G, in the sum of £15,560 to be paid out of the assets of the Partnership as and when funds permit, such disbursements to include "Category 2 disbursements"
- The Administrators shall be authorised to discharge the outstanding pre-appointment expenses of TLT as set out in Appendix G, in the sum of £2,213, to be paid out of the assets of the Partnership as and when funds permit

We expect that approval of time costs will be subject to their being calculated using hourly rates specifically agreed with the Bank, which would be expected to result in a lower level of cost than that noted above

## **15 JOINT ADMINISTRATORS' POST-APPOINTMENT REMUNERATION AND DISBURSEMENTS**

As there is unlikely to be any return to unsecured creditors we will, in accordance with legislation, agree our fees and disbursements with the secured and preferential creditors, as appropriate. Please note that, if a Creditors' Committee is appointed, it will be for the Committee to approve these costs.

We shall propose that

- the Administrators shall be authorised to draw their remuneration based upon their time costs by reference to the time properly given by the Administrators and their staff, in attending to matters arising in the Administration at rates agreed between Baker Tilly and the Bank. Such remuneration is to be paid out of the assets of the Partnership and may be drawn on account as and when funds permit without further recourse to creditors

Our times costs are reported at Baker Tilly Restructuring and Recovery LLP standard hourly rates, (current details of which are attached at Appendix E), but which are reviewed periodically.

Expenses and disbursements which are not capable of precise identification and calculation require approval prior to being drawn from the assets of the Partnership ("Category 2" disbursements). We shall propose that:

- The Administrators shall be authorised to draw their disbursements and other expenses incurred by them in the Administration, to be paid out of the assets of the Partnership, such disbursements to include "Category 2 disbursements" at the rates disclosed in Appendix E

As noted above, we expect that approval of time costs will be subject to their being calculated using hourly rates specifically agreed with the Bank.

For your information the following documentation is attached:

- Appendix D Charging, expenses and disbursement policy statement
- Appendix E Joint Administrators' charge out and disbursement rates and details
- Appendix F Joint Administrators' time and charge out summary

A Creditors Guide to Administrators' Fees, a guide in relation to the remuneration of Administrators, can be accessed at the website of the Association of Business Recovery Professionals at

[www.13.org.uk](http://www.13.org.uk) (SIP 9 Statement of Insolvency Practice 9 – Remuneration of Insolvency Office Holders England & Wales)

Alternatively, we can provide you with a copy on written request to Leeds or Peterborough offices

At Appendix F(11) there is a narrative summary of the type of work undertaken in respect of each category against which time has been charged. Full details of the work done in the period since the Administrators appointment is set out in the report above

### **Details of work sub-contracted out**

As previously advised, LS have been instructed to assist the Joint Administrators with day-to-day management of trading at Woodlands. LS's fees have been agreed on a fixed monthly rate of £3,000 plus VAT and disbursements, an initial set-up fee of £2,500 plus VAT and a closure fee of £2,000 plus VAT.

TLT have been instructed to assist with the formalities of the sale of both hotels, in view of their expertise in these matters. They have also been instructed to deal with formalising the occupation of Cley Hall by LJGT. TLT's fees have been agreed on a time cost basis plus disbursements. Their current outstanding time costs are £8,411 plus disbursements of £120 plus VAT.

George Hazell & Co, agents and valuers, have been instructed to value the chattel assets at both hotels in view of their expertise in these matters. Their fees have been agreed on a time cost basis and total £1,650 plus VAT. These fees are currently outstanding.

Colliers International, agents and valuers, were instructed to investigate existing interest in Woodlands and undertake a full marketing campaign at Cley Hall. Their fees have been agreed on a commission basis and, as both sales are yet to complete, no fees are due to date.

AB Accountancy were employed by the Partnership, prior to our appointment, to assist with the preparation of financial statements, VAT returns and payroll at Woodlands. The Joint Administrators have retained their service in view of their knowledge of the business and their fees have been agreed on a time cost basis. Fees of £1,065 have been paid to date and further fees of £225 remain outstanding.

### **Joint Administrators' disbursements**

To date we have incurred a total of £527 plus VAT (including "Category 2" disbursements of £283) on account of our disbursements and these are currently outstanding in full.

## **16 EC REGULATIONS**

It is considered that the EC Regulations will apply and that these proceedings will be main proceedings as defined in Article 3 of the EC Regulations as the centre of main interest of the Partnership is in England and Wales.



