

The Insolvency Act 1986

Notice of deemed approval of proposals

Name of Company

AB Leith Limited

Company number

SC277781

In the

Court of Session, Edinburgh

(full name of court)

Court case number

P1334 of 2015

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

I/We (a) John Charles Reid
 Deloitte LLP
 110 Queen Street
 Glasgow
 G1 3BX

William Kenneth Dawson
 Deloitte LLP
 2 Hardman Street
 Manchester
 M60 2AT

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

having been appointed joint administrator(s) of (b) AB Leith Limited
 c/o Deloitte LLP, 110 Queen Street, Glasgow, G1 3BX

(c) Insert date of appointment

on (c) 17 December, 2015

(d) Insert name of applicant/appointer

by (d) Court of Session, Edinburgh

hereby give notice that:

(e) Insert date

having made a statement under paragraph 52(1) of Schedule B1 and no meeting having been requisitioned under paragraph 49 of that Schedule,
 the proposals sent by me on (e) 5 February 2016
 were deemed to have been approved on (e) 17 February 2016

Signed

Joint / Administrator(s)

Dated

22/2/16

Presenter's details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form.

The contact information that you give will be visible to searchers of the public record

John Charles Reid
 Deloitte LLP
 110 Queen Street
 Glasgow
 G1 3BX

DX Number DX: GW 223

+44 141 204 2800
 DX Exchange

When completed and signed please send it to the Registrar of Companies at:

Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge,
 Edinburgh EH3 9FF
 LP 4 – Edinburgh2

THURSDAY



SCT

25/02/2016

#228

COMPANIES HOUSE

Deloitte.

AB Leith Limited (in administration) ("the Company")

Court Case No. P1334 of 2015
Court of Session, Edinburgh
Company Number: SC277781

Registered Office: c/o Deloitte office, 110 Queen Street, Glasgow, G1 3BX

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED) ("the Act").

John Charles Reid and William Kenneth Dawson ("the Joint Administrators") were appointed as Joint Administrators of AB Leith Limited on 17 December 2015. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company only and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK.

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

Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

5 February 2016

Contacts

Joint Administrators of the Company

John C Reid

William K Dawson

Deloitte LLP

110 Queen Street

Glasgow

G1 3BX

Tel: 0141 204 2800

Contact details

Email: ktosh@deloitte.co.uk

Website:

www.deloitte.com/uk/ableitlimited

Tel: 0141 314 5985

Deloitte.

AB Leith Limited (in administration)

This Statement of Joint Administrators' Proposals ("the Proposals") has been prepared pursuant to paragraph 49 of Schedule B1 of the Act, which requires that the Joint Administrators provide creditors with details of their Proposals to achieve the purpose of the administration.

As the Joint Administrators do not consider there will be a distribution to unsecured creditors (save for any distribution made by virtue of the Prescribed Part pursuant to section 176A of the Act ("the PP")), they do not intend to convene a meeting of the Company's creditors to consider these proposals. Should creditors whose total debts amount to at least 10% of the total debts of the Company wish to request that a meeting be held, they should complete the relevant form available on the administration website and return it to the Joint Administrators, no later than 17 February 2016. A deposit of £1,000 towards the costs of convening the meeting should be enclosed with the request per rule 7.6(4) of the Insolvency (Scotland) Rules 1986 (as amended) ("the Rules").

In the event no request for a creditors' meeting is received within the above deadline, the Proposals will be deemed approved and a notice to that effect will be filed at Companies House.

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

- background of the Company;
- the circumstances giving rise to the appointment of the Joint Administrators;
- the progress of the administration to date; and
- the Joint Administrators' Proposals for achieving the objective of the administration (Appendix E).








