

The Insolvency Act 1986

Administrator's progress report**R2.38**

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

Name of Company

Aberdeen Leisure Investments Limited

Company number

SC323802

(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a)
Arron Kendall
Moorfields
88 Wood Street
London
EC2V 7QFSimon Thomas
Moorfields
88 Wood Street
London
EC2V 7QF

administrator(s) of the above company attach a progress report for the period

from

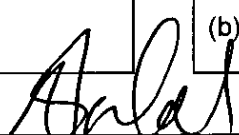
to

(b) Insert date(s)

(b) 15 December 2016

(b) 14 June 2017

Signed


Arron Kendall – Joint Administrator

Dated

24 July 2017

Contact Details:

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

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

Arron Kendall
Moorfields
88 Wood Street
London
EC2V 7QF

DX Number

0207 186 1144
DX Exchange

TUESDAY



S6BFML8J

SCT

25/07/2017

#401

COMPANIES HOUSE

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

**Companies House, 4th Floor, Edinburgh Quay 2, 139
Fountainbridge, Edinburgh, EH3 9FF
DXED235 Edinburgh 1 / LP- 4 Edinburgh 2**



**SI City Wharf Limited & Aberdeen Leisure Investments Limited
("the Companies") - Both In Administration**

Joint Administrators' Third Progress Report

in accordance with

Rule 2.38 of the Insolvency (Scotland) Rules 1986

7 July 2017

SI City Wharf Limited & Aberdeen Leisure Investments Limited
("the Companies") - Both In Administration
Joint Administrators' Third Progress Report

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Disclaimer:

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

1. Background and Statutory Information

This is the Joint Administrators' third progress report on the conduct of the Administrations from 15 December 2016 to 14 June 2017 in accordance with the requirements of Rule 2.38 of the Insolvency (Scotland) Rules 1986.

This report should be read in conjunction with the Joint Administrators' Proposals ("the Proposals") and previous progress reports dated 24 August 2016 and 14 December 2016. There has been no major deviation from the proposed strategies.

SI City Wharf Limited ("SCWL") and Aberdeen Leisure Investments Limited ("ALIL") together ("the Companies") entered Administration on 15 January 2016 and Arron Kendall and Simon Thomas, both licensed insolvency practitioners of Moorfields Advisory Limited, 88 Wood Street, London, EC2V 7QF ("Moorfields"), were appointed Joint Administrators ("the Administrators").

To date no fees have been drawn in respect of the Administrations. Further information regarding fees is given in section 4.

Based on current information it is anticipated that there will be a distribution to unsecured creditors by virtue of the Prescribed Part in both Administrations, however, at this stage the level of floating charge realisations remains uncertain.

The Administrations have been extended until 14 January 2018 with the consent of the secured creditor, OCM Albion Debtco DAC ("the Secured Creditor").

Statutory information relating to the Companies and the Administrators' appointments are attached at Appendix I.

2. Progress of the Administrations

The affairs, business and property of the Companies are managed by the Administrators who act as agents of the Companies and contract without personal liability.

A summary of the receipts and payments relating to the Companies for the period from 15 December 2016 to 14 June 2017, in addition to a cumulative account from the date of the Administrators' appointments, is attached at Appendix II.

The Administrators would comment specifically on asset realisations in the period as follows:-

2.1 Asset Realisations

SCWL

2.1.1 *Heritable Property*

Creditors will recall that SCWL owns property comprising two adjoined buildings known as:-

Exchequer House, Exchequer Row, Shiprow, Virginia Street, Aberdeen AB11 5BW;

City Wharf, Exchequer Row, Shiprow, Virginia Street, Aberdeen AB15 4YL.

APAM Limited ("APAM") are engaged as asset managers in order to assist the Joint Administrators with their realisation strategy. It was agreed that a sale of two of the hotel and gym units within City Wharf be pursued initially.

Savills plc ("Savills") were instructed to market this part of the property and in January 2017, the Administrators completed a sale for £8.3m to an independent third party for the heritable interest on the recommendation of Savills and APAM.

Steps taken to dispose of the remaining asset are discussed below.

2.1.2 Dilapidations

During this reporting period a further settlement of £60,000 was agreed with an outgoing tenant to cover the dilapidations costs of their unit. This brings the total realisations to £140,000.