**A D Allen**  
**Baker Tilly Restructuring and Recovery LLP**  
**Joint Administrator**

Adrian Allen and Nigel Millar are licensed to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales

**The affairs, business and property of the Partnership are being managed by the Joint Administrators who act as agents of the Partnership and without personal liability**

**STATUTORY INFORMATION**

<b>PARTNERSHIP NAME</b>	2SH LLP										
<b>PREVIOUS PARTNERSHIP NAMES</b>	Kings Country Hotels LLP										
<b>PARTNERSHIP NUMBER</b>	OC312406										
<b>DATE OF INCORPORATION</b>	24 March 2005										
<b>TRADING NAMES</b>	The Woodlands Hotel    The Cley Hall Hotel										
<b>TRADING ADDRESSES</b>	<table border="0"> <tr> <td>The Woodlands Hotel</td> <td>The Cley Hall Hotel</td> </tr> <tr> <td>80 Pinchbeck Road</td> <td>2 High Street</td> </tr> <tr> <td>Spalding</td> <td>Spalding</td> </tr> <tr> <td>Lincolnshire</td> <td>Lincolnshire</td> </tr> <tr> <td>PE11 1QF</td> <td>PE11 1TX</td> </tr> </table>	The Woodlands Hotel	The Cley Hall Hotel	80 Pinchbeck Road	2 High Street	Spalding	Spalding	Lincolnshire	Lincolnshire	PE11 1QF	PE11 1TX
The Woodlands Hotel	The Cley Hall Hotel										
80 Pinchbeck Road	2 High Street										
Spalding	Spalding										
Lincolnshire	Lincolnshire										
PE11 1QF	PE11 1TX										
<b>PRINCIPAL ACTIVITY</b>	Hotels & Restaurants										
<b>REGISTERED OFFICE:</b>	c/o Baker Tilly Restructuring and Recovery LLP, 2 Whitehall Quay, Leeds LS1 4HG										
<b>PREVIOUS REGISTERED OFFICE</b>	c/o Duncan & Toplis Enterprise Way Pinchbeck Spalding Lincolnshire PE11 3YR										
<b>DESIGNATED MEMBERS OF THE LIMITED LIABILITY PARTNERSHIP:</b>	<p>Mr Howard King c/o Seagate Hall Vicarage Lane Long Sutton Spalding PE12 9AF</p> <p>HK Properties (UK) Limited c/o Seagate Hall Vicarage Lane Long Sutton Spalding PE12 9AF</p>										
<b>MORTGAGES AND CHARGES:</b>	Legal Charge over The Cley Hall Hotel created on 8 May 2007 and registered on 10 May 2007 in favour of Barclays Bank Plc										

Legal Charge over The Woodlands Hotel  
created on 8 May 2007 and registered on 10  
May 2007 in favour of Barclays Bank Plc

Debenture created on 13 November 2008  
and registered on 22 November 2008 in  
favour of Barclays Bank Plc



**2SH LLP In Administration**  
**Estimated Financial Position as at 7 February 2011**

	Notes	Book Value £	Estimated to Realise £
<b>Assets Subject to Fixed Charge</b>			
Freehold Land and Property - The Woodlands Hotel	1	695,078	*
- The Cley Hall Hotel		1,115,205	*
		1,810,283	*
Less Amounts Owning to Barclays Bank plc		(1,951,826)	(1,951,826)
<b>Deficit with regard to fixed charge (to c/f)</b>		<b>(141,543)</b>	<b>(1,951,826)</b>
<b>Assets Subject to Floating Charge</b>			
Debtors (Pre-Appointment)		8,037	8,037
Pre-appointment sales		5,380	5,380
Furniture, Fixtures and Fittings - The Woodlands Hotel	1	136,207	8,745
- The Cley Hall Hotel	1	61,561	9,985
<b>Available to preferential creditors (before costs)</b>		<b>211,185</b>	<b>32,147</b>
<b>Preferential Creditors</b>			
Employees	2	0	(3,117)
<b>Estimated Surplus as regards preferential creditors</b>		<b>211,185</b>	<b>29,030</b>
Estimated prescribed part of net property (to c/f)	3	(45,237)	(8,806)
Estimated total assets available for floating charge holders		165,948	20,224
Floating Charge Claims (b/f)		(141,543)	(1,951,826)
Estimated Surplus / (Deficiency) of assets after floating charges		24,405	(1,931,602)
Estimated prescribed part of net property (b/d)	3	45,237	8,806
<b>Total assets available to unsecured creditors</b>		<b>69,642</b>	<b>8,806</b>
<b>Unsecured non-preferential claims</b>	3		
Associated Creditors		(913,286)	(913,286)
Trade Creditors		(13,947)	(13,947)
HM Revenue & Customs		(63,439)	(63,439)
Employees		0	(107)
<b>Estimated Deficiency as regards unsecured creditors</b>		<b>(921,030)</b>	<b>(981,973)</b>
Deficiency in Floating Charge (b/d)		0	(1,931,602)
<b>Estimated Deficiency as regards all creditors</b>		<b>(921,030)</b>	<b>(2,913,575)</b>
Share Capital LLP Members		(100)	(100)
<b>Estimated Deficiency as regards members</b>		<b>(921,130)</b>	<b>(2,913,675)</b>