Yours faithfully

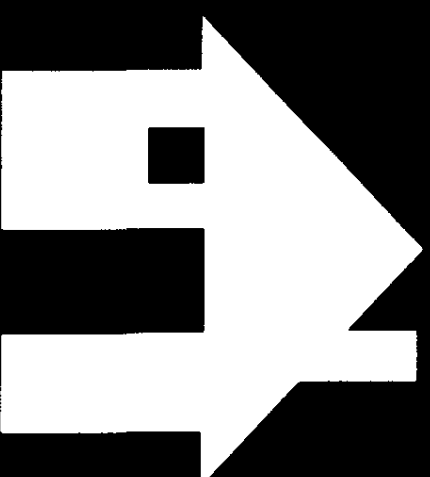
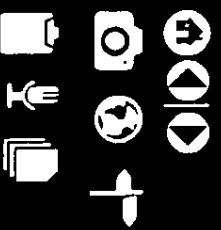
For and on behalf of the Company



Joint Administrators



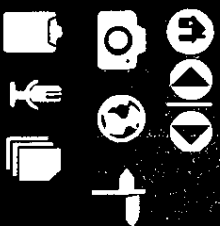
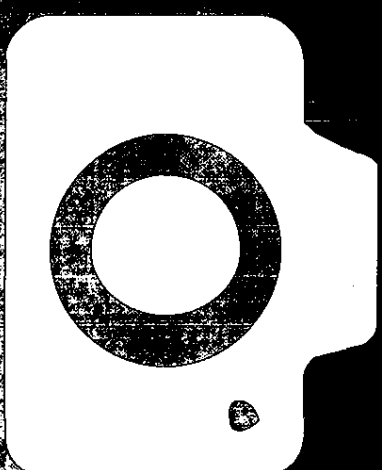
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Executive Summary

Executive summary

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Executive Summary

Executive summary

Topic	Summary
Purpose of the administration	<ul style="list-style-type: none"> The purpose of the administration will be to realise the secured assets and to make a distribution to one or more of the secured creditors.
Joint Administrators strategy	<ul style="list-style-type: none"> The Company holds a number of development plots of land at Western Harbour, in Leith, Edinburgh. The Administrators have appointed Graham & Sibbald to act as their selling agent and provide advice on the most appropriate method of disposal for these assets.
Initial meeting of creditors	<ul style="list-style-type: none"> As there is no prospect of any funds being returned to the unsecured creditors, we will not be convening a creditors' meeting, unless required to do so.
Timescale	<ul style="list-style-type: none"> The duration of the Administration will be entirely dependent on the realisation of assets. It is uncertain, at this stage, how long it will take the Joint Administrators to negotiate the sale of the Company's assets. However, it is expected that the Company will move to dissolution on completion of the process, as detailed at Page 14 of this report.
Estimated Outcomes	<ul style="list-style-type: none"> The directors have yet to provide a statement of affairs. An estimated statement of affairs has been provided at Appendix B and a full copy of the statement of affairs, once received, will be available on the website. Based on current information, we anticipate the following outcome for each category of creditor: <ul style="list-style-type: none"> Secured creditors – The secured creditors will not be repaid in full. Preferential creditors – There are no preferential creditors in this case. Unsecured creditors – It is highly unlikely that there will be a distribution to the unsecured creditors via the PP.
Proposals	<ul style="list-style-type: none"> The Joint Administrators' Proposals for managing the business and affairs of the Company can be found on page 12 and Appendix E.





Background

The Company

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Summary financials

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Joint Administrators' appointment

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Background The Company

Background

The Company was established on 23 December 2004 with registered offices at Saltire Court, 20 Castle Terrace, Edinburgh EH1 2ET.

The Company was formed as an SPV, holding land for development and resale, and acquired sites A2, B1 and B2 at Western Harbour, Leith. The acquisition of the land took place on 30 December 2004.

The sites were acquired for £11.6m against a valuation, at the time, of £13.78m. Half of the debt funding was provided by HSBC Bank plc ("HSBC") under a term facility, for a maximum of £6m, and in addition to an overdraft facility of £400,000. The balance of funding was provided by equity and non-interest bearing shareholders' loans.