2.1.3 Rent

Savills continue to collect rent payable to SCWL from tenants at Exchequer House and City Wharf.

You will recall that legal advice confirmed that rental income is caught under the Secured Creditor's the fixed and floating charge security depending on whether an assignation of rent is in place. The allocation of rents received in the reporting period is as follows:-

Fixed Charge:-	£312,878.72
Floating Charge:-	£260,338.04

You will note that total rent received in the Administration is £1,714,607.82 split as follows:-

Fixed Charge:-	£833,888.33
Floating Charge:-	£880,719.49

2.1.4 Business Rates Refund

During this reporting period the Administrators of SCWL received a rates refund of £26,230.44 from Aberdeen City Council.

ALIL

2.1.7 Contribution to Costs

The Secured Creditor agreed to pay £3,000 as a contribution to cover certain costs.

2.2 Assets still to be realised

2.2.1 *Heritable Property*

SCWL

Knight Frank were instructed to market the remaining property. An offer has been accepted for the remaining assets with the exception of the vacant office units within Exchequer House. The Administrators have opted not to disclose the agreed price until the sale completes.

APAM are continuing to advise the Administrators with regard to a disposal strategy for the vacant office units.

2.2.2 *Inter-group Debtors*

SCWL

As previously reported, SCWL provided a loan of £495,023 to SI Limited Partnership No 7 ("the Partnership"). The Partnership's only asset was its investment in ALIL from which there will be no return so the Administrators do not anticipate recovering anything in respect of the loan.

ALIL

ALIL provided an unsecured loan to SCWL in order to fund the acquisition and development of Exchequer House and SCWL. As at the date of Administration the outstanding balance was c. £22,172,266. The balance has since reduced to £12,852,266 following payments made by SCWL to the Secured Creditor under the cross guarantee provided in respect of ALIL's liability to the Secured Creditor.

ALIL will receive a dividend from SCWL under the Prescribed Part as discussed in section 6 below. The exact timing and quantum of this payment cannot be determined at this stage.

2.2.3 *Interest Rate Hedging Product Mis-selling claim*

ALIL

The Administrators are reviewing the possibility of a redress claim in respect of an interest rate hedging product.

2.3 Sale of assets to a connected party

In accordance with Statement of Insolvency Practice 13 (SIP 13), the Joint Administrators confirm there have been no transactions with connected parties in the period or in the two years preceding the Administration Orders.

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2.4 Joint Administrators' Expenses

The expenses paid by the Joint Administrators in the period of this report are reflected in the receipts and payments accounts at Appendix II. For details of expenses incurred but not paid can be found in section 5.

2.5 Professional Advisers

The Joint Administrators have used the professional advisers listed below:

SCWL

APAM Ltd	Asset Management	5% of net operating income with a minimum fee of £1,500 p/m	£113,336	£35,260.00	£22,783.00	£12,477
Savills Plc	Property Management and sale fee for hotel and gym	Fixed management fee now paid through service charge. 0.75% sale fee	£65,330	£62,250	£62,250	Nil
Pinsent Masons	Legal advice pertaining to the Administration and various property matters	Fixed Fee / Time Costs	153,059.46	£97,725.83	£97,725.83	Nil
Burness Paull LLP	Legal services in respect of a new lease.	Fixed Fee / Time Costs	£6,293.45	Nil	Nil	Nil
NORR Ltd	Architectural advice	Fixed Fee	£8,951.00	£4,880.00	£4,880.00	Nil
Ryden LLP	Letting agents fee and capex survey	% Headline rent agreed and fixed fee	£20,100.00	£7,200.00	£7,200.00	Nil
CBRE Limited	Letting agents fee	% Headline rent agreed	£12,900	Nil	Nil	Nil
Smith & Williamson	Tax Advice	Fixed Fee	£10,000	£10,000	Nil	Nil
Knight Frank	Marketing and sale of Property	0.85% of the gross sale price	Nil	Nil	Nil	Nil

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ALIL

JCRA	Provision of information on hedging product	Fixed Fee	£2,000.00	£2,000.00	Nil
Brecher LLP	Legal Fees for advising on hedging product	Fixed Fee	£500.00	Nil	£500.00

The Administrators' choice was based upon their perception of the advisers' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. The Administrators have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the cases.