## Notes

- 1 The book value of assets is as per the last accounts provided to the Joint Administrators, being for the y/e 31/3/10. The Estimated to Realise values of the properties have not been disclosed due to the commercially sensitive nature of these figures. The Estimated to Realise figures for the furniture, fixtures and fittings are based on our agent's valuation.
- 2 All employees at The Cley Hall Hotel are employed by LJGT Limited. It is anticipated that all current employees at The Woodlands Hotel will be transferred to a purchaser under TUPE. The level of estimated preferential liabilities arising in the Administration represents outstanding preferential debts due to employees (as shown in the company's records) whose contracts were terminated by the Partnership prior to the date of insolvency.
- 3 The above statement does not include the estimated costs of the Administration. These include, but are not limited to, Administrators' Fees, Legal Fees, Agents' Fees, Valuers' Fees and Post appointment trading Profits/Losses. It is anticipated that costs attributable to the floating charge will outweigh the value of floating charge assets such that no prescribed part will in fact be available for the benefit of unsecured creditors.

## B COMPANY CREDITORS - 2SH LLP

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

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held	Date security given	Value of security £
AA hotel Services	Fanum House, Basing View Basingstoke RG21 4EA	811 93			0 00
Abbeyprint Limited	Enterprise Way, Pinchbeck Spalding PE11 3TZ	0 00			0 00
American Express Bank Ltd	CFS UK, AMex House, Edward Street Brighton BN88 1AH	1,656 71			0 00
Anglian Water	Customer Services, PO Box 10642 Harlow CM20 9HA	2,055 24			0 00
ATL Hotel Reservations	Index House, St Georges Lane Ascot SL5 7EU	50 60			0 00
Barclaycard	Department BPS, 1234 Pavilion Drive Northampton NN4 7SG	0 00			0 00
Barclays Bank plc	Business Support, PO Box 10284, 5th Floor, 1 Snowhill Queensway Birmingham B3 2WE	1,951,826 00	Legal Charge, Legal Charge, Debenture, Debenture	08/05/2007	1,951,826 00
Booker Limited	Unit A/B, Parkway Business Centre, Parkway, Deeside Industrial Estate DEESIDE CH5 2LE	0 00			0 00
Booking Services International	Group Credit Control, BSI House Blackbrook Park Avenue Taunton TA1 2PF	0 00			0 00
Bookotel	1st Floor, 46-48, Barbourne Road, Worcester Worcestershire WR1 1HU	0 00			0 00
Bourne Textile Service	Cherry Holt Road, Bourne PE10 9LA	0 00			0 00
British Gas	C/O Lynn Taylor, KPMG LLP, National Client Service Centre, 2 Cornwall Street Birmingham B3 2DL	4,911 63			0 00
Businesswatch UK Fire & Security Ltd	Unit 4, Swan Court, Cygnet Park, Hampton PETERBOROUGH PE7 8GX	0 00			0 00
Calder	5 Woodside Court, Clayton Wood Rise Leeds LS16 6RF	0 00			0 00
Choice Locations Limited	The Benchmark, 25 Ribblesdale Street Preston PR1 5BA	0 00			0 00
Clark, Toni-Ann (Ms)	c/o Baker Tilly Restructuring & Recover LLP	0 00			0 00
Clements Premier Produce Ltd	8 Bear Lane, Pinchbeck Spalding PE11 3XA	0 00			0 00
Conference Care	Phoenix House, 343 Bedworth Road Coventry CV6 6BN	0 00			0 00
Corner House Flowers	Corner House, Quadring Bank, Quadring, Spalding PE11 4RE	0 00			0 00
Crowson, Arnie (mr)	c/o Baker Tilly Restructuring & Recover LLP	0 00			0 00
Dairy Crest Limited	14-49 Victoria Road, Aldershot Hamps GU11 1TH	131 94			0 00
Dairy Farmers of Britain	Pennytoft lane Spalding PE11 3PH	0 00			0 00
Drain Doctor Plumbing	The School House, 450 March Road Turves PE7 2DW	0 00			0 00
Duncan & Toplis	Welland House, High Street, Spalding Lincolnshire PE11 1UB	0 00			0 00