The HSBC debt was purchased by Sharp Boom Limited ("Sharp Boom") in March 2011.

The three sites are all located at Western Harbour, Edinburgh and outline planning consent exists.

We are not aware of the Company owning any other assets.

As at the date of the Joint Administrators' appointment, the directors of the Company are Tobias Edward Hamilton Bellhouse and Keith Alan Holman, neither has any shareholding in the Company. The Company Secretary is Keith Holman.



Background

Summary financials

Summary balance sheet

£	Statutory Accounts for 12 months to 31-Mar-15	Statutory Accounts for 12 months to 31-Mar-14	Statutory Accounts for 12 months to 31-Mar-13
Stock	1,800,000	1,800,000	1,800,000
Debtors	110	110	754
Cast at bank	317	205	1,548
Current Assets	1,800,427	1,800,315	1,802,302
Creditors	(10,861)	(10,623)	(9,719)
Creditors - over 1 year	(14,071,297)	(13,886,667)	(13,706,669)
Total Liabilities	(14,082,158)	(13,897,290)	(13,716,388)
Net Assets	(12,281,731)	(12,096,975)	(11,914,086)

Overview of financial information

Extracts from the audited Company accounts for the 12 months to 31 March 2015, 31 March 2014 and 31 March 2013 are shown opposite.

Please note that this information has not been independently verified by the Joint Administrators, or by Deloitte.

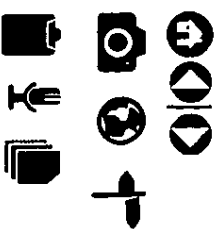
Balance sheet commentary

Stock

Stock principally comprises the land at Western Harbour held by the Company and is shown in the balance sheet at lower of cost and market value. A provision of £6.8m was made during 2010 against the carrying value of the Company's stock to bring the book value in line with a recent valuation of the land, instructed by the secured lender.

Creditors

Creditors over one year consist of debenture loan notes of £6.8m and also a secured loan with Sharp Boom, who were owed c£7m as at 31 March 2015. The loan notes do not carry interest and are due to be repaid after all other loans have been repaid in full.



Background

Joint Administrators' appointment

Circumstances giving rise to the appointment of the Joint Administrators

Reasons for failure and financial distress

We understand from the directors that the circumstances leading to the appointment of the Joint Administrators resulted from a sharp decline in the value of the land, which rendered the Company's substantial development plans uneconomic.

The sites were valued by HSBC at £1.8m, prior to the acquisition of its loan by Sharp Boom.

Steps taken to remedy/turnaround

All shareholders were approached on 21 October 2010, to ascertain if they would consider acquiring the HSBC loan, or otherwise participate in a recapitalisation of the Company. China Dragon Limited and Carroll Agents Limited, both majority shareholders of the Company, agreed to do this and subsequently, the companies owned by these two parties acquired the HSBC loan for £1.8m on 14 March 2011.

Since this date and until the appointment of the Joint Administrators, the Company has not traded and the Company's administrative expenses have been met by Sharp Boom.

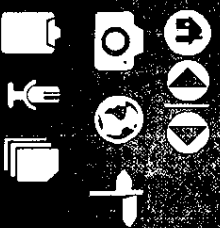
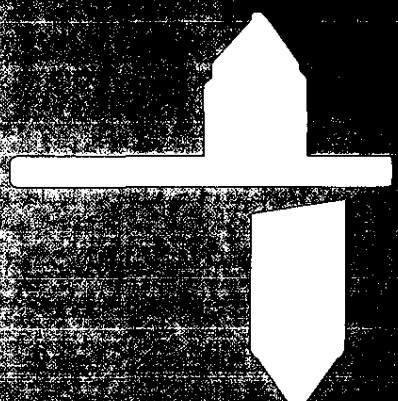
When decision to appoint was made

The owners of Sharp Boom decided that the situation must be resolved and therefore, the directors held a board meeting on 9 December 2015 to consider placing the Company into administration.