3. Pre-administration Costs

The pre-administration costs were reported in the Administrators' proposals. You will recall from the Administrators' report of 24 August 2016 that the pre-administration costs were approved by the Secured Creditor and subsequently paid by the Administrators, with the exception of Joint Administrators fees of £5,000 for both SCWL and ALIL which are yet to be drawn.

4. Joint Administrators' Remuneration

The statutory provisions relating to remuneration are set out in Rule 2.39 of the Insolvency (Scotland) Rules 1986. Further information is given in the 'Institute of Chartered Accountants in England and Wales' ("the ICAEW") publication 'A Creditors' Guide to Administrators' Remuneration Scotland', a copy of which may be accessed from the web site of the ICAEW at the link provided below or is available in hard copy upon written request to the Joint Administrators offices.

<http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-to-administrators-remuneration-scotland-feb-10.pdf>

The basis of the Administrators' remuneration may be fixed as one or more of the following bases:

- as a percentage of the value of the assets he has to deal with, or
- by reference to time properly spent by the Administrator and his staff managing the Administration
- a set amount

In these case, the Secured Creditor has approved Joint Administrators' fees on the following bases for both SCWL and ALIL:

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- That the remuneration of the Joint Administrators for initial setup and statutory work in relation to the Administration be fixed at £7,500 plus VAT per annum;
- That the Joint Administrators' remuneration for dealing with floating charge assets be fixed at 15% of realisations, excluding rent receipts.

The Secured Creditor has also approved the following fees for SCWL:

- That the Joint Administrators be paid a quarterly fee of £3,500 plus VAT until the sale of Exchequer House and City Wharf.
- That the Joint Administrators' remuneration for dealing with all sales be fixed at 0.25% of the gross sale price.

The Administrators' estimated billable remuneration to date is as follows:

SCWL

	£
Annual Fee	15,000
Floating Charge Realisations	57,428
Quarterly Fee	22,680
Sales	<u>20,750</u>
Total	<u>115,858</u>

ALIL

	£
Annual Fee	15,000
Floating Charge Realisations	<u>15</u>
	<u>15,015</u>

The Administrators are now seeking the approval of unsecured creditors in SCWL for dealing with prescribed part and further detail is provided in sections 6 and 8.

Whilst the Administrators' time is not fixed by reference to time spent in managing the Administrations, attached at Appendix III is time and cost analysis for the reporting period and cumulative, in order to comply with SIP 9.

SCWL

Time costs for the period 15 December 2016 to 14 June 2017 are £28,103.25. This represents 94 hours at an average hourly rate of £298.97 per hour.

Total time from 15 January 2015 to 14 June 2017 are £130,272.38. This represents 440.29 hours at an average hourly rate of £295.88 per hour.

ALIL

Time costs for the period 15 December 2016 to 14 June 2017 are £11,628.50. This represents 30 hours at an average hourly rate of £387.62 per hour.

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Total time from 15 January 2015 to 14 June 2017 are £42,919.13. This represents 134.85 hours at an average hourly rate of £318.27 per hour.

It is the Administrators' policy to delegate the routine administration tasks to less senior staff in order to maximise the cost effectiveness of the work performed. These staff are supervised by senior staff and the Administrators. Any matter of complexity or significance is dealt with by more senior staff and the Administrators.

Attached at Appendix IV is a schedule detailing activities undertaken together with supporting information in accordance with the Association of Business Recovery Professionals' SIP 9. This also contains additional information in relation to this firm's policy on staffing, disbursements and details of our current charge-out rates by staff grade.

The Administrators have not drawn any fees in either Administration to date.

5. Joint Administrators' Disbursements

In accordance with SIP 9, where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.

5.1 Category 1 Disbursements

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling, postage, photocopying (if external provider), statutory advertising and other expenses made on behalf of the assignment. Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with SIP 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. The Administrators are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

The following Category 1 Disbursements have been incurred in SCWL:

Disbursement	Accrued in prior period (£)	Accrued in this period (£)	Total (£)
Bordereau	512.00	0.00	512.00
Travel	795.07	0.00	795.07
Staff Welfare	18.21	0.00	18.21
Statutory Advertising	84.60	0.00	84.60
Conference Calling	6.44	0.00	6.44
Postage	2.66	51.54	54.14
Total	1,418.98	51.54	1,470.46

Category 1 disbursements totalling £1,418.98 have been drawn in total, all of which was in this reporting period, therefore £51.54 remains outstanding.