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held	Date security given	Value of security £
EHK Maintenance	The Grange, Haycroft Lane Fleet, Nr Holbeach PE12 8LB	0 00			0 00
Expotel Hotel Reservations Ltd	464 Palatine Road, Northenden MANCHESTER M22 4DJ	0 00			0 00
GMS Marketing Limited	Brittania Warehouse, 44 Albert Street Newark NG24 4BQ	0 00			0 00
Golinska, Lidia (Ms)	c/o Baker Tilly Restructuring & Recover LLP	0 00			0 00
GUESTLINE	5 BARKER STREET, SHREWSBURY SHROPSHIRE SY1 1QJ	228 50			0 00
Harris, Alison (Ms)	c/o Baker Tilly Restructuring & Recover LLP	0 00			0 00
Hartwell, Chris (Mr)	c/o Baker Tilly Restructuring & Recover LLP	0 00			0 00
Hatton, Lucy (Ms)	c/o Baker Tilly Restructuring & Recover LLP	0 00			0 00
HAYCHART	T/A BUSINESS LINK MAGASINE GROUP, ARMSTRONG HOUSE, ARMSTRONG STREET GRIMSBY DN31 2QE	0 00			0 00
Headline News	Francis Yard, Bear Lane, Pinchbeck Spalding PE11 3XA	0 00			0 00
HM Revenue And Customs	Debt Management, Durrington Bridge House, Barrington Road Worthing BN12 4SE	0 00			0 00
HM Revenue and Customs	Debt Management, National Debt Pursuit Centre, 3rd Floor, Queens Dock, Liverpool L74 4AA	0 00			0 00
HM Revenue and Customs	Insolvency Operations, Queens Dock Liverpool L74 4AF	63,429 00			0 00
HM Revenue and Customs	PAYE Hopper EW, Euston Tower, 286 Euston Road London NW1 3UQ	0 00			0 00
Hooker, Joanna (Ms)	c/o Baker Tilly Restructuring & Recover LLP	0 00			0 00
Hotel Scene	17 Portlane Square, Bristol BS2 8SJ	0 00			0 00
Howling, Trevor (Mr)	c/o Baker Tilly Restructuring & Recover LLP	0 00			0 00
J&M Payroll Services	12 West Avenue HULLBRIDGE SS5 6JU	0 00			0 00
Kapusta, Serafin (Mr)	c/o Baker Tilly Restructuring & Recover LLP	0 00			0 00
Keith Sell	Askerton House, Grange Lane Cotham NG23 5JZ	0 00			0 00
Kinwards Conferencing	the Old Chapel, 81 High Street Burbage, Marlborough SN8 2AA	0 00			0 00
KTC Consultants	95 Ellerman Avenue, Twickenham Middlesex TW2 6AB	0 00			0 00
Laterooms Limited	Deva Centra, Trinity Way Manchester M3 7BF	859 22			0 00
Martin, Scott (Mr)	c/o Baker Tilly Restructuring & Recover LLP	1,453 86			0 00
Net Trans Services AS	PO Box 529, N-3101 Tonsberg Norway	0 00			0 00
Newton Press Limited	1 Abbiggate, Endeavour Way, Sutterton BOSTON PE20 2JA	0 00			0 00
Performing Rights Society	19 Church Walk Peterborough PE1 2UZ	0 00			0 00
Petit, Emma (Ms)	c/o Baker Tilly Restructuring & Recover LLP	0 00			0 00
Phillips, Louise (Ms)	c/o Baker Tilly Restructuring & Recover LLP	0 00			0 00
PHR	Colman House, 27 Old Foundry Road Ipswich IP4 2AH	0 00			0 00