Post-appointment

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Post-appointment

Purpose

Appointment of the Joint Administrators

John Reid and William Dawson, of Deloitte, were appointed as Joint Administrators of the Company by the Court of Session, Edinburgh on 17 December 2015, following the filing of a Notice of Appointment of Joint Administrators by the Company's directors.

Purpose of the administration

The Company had significant secured and unsecured creditor liabilities and therefore, a restructuring of these creditors would have been required to meet the first objective of an administration. Based on the available financial information, there was insufficient value placed on the Company's assets by third parties in order to effect a restructuring of the Company's considerable debt and the Joint Administrators concluded that the first option was not possible to achieve.

The Joint Administrators consider that it is unlikely they will be able to achieve a better result for all creditors as a whole than would be obtained through an immediate liquidation of the Company due to the standard security held by Sharp Boom over the Company's assets. Accordingly, the purpose of the administration will be to make a distribution to the secured creditor.



Post-appointment Joint Administrators' strategy

How the affairs and business of the Company have been managed and financed since appointment, and the Joint Administrators' intended strategy if their Proposals are approved.

Immediately following our appointment, we undertook an assessment of the Company's financial affairs.

As part of this strategy, we will be seeking purchasers for the various land sites held by the Company and we have instructed Graham & Sibbald to provide advice on marketing and selling the land, with a view to maximise realisations.

The Administrators have appointed Shepherd & Wedderburn LLP to act as their legal advisors, to advise on the sale of the land and general legal matters.

The following actions were taken following appointment:

- Insurance of the Company's assets was arranged;
- Notification was provided to all known creditors and through an advertisement placed in the Edinburgh Gazette;
- Contact was made with the Company's bank, solicitors and accountants to advise of our appointment and request all outstanding information regarding the Company; and
- All statutory and administrative matters have been dealt with, to date.

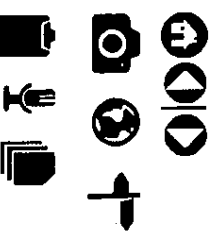
Land at Western Harbour

As previously disclosed, outline planning consents exists in respect of the sites A2, B1 and B2.

A strategic review, in conjunction with the secured creditor, of the planning consents will be carried out in order to determine the most effective method for disposal of these assets.

Receipts and payment account

A receipts and payments account, detailing costs incurred to 2 February 2016, is provided at Appendix C.



Post-appointment Joint Administrators' proposals

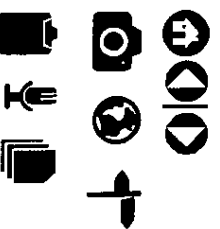
The Joint Administrators' proposals

Our Proposals for the administration include:

- continuing to manage the affairs and any remaining assets of the Company and the settlement of all administration expenses;
- continuing with enquiries into the conduct of the directors of the Company and continuing to assist any regulatory authorities with any investigation into the affairs of the Company;
- agreement of the claims of the secured and unsecured creditors against the Company unless we conclude, in our reasonable opinion, that the Company will have no assets available for distribution;
- distributing funds to the secured creditors and to the unsecured creditors under the PP as and when their claims are agreed and funds permit, and to make distributions to unsecured creditors, other than out of the PP if the court gives permission following an appropriate application;
- following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, we will implement the most appropriate exit route to formally conclude the administration.
- that, the Company is to be placed into CVL, the Joint Administrators (or any person appointed as a replacement office holder) propose to be appointed Joint Liquidators and for the purposes of section 231 of the Act the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

We will seek specific approval from the appropriate body to fix the basis of and the ability to draw our remuneration and expenses and to agree the time of our discharge on conclusion of the administration.

Please refer to Appendix E for further details.



Post-appointment Outcome for creditors

Estimated outcome for creditors

Secured creditors

Sharp Boom hold a standard security over the sites situated at Western Harbour and in addition, a floating charge dated 25 January 2007 and registered at Companies House on 2 February 2007.