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held	Date security given	Value of security £
PHS Group Plc	Western Industrial Estate Caerphilly CF83 1XH	0 00			0 00
Polyglobe Limited	13 Grovesner Gardens, London SW1W 8BD	177 83			0 00
PPC Services	2 Bushey Close Cottage, Conington Peterborough PE7 3QE	0 00			0 00
PPL Ltd	1 Upper James Street London W1F 9DE	63 58			0 00
Prynn, Rachael (Ms)	c/o Baker Tilly Restructuring & Recover LLP	0 00			0 00
Quayside Publications (UK) Ltd	Suite 312, The Corn Exchange, Drury Lane Liverpool L2 7QL	141 00			0 00
Realtime Business Services	The Birches, 82 Church Street, Pinchbeck SPALDING PE11 3YA	41 13			0 00
Redundancy Payments Office	Cobalt Square, 83-85 Hagley Road Birmingham B16 8QG	0 00			0 00
Regan-Price, Liam (Mr)	c/o Baker Tilly Restructuring & Recover LLP	0 00			0 00
Reservations 2000 Ltd	Clarendon House, 147 London Road, Kingston Upon Thames Surrey KT2 6NH	0 00			0 00
Riley, Adam (Mr)	c/o Baker Tilly Restructuring & Recover LLP	0 00			0 00
Rimmer, Adam (Mr)	c/o Baker Tilly Restructuring & Recover LLP	1,368 81			0 00
Robin Ball Associates	Barrowby Barns, Northgate Spalding PE11 3TB	0 00			0 00
Room Centre	Suite 32, Ladywell Business Centre, 94 Duke Street Glasgow G4 0UW	0 00			0 00
S A Rowbottom	90 Seas End Road, Surfleet Spalding	0 00			0 00
S1 Intelnet	Friars Gate 2, 1011 Stratford Road, Shirley Solihull B90 4BN	0 00			0 00
Savidge, Taylor (Mr)	c/o Baker Tilly Restructuring & Recover LLP	0 00			0 00
Shanks Waste	Unit 22, Nurseling Industrial Estate, Oriana Way Southampton SO16 0YU	0 00			0 00
South Lincs Food Service	Sutton Enterprise Wpark, Endeavour Way Boston PE20 2JA	0 00			0 00
Spring, Laura (Ms)	c/o Baker Tilly Restructuring & Recover LLP	0 00			0 00
Talk Talk Telecom Ltd	P O Box 32595 London W3 6WD	0 00			0 00
Tandem Solutions Group Limited	Southfield House, Falcon Way Bourne PE10 0FF	0 00			0 00
The Till Roll Co Limited	28 Chapelgate, Retford, Nottingham DN22 6PJ	0 00			0 00
Total Gas and Power	Bridge Gate, 55/57 High Street, Redhill Surrey RH1 1RX	0 00			0 00
Turnbull, Natalie (Ms)	c/o Baker Tilly Restructuring & Recover LLP	0 00			0 00
Turner, Karl (Mr)	c/o Baker Tilly Restructuring & Recover LLP	0 00			0 00
Turp, Georgina (Ms)	c/o Baker Tilly Restructuring & Recover LLP	0 00			0 00
Waterhouse, Amy (Ms)	c/o Baker Tilly Restructuring & Recover LLP	0 00			0 00
Waverley TBS	Credit Control Centre, 610 - 612 Camwood Road, Sheepbridge Trading Estate CHESTERFIELD S41 9QB	0 00			0 00

**2SH LLP (formerly Kings Country Hotels LLP)  
In Administration**

**Receipts and Payments Account  
To 20 March 2011**

<b>Receipts</b>		<b>£</b>
	<i>Notes</i>	
Trading Surplus	1	17,328 25
Bank Interest Gross		865 95
Trade Debtors (Pre-Appointment)		4,439 97
Pre-appointment sales	2	<u>5,379 53</u>
		<u>28,013 70</u>
<b>Payments</b>		
Advertisements		(75 60)
Bank Charges (Non-trading)		(25 00)
		<u>27,913 10</u>
<b>Represented by:</b>		
Floating Current A/c		35,860 19
Petty cash		50 00
Pre-appointment account		2,749 69
VAT Receivable (Payable)		(10,746 78)
		<u>27,913 10</u>

*Notes*

1 See Appendix C (ii)

2 Debit/Credit card sales which occurred in the days prior to appointment which, due to processing by BMS, were received into the bank account post-appointment

**2SH LLP (formerly Kings Country Hotels LLP)  
In Administration**

**Trading Profit and Loss Account  
To 20 March 2011**

<b>Post Appointment Sales (Trading)</b>	<b>Notes</b>	<b>Paid / Received £</b>	<b>Accrued to 20/03/11 £</b>	<b>Total to 20/03/11 £</b>
Accommodation		27,385 84	0 00	27,385 84
Bar		15,303 97	0 00	15,303 97
Functions		7,776 02	0 00	7,776 02
Restaurant		652 91	0 00	652 91
Miscellaneous Income		245 83	0 00	245 83
Sales not yet received	1	(7,531 05)	7,531 05	0 00
<b>Total Post Appointment Sales (Trading):</b>		<u>43,833 52</u>	<u>7,531 05</u>	<u>51,364 57</u>
<b>Trading Expenditure</b>				
Accounting Fees		(1,139 50)		(1,139 50)
Advertising		(100 00)	(100 00)	(200 00)
Bank Charges		(933 72)		(933 72)
Business Rates			(2,978 00)	(2,978 00)
Cleaning & Laundry		(886 30)		(886 30)
Dry goods purchases		(186 64)	(117 50)	(304 14)
Electricity			(1,476 67)	(1,476 67)
Food purchases		(4,922 45)	(2,939 89)	(7,862 34)
Gas			(727 47)	(727 47)
Hire of Equipment		(440 00)	(103 00)	(543 00)
Managing Agent's Fees			(5,500 00)	(5,500 00)
Newspapers		(45 00)		(45 00)
Postage		(26 92)	(3 12)	(30 04)
Professional Fees		(264 47)		(264 47)
Repairs & Maintenance		(702 24)		(702 24)
Stationery		(107 28)	(57 70)	(164 98)
Sundry Expenses		(16 67)		(16 67)
Telephone & Fax		(292 66)		(292 66)
Voucher cashed		(30 00)		(30 00)
Wages & Salaries				
Wages & Salaries	(9,228 88)		(9,935 23)	(19,164 11)
Pre-appointment wage arrears	(4,438 33)			(4,438 33)
Employer's NIC	(391 76)		(949 72)	(1,341 48)
SMP Compensation	19 18	(14,039 79)		19 18
Wet stock purchases		(2,371 63)	(1,107 03)	(3,478 66)
<b>Total Trading Expenditure:</b>		<u>(26,505 27)</u>	<u>(25,995 33)</u>	<u>(52,500 60)</u>
<b>Net Income (c/f to Appendix C (i)):</b>		<u>17,328.25</u>	<u>(18,464.28)</u>	<u>( 1,136.03)</u>

**Notes**

1 The balance of sales not yet received is due to a delay between payments being processed and the monies being received into the bank account

**BAKER TILLY RESTRUCTURING AND RECOVERY LLP**

**CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT**

**Charging policy**

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate
- Time is recorded in 6-minute units
- The current charge rates for Baker Tilly Restructuring and Recovery LLP Leeds and Peterborough are attached
- Time billed is subject to Value Added Tax at the applicable rate.

**Expenses and disbursements policy**

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to creditors, but do not require creditors' approval prior to being drawn from the insolvency estate. These are known as "Category 1" disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) require the approval of creditors prior to being drawn from the insolvency estate. These are known as "Category 2" disbursements
- A resolution to consider approving "Category 2" disbursements at the attached rates applicable to Baker Tilly Restructuring and Recovery LLP Leeds will be proposed to creditors' in general meeting
- General office overheads are not re-charged to the insolvency estate as a disbursement
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of creditors.
- Where applicable, expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate



**2SH LLP IN ADMINISTRATION**  
**SUMMARY OF PAYMENTS TO JOINT ADMINISTRATORS AND ASSOCIATED PARTIES**

<b>AMOUNTS PAID OR PAYABLE TO THE JOINT ADMINISTRATORS' FIRM</b>	
TYPE AND PURPOSE	£
Pre-appointment Fees (Unpaid)	15,560
Joint Administrators' Fees (Unpaid)	75,306
Joint Administrators' Disbursements (Unpaid)	
- <i>Company Search Fee</i>	4
- <i>Hotel</i>	42
- <i>Insolvency Bond</i>	75
- <i>Mileage</i>	260
- <i>Subsistence</i>	23
- <i>Postage</i>	36
- <i>Travel</i>	87
	<u>527</u>
<b>Total</b>	<b>91,393</b>

<b>AMOUNTS PAID OR PAYABLE TO ASSOCIATED PARTIES OF JOINT ADMINISTRATORS</b>	
TYPE AND PURPOSE	£
<i>None</i>	
<b>Total</b>	<b>Nil</b>

<b>AMOUNTS PAID OR PAYABLE TO THE JOINT ADMINISTRATORS' SOLICITOR</b>	
TYPE AND PURPOSE	£
TLT Solicitors (Unpaid)	
- <i>Pre-appointment legal advice</i>	2,213
- <i>Post appointment legal advice</i>	8,411
- <i>Post appointment disbursements</i>	120
<b>Total</b>	<b>10,744</b>

<b>AMOUNTS PAID OR PAYABLE TO THE JOINT ADMINISTRATORS' AGENT</b>	
TYPE AND PURPOSE	£
Licensed Solutions (Unpaid)	
- <i>Monthly Management Fee</i>	7,750
George Hazel & Co (Unpaid)	
- <i>Agents &amp; Valuers</i>	1,650
AB Accountancy (Paid)	
- <i>Accountancy Fees</i>	1,065
(Unpaid)	
- <i>Accountancy Fees</i>	225
<b>Total</b>	<b>10,690</b>

**BAKER TILLY RESTRUCTURING AND RECOVERY LLP  
CHARGE OUT AND DISBURSEMENT RATES**

	<b>Current rate £</b>
Partner	375
Associate Director	250-360
Manager	200
Administrator	120-135
Support staff	75-90

It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it. Baker Tilly Restructuring and Recovery LLP's charge out rates are reviewed periodically.