Forth Property Developments Limited hold a standard security dated 31 January 2005 and registered at Companies House on 14 February 2005, secured against deferred payment of the missives regarding the sites situated within Western Harbour.

Based on currently available information, we do not expect that there will be sufficient asset realisations to repay the secured creditors in full.

Preferential creditors

There are no preferential creditors in this case.

Unsecured creditors

It is not anticipated that there will be any unsecured creditors in this case.

As detailed above, we do not anticipate that there will be sufficient asset realisations to enable a distribution to be made to unsecured creditors.

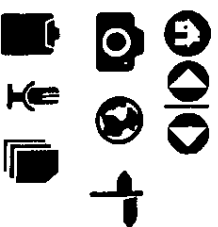
Prescribed Part

The PP is an amount set aside for unsecured creditors from asset realisations that would otherwise be paid to secured creditors under their floating charge, as set out under 176A of the Act.

As there are no floating charge assets, the PP provisions will not apply to this case.

Claims process

As there is no prospect of a distribution for unsecured creditors, we do not intend to undertake any work to agree any creditor claims received. This work will be performed should dividend prospects change.



Post-appointment Extensions & exit routes

Exit routes

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

There are several possible exit routes from administration. However, based on current information, we consider that the following exit route will be appropriate for this case:

- *Dissolution* – If there is no further property which might permit a distribution to the Company's creditors, we may file notice to that effect with the Registrar of Companies and the Company will be dissolved three months later.

Discharge of Joint Administrators' liability

Pursuant to paragraph 98 of Schedule B1 of the Act, the Joint Administrators' discharge of liability in respect of their actions as administrators takes effect at the specific time appointed by either the court, the creditors (either via the creditors' committee or by meeting) or, in specific circumstances, by the secured (and preferential) creditors.

In this case, we will request the secured creditors approves that the Joint Administrators be discharged from liability as at the date the Registrar of Companies registers the Joint Administrators' final progress report.

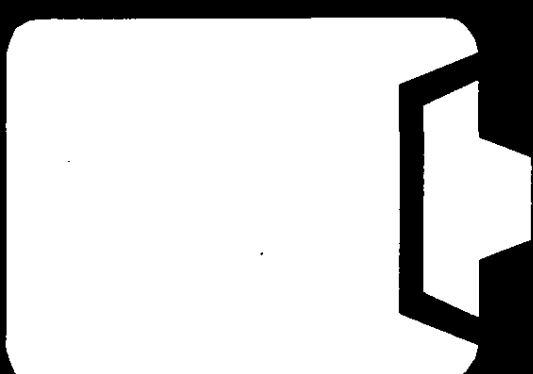




Remuneration and expenses

Remuneration

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Remuneration and expenses

Remuneration

Joint Administrators' remuneration

"A Creditors' Guide to Administrators' Remuneration" is appended to SIP 9 and is available for download at www.deloitte.com/uk/sip-9-scotland.

Should you require a paper copy, please send your request in writing to us at the address on page one and this will be provided to you at no cost.

Basis of the Joint Administrators' remuneration

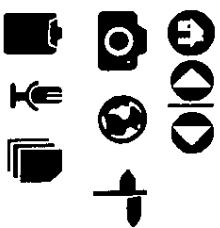
There will be no funds available to the unsecured creditors. Therefore, in accordance with Rule 2.39(9) of the Rules and in the absence of a Creditors' Committee, the basis of our remuneration will be fixed by approval of:

- i) each secured creditor; or
- ii) where we intend to make a distribution to preferential creditors, with the approval of each secured creditor and 50% of preferential creditors who respond to an invitation to consider approval.

All secured creditors will be invited to approve the basis of our remuneration by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT.

Time costs incurred to date

Our time costs incurred, to date, to which the report is made up, total £15,893.50, which represents 38.1 hours at an average rate of £417.15 per hour. A breakdown of these time costs are detailed in Appendix D, along with an explanation of the work undertaken and the charge out rates applied.





Additional information

Investigations

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Case specific matters

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Additional information Investigations

Investigations

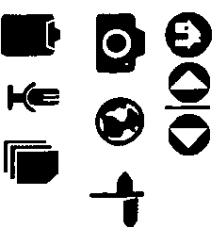
As part of our duties, we are obliged shortly after our appointment to review all of the information available to us and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of creditors. This initial assessment includes enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Company.

In addition, we are required to consider the conduct of the directors and any person we consider to have acted as a shadow or de facto director in relation to their management of the affairs of the Company and the causes of failure and we will submit a confidential report to the Insolvency Service, a division of the Department for Business, Innovation and Skills.

Creditors who wish to draw any matters to our attention should contact us using the contact details given on page one, as soon as possible.

Transactions with connected parties

We confirm that we are not aware of any transactions with connected parties for the Company during the period of this report, or in the two years prior to our appointment.



Additional information

Case specific matters

Third party assets

Should you believe that you own or have a claim regarding items that may have been present at the Company's premises at the date of our appointment please contact us as soon as possible.

Shareholders

We are not obliged to provide further information or reports to shareholders of the Company. However, regular updates will be uploaded to the website set up for the administration at: www.deloitte.com/uk/ableitlimited.

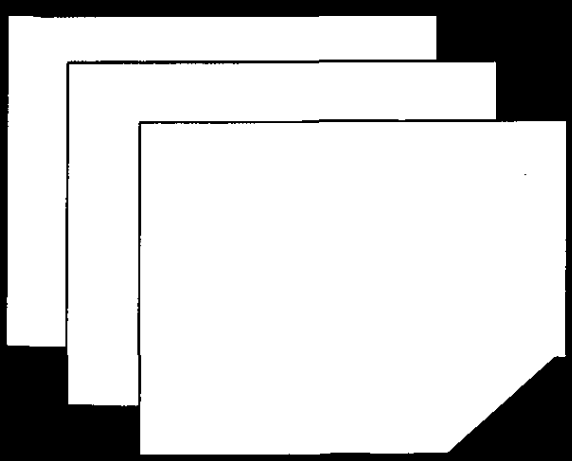
Due to the insolvency of the Company and anticipated level of asset realisations compared with the level of creditor liabilities owed by the Company, there is no prospect of a return being made to the shareholders.

Following our appointment, the Company is no longer able to process transfers of shares, nor re-issue unclaimed dividend cheques.



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Appendices

Appendix A

Statutory Information

Registered office

c/o Deloitte LLP
110 Queen Street
Glasgow
G1 3BX

Former registered office

5th Floor, 1 Exchange Crescent
Conference Square
Edinburgh
EH3 8UL

Bankers

Sharp Boom Limited

Auditors

Convey Nicholls, Chartered Accountants

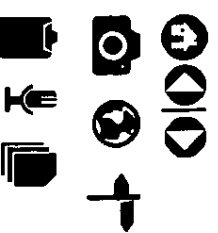
Website

In an effort to reduce the costs of the administration, all communications with creditors, including updates and progress reports, will be posted onto a website, which has been set up specifically for this purpose. The web address is www.deloitte.com/uk/ableithlimited.

A letter will be issued to all creditors each time the website is updated with a statutory notice or report. All statutory notices will be retained on the website until its closure three months from the administration ending.

Please therefore ensure that you review the website regularly for updates and further notices and reports.

If any person wishes to receive a hard copy of any document uploaded by the Joint Administrators to the above website, they should contact the Joint Administrators via the contact details on page 1 of this report, and hard copies will be provided free of charge.