**"CATEGORY 2" DISBURSEMENTS**

"Category 2" disbursements will be recovered, where funds are available, at the following rates as set out in the body of the report:

Photocopying	10 pence per sheet
Subsistence	£23 per night
Travel (car)	38p per mile (up to and including 31 March 2010) 40p per mile (from 1 April 2010)

**"CATEGORY 2" AND OTHER DISBURSEMENTS**

<b>Amounts paid or payable to the Joint Administrators' firm or to any party in which the Joint Administrators' or their firm or any associate has an interest</b>		
	<b>Paid</b>	<b>Unpaid</b>
<b>Type and Purpose</b>	<b>£</b>	<b>£</b>
Mileage		260.00
Subsistence		23.00
<b>Total</b>	Nil	<b>283.00</b>

2SH LLP in Administration  
Joint Administrators' time costs in accordance with Statement of Insolvency Practice 9

Summary of Time Costs and Charge-out Rates to 24 March 2011

Hours	Partners	Director/Managers	Administrators	Assistants	Total Hours	Total Time Costs	Average hourly rate
Administration and Planning	3 6	9 7	91 7	3 0	108 0	16,417	£152
Investigation	-	-	1 2	-	1 2	162	£135
Realisation of Assets	12 1	9 4	36 2	0 2	57 9	12,122	£209
Trading	-	-	-	-	-	-	-
Creditors	3 0	5 6	43 3	1 2	53 1	8,756	£165
Case Specific Matters	0 1	-	1 9	-	2 0	334	£167
<b>Total Hours</b>	<b>18 8</b>	<b>24 7</b>	<b>174 3</b>	<b>4 4</b>	<b>222 2</b>		
<b>Total Time Costs</b>	<b>6,113</b>	<b>34,764</b>	<b>33,240</b>	<b>1,190</b>		<b>75,306</b>	

Charge-out Rates

As at 7 February 2011

£375	£200-360	£120-135	£75-90
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## Appendix F (ii)

### 2SH LLP in Administration

#### Joint Administrators' time costs in accordance with Statement of Insolvency Practice 9

##### Summary of Time Costs for "Administration and Planning"

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
Appointment	06	45	356	08	415	£8,386
Background Information	00	00	40	00	40	£540
Case Management	26	49	204	20	299	£5,287
Pension Scheme	00	00	10	00	10	£135
Post-appointment - general	00	00	33	00	33	£446
Post-appointment taxation	00	00	07	00	07	£95
Receipts and Payments	03	03	254	02	262	£3,317
Shareholders/Director/Debtor/ Bkpt	01	00	13	00	14	£213
<b>Totals</b>	<b>36</b>	<b>97</b>	<b>917</b>	<b>30</b>	<b>1060</b>	<b>£16,417</b>

##### Summary of Time Costs for "Investigations"

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
Investigations/CDDA	00	00	12	00	12	£162
<b>Totals</b>	<b>00</b>	<b>00</b>	<b>12</b>	<b>00</b>	<b>12</b>	<b>£162</b>

##### Summary of Time Costs for "Realisation of Assets"

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
Assets - general/other	00	00	24	00	24	£324
Chattels	06	00	26	00	32	£576
Debtors & sales finance	00	00	52	00	52	£702
Land and Property	112	51	147	00	310	£7,638
ROT/ Third Party Assets	01	00	00	00	01	£38
Sale of business	00	43	113	02	158	£2,768
Stock and WIP	02	00	00	00	02	£75
<b>Totals</b>	<b>121</b>	<b>94</b>	<b>362</b>	<b>02</b>	<b>579</b>	<b>£12,122</b>

##### Summary of Time Costs for "Trading"

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
Agent liaison	00	00	22	00	22	£297
Employee trading issues (non ERA)	03	00	146	00	149	£2,164
Other major trading issues	00	00	14	00	14	£189
Sales/customers	00	00	29	00	29	£392
Set up/day to day management	00	41	214	100	355	£4,958
Suppliers/production/stock	00	00	257	00	257	£3,470
Trading accounts/projections/funding	41	17	286	00	324	£5,613
Receipts and Payments	00	00	20	00	20	£270
<b>Totals</b>	<b>41</b>	<b>17</b>	<b>286</b>	<b>00</b>	<b>344</b>	<b>£5,883</b>

##### Summary of Time Costs for "Creditors"

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
1st creditors/shareholders meetings and reports	00	00	131	00	131	£1,769
Employees	05	07	81	00	93	£1,578
Other Creditor Meetings and Reports	01	00	00	00	01	£38
Secured Creditors	17	49	154	00	220	£4,113
Unsecured Creditors	07	00	67	12	86	£1,259
<b>Totals</b>	<b>30</b>	<b>56</b>	<b>433</b>	<b>12</b>	<b>531</b>	<b>£8,766</b>

##### Summary of Time Costs for "Case Specific Matters"

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs
Legal Matters	00	00	04	00	04	£54
Major Issues - Employees	01	00	15	00	16	£280
<b>Totals</b>	<b>01</b>	<b>00</b>	<b>19</b>	<b>00</b>	<b>20</b>	<b>£334</b>