Appendices

Appendix B

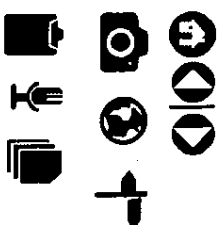
Estimated Summary Statement of Affairs

£	Book value	Estimated to realise
Assets subject to fixed charge		
Land at Western Harbour	1,800,000	1,800,000
Less: Amounts due to fixed charge holders	(6,800,000)	(6,800,000)
Estimated surplus/(deficiency) to fixed charge holders	(5,000,000)	(5,000,000)
Assets subject to floating charge		
Stock	-	-
Debtors	-	-
Cash	-	-
Estimated total assets available for preferential creditors	-	-
Preferential creditors		
Estimated deficiency / surplus to preferential creditors		
Estimated prescribed part of net property	-	-
Estimated total assets available for floating charge holders		
Debt secured by floating charges	-	-
Estimated deficiency / surplus after floating charges		
Estimated prescribed part of net property (brought down)	-	-
Total assets available to unsecured creditors		
Unsecured non-preferential claims	-	-
Estimated deficiency / surplus to creditors		
Called up share capital	(117)	(117)
Estimated deficiency / surplus to members		(117)

Joint Administrators' comments

The Directors have yet to provide a statement of affairs. This will be available for viewing online on the website once received, including a list of creditors' names and addresses.

In accordance with the standard format of the statement of affairs, no provision has been made for the costs of the administration (including agents', legal and other professionals' fees).



Appendices

Appendix C

Joint Administrators' receipts and payments account 17 December 2015 to 2 February 2016

£	SoA values	Notes	Period	To date
Receipts				
Land	-		-	-
Cash at bank	-		-	-
Book debts	-		-	-
Total receipts	-		-	-
Payments				
Total payments	-		-	-
Balance				
Made up of:				
Balance held in interest bearing bank account			-	-
VAT (Payable)/Receivable			-	-
Monies owed to third parties			-	-
Balance in hand			-	-

Notes to the receipts and payments account

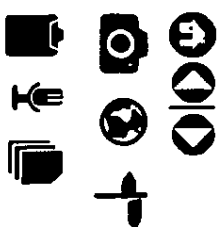
Professional costs

The following lawyers/agents, (with appropriate expertise and experience in dealing with these types of administrations), have been instructed to advise in relation to the following matters:

- Shepherd & Wedderburn - a firm of lawyers, to prepare required legal documentation. To date, their net billed costs have amounted to £6,513, but remain unpaid.

- Graham & Sibbald – property agents to assist with the marketing and sale of the plots of land. To date, their net costs amount to £3,000, but remain unpaid.

All professional fees are based upon their recorded time costs incurred and will be reviewed by us before being approved for payment.



Appendices

Appendix D

Remuneration - Joint Administrators' time costs for the period 17 December 2015 to 5 February 2016

	Partners & Directors	Assistant Directors	Managers	Assistant Managers	Administrative & Support	TOTAL	Average (each)	
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)
Administration and Planning	-	-	6.00	3,000.00	-	-	6.00	3,000.00
Cleaning and Statutory Filing	-	-	1.00	500.00	-	-	1.00	500.00
Case Management and Closure	-	-	1.50	750.00	-	-	1.50	750.00
Initial Actions	-	-	1.50	750.00	-	-	1.50	750.00
Liason with Other Residency Practitioners	-	-	8.50	4,250.00	5.20	2,296.00	13.70	6,865.00
General Reporting	-	-	-	-	-	-	-	-
Realisation of Assets	-	-	1.50	750.00	-	-	1.50	750.00
Property - Freehold and Leasehold	-	-	1.50	750.00	-	-	1.50	750.00
Creditors	2.00	1,500.00	-	-	-	-	2.00	1,500.00
Secured	2.00	1,500.00	-	-	-	-	2.00	1,500.00
Case Specific Matters	-	-	0.50	472.50	-	-	0.50	472.50
Tax	-	-	0.50	472.50	-	-	0.50	472.50
TOTAL HOURS & COST	2.00	1,500.00	10.50	5,472.50	5.20	2,296.00	20.40	6,065.00
AVERAGE RATE/HOUR PER GRADE	£	750.00	£	521.19	£	430.00	£	306.72
FEES DRAWN								

Joint Administrators' time costs incurred to date

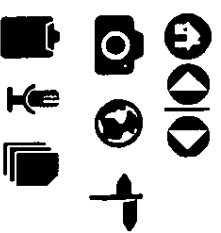
A detailed breakdown of our time costs for the period from 17 December 2015 to 5 February 2016 is shown above. Time is charged in six minute increments.

Statutory Tasks and Administration

Some of the work we perform is required by statute or best practice guidance and will not result in any financial benefit for creditors other than to ensure that our work is conducted in a competent and compliant manner.

Such work includes but is not limited to matters such as; case set up, periodic case reviews, cashiering and bank reconciliations and statutory progress reporting.

These have not been analysed further as approval for their payment has not yet been sought. Further details will be provided in the first progress report to creditors.



Appendices
Appendix D

Restructuring Services charge out rates (£/hour)

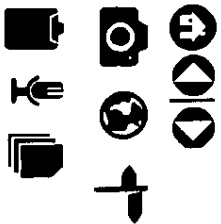
Grade	From 1 Sept 2015
Partners & Directors	645 - 1,020
Assistant Directors	500 - 770
Managers	430 - 695
Assistant Managers	325 - 550
Assistants & Support	80 - 325

Charge out rates

The average charge-out rates applicable to this case are provided in the attached tables.

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

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



Appendices
Appendix D

Disbursements

As no disbursements have been approved for payment at this stage, no information has been disclosed. This will be covered in the first progress report to creditors.

Category 1 disbursements

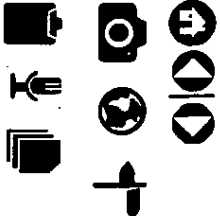
These are payments made by us direct to third parties.

Category 2 disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs.

Deloitte charges a fixed cost of £500 for each statutory website set up to cover the costs of setting up and maintaining the website, along with the uploading of statutory notifications, reports and other documents to the website for the duration of the appointment.

Specific approval is required before these costs and expenses can be drawn from the administration estate.



Appendices

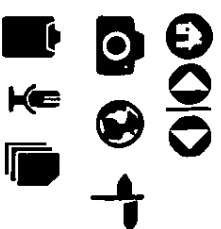
Appendix E

Joint Administrators' Proposals

In the absence of a creditors' meeting being requested, our Proposals will be deemed approved on Wednesday, 17 February 2016. We will seek specific approval for resolutions 3, 4, and 6 from the secured creditors.

The resolutions on which we seek approval are as follows:

1. the Joint Administrators Proposals, dated 5 February 2016 be approved.
2. that, in the event the creditors of the Company so determine, at a meeting of creditors, a Creditors Committee be appointed;
3. that the basis of the Joint Administrators' remuneration shall be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT.
4. that, the Joint Administrators' category 1 disbursements and expenses and category 2 disbursements in respect of mileage and statutory website be approved and the Joint Administrators be authorised to draw both category 1 and category 2 expenses, (plus VAT where applicable) from the administration estate;
5. that, following the realisation of assets and resolution of all matters in the Administration, and as quickly and efficiently as is reasonably practicable, the Joint Administrators implement the most cost effective steps to formally conclude the Administration. This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Company or alternatively, seeking to put the Company into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors;
6. That the Joint Administrators be discharged from liability per paragraph 98 of Schedule B1 of the Act immediately upon the registration of the Joint Administrators' final progress report by the Registrar of Companies.



Appendices

Important notice

Important Notice

This document has been prepared by the Joint Administrators solely to comply with their statutory duty under paragraph 49 of Schedule B1 of the Act to lay before creditors a statement of their proposals for achieving the purpose of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This document has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

Any estimated outcomes for creditors included in this document are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this document for any purpose or in any context other than under paragraph 49 of Schedule B1 of the Act does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals.

The Joint Administrators act as agents of the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Deloitte LLP does not assume any responsibility and will not accept any liability to any person in respect of this document or the conduct of the administration.

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