## NOTES TO APPENDICES F & H

### JOINT ADMINISTRATORS' TIME COST ANALYSIS

#### a) **Administration and Planning**

This includes dealing with the commencement of the case administration, statutory filing of appointment documents with Companies' House, requesting the submission of the Statement of Affairs and filing it at Companies' House, together with day-to-day case administration duties, maintenance of records and ongoing statutory obligations. These include but are not limited to handling receipts and payments, VAT and corporation tax issues such as the monthly VAT returns, pension queries and general correspondence. Other matters which are required to be dealt with as part of the appointment and which will fall under this heading include case planning and strategy, case reviews, bonding, obtaining company searches, maintenance and obtaining books and records, general meetings / correspondence, statutory and other advertising, insurance, re-directed mail, statutory receipts and payments accounts, dealing with (including the winding up of) company pension schemes where applicable.

#### b) **Investigations**

Where appropriate this will include such matters as investigation of pre-appointment transactions in accordance with the relevant Statement of Insolvency Practice (SIP 2), preparing reports / returns in accordance with the Company Directors' Disqualification Acts and the investigation of any potential antecedent transactions such as transactions at under value and preferences which may result in legal action resulting in a recoverable asset.

#### c) **Realisation of Assets**

This includes dealing with all aspects of the realisation of assets including identifying, securing and insuring assets, and (where applicable), property, business and asset sales, retention of title claims and debt collection. Other matters dealt with during the case administration which will relate to asset realisation may commonly include effecting disclaimers, dealing with landlords, liaising with agents, undertaking inventories, meetings with purchasers / directors, arranging collection of leased assets, obtaining insurance, pursuing antecedent claims identified as part of the investigation work set out above. Details of the specific asset realisation work undertaken on this case are set out in the main body of the report. Asset realisation is considered to be a key aspect of the case administration.

#### d) **Trading**

Where the company has continued trading following the Joint Administrators' appointment our staff will have had to set up accounts with suppliers in order to trade on an ongoing basis. Payments to suppliers and general correspondence with these have been undertaken. Where trading has ceased, accounts will have been closed and final bills paid. Other matters will also have been dealt with in accordance with the usual trading obligations such as dealing with employees and payroll.

#### e) **Creditors**

Queries from and correspondence with creditors and employees have been necessary aspects of the case administration process. The preparation of the Joint Administrators' proposals has been undertaken including the attendant aspects of providing and obtaining the required information, convening the creditors' meeting etc. A brief report on the outcome of the creditors' meeting and the report on the first six months of the administration period have both been prepared.

#### f) **Case Specific Matters**

Any case specific matters will generally be set out in the body of the report but will commonly include meetings, correspondence and telephone calls relating to specific issues in the case which do not fall into any the categories set out above and are specific to the case in question. This may include work done in relation to litigation, general advice or other major issues.

**APPENDIX G**

**ANALYSIS OF PRE-ADMINISTRATION COSTS**

<b>Pre-Administration Costs Charged / Incurred</b>			
	<b>£</b>		
	<b>Charged / Incurred</b>	<b>Paid</b>	<b>Unpaid</b>
<b>Administrators' Fees</b>	15,560	-	15,560
<b>Administrators' Expenses</b>			
- TLT LLP Solicitors	2,213	-	2,213
<b>Fees charged (by another Insolvency Practitioner)</b>	-	-	-
<b>Expenses incurred (by another Insolvency Practitioner)</b>	-	-	-
<b>Total</b>	17,773		17,773

<b>Pre-Administration Costs Paid &amp; Identity of Payer</b>		
	<b>By whom paid</b>	<b>Amount (£)</b>
<b>Administrators' Fees</b>	-	-
<b>Administrators' Expenses</b>	-	-
<b>Fees charged (by another Insolvency Practitioner)</b>	-	-
<b>Expenses incurred (by another Insolvency Practitioner)</b>	-	-
<b>Total</b>	-	-

# APPENDIX H

## JOINT ADMINISTRATORS' PRE-APPOINTMENT TIME COST ANALYSIS

	Hours Spent					Time Costs £
	Partner	Manager	Administrator	Assistants & Support Staff	Total	
Administration and planning	16.3	14.8	38.4	0.5	70.0	15,560
Investigations						
Realisation of assets						
Trading						
Creditors						
Case specific matters						
<b>Total hours</b>	<b>16.3</b>	<b>14.8</b>	<b>38.4</b>	<b>0.5</b>	<b>70.0</b>	
<b>Total time costs</b>	<b>6,113</b>	<b>4,218</b>	<b>5,184</b>	<b>45</b>		<b>15,560</b>