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The following Category 1 Disbursements have been incurred in ALIL:

Disbursement	Accrued in prior period (£)	Accrued in this period (£)	Total (£)
Bordereau	220.00	0.00	220.00
Postage	14.25	0.00	14.25
Statutory Advertising	84.60	0.00	84.60
Legal Fees	742.00	0.00	742.00
Total	1,060.85	0.00	1,060.85

No Category 1 disbursements have been drawn to date.

5.2 Category 2 Disbursements

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Moorfields for the provision of services which include an element of recharged overhead, for example, room hire or document storage. SIP 9 provides that such disbursements are subject to approval as if they were remuneration. Accordingly, the Administrators have obtained approval from the Secured Creditor to recover Category 2 expenses and disbursements. It is the Administrators policy, in line with the Statement, to advise of any Category 2 disbursements before they are drawn.

The following Category 2 disbursements are currently charged by this firm:

- Stationery and postage charge for sending out circulars – 5 pence per sheet plus postage at cost
- A set-up charge of £50 per case for online creditor reporting where applicable
- Mileage allowances are paid at HM Revenue & Customs approved rates. For personnel using their own vehicles, these are currently 45 pence per mile for the first 10,000 miles and 25 pence per mile thereafter.

The following Category 2 Disbursements have been incurred but not yet paid in SCWL:

Disbursement	Accrued in prior period (£)	Accrued in this period (£)	Total (£)
Mileage	60.30	0.00	60.30
Printing	0.00	3.60	3.60
Total	60.30	3.60	63.90

No Category 2 Disbursements have been incurred in ALIL.

5.3 Future Expenses and Outlays

The Administrators are obliged to provide an estimate of future expenditure between now and the end of Administrations.

SCWL

The vast majority of future costs relate to the sale of the remaining property and are therefore dependent on time frames involved and the strategy undertaken. These costs will be at the expense of the Secured Creditor under their fixed charge and will be agreed directly with them. I am unable to provide an estimate of these costs at present.

Other outstanding costs to conclude the Administration include tax advice, storage of books and records, statutory advertising, stationery and postage and other necessary expenditure. These costs are also dependent on the time taken to conclude the Administration, however I would estimate these to be in the region of £10,000 - £20,000 based on current information.

ALIL

Additional costs are dependent on the outcome of the Administrators' investigation into the claim discussed in 2.2.3 and cannot be estimated at this stage.

6. Prescribed Part

Under the provisions of Section 176A of the Insolvency Act 1986 the Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where a company has granted a floating charge to a creditor after 15 September 2003.

A floating charge was granted in favour of the Secured Creditor on 14 May 2008 by both ALIL and SCWL, therefore the prescribed part would apply.

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

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

A company's net property is the amount of its property subject to any floating charges created by a company after allowing for costs and claims of preferential creditors.

It is anticipated that there will be prescribed part distributions from both Companies, however the timing and quantum is yet to be determined for ALIL.

The Administrators are now in a position to pay a first interim prescribed part distribution from SCWL. A calculation of the net property is shown at Appendix V. This distribution will be paid after 14 days of the date of this report.

Please note that the net property and prescribed part calculation can only be estimated at this stage. The value of any prescribed part may be subject to change once creditor claims and the Administrators' costs and expenses have been finalised.

At this time, the Joint Administrators do not intend to make an application to the court under section 176A(5) of the Insolvency Act 1986 for an Order not to distribute the prescribed part.

7. Estimated outcome for creditors

7.1 Secured Creditors

There is a liability of approximately £28m due to the Secured Creditor from ALIL secured by way of a fixed and floating charge dated 14 May 2008. SCWL has provided a corporate guarantee in respect of this liability also secured by way of a fixed and floating charge dated 14 May 2008 in addition to various legal charges over the Property.

The outcome for the Secured Creditor is uncertain, however it is expected that they will suffer a shortfall.

To date, the Secured Creditor has been paid £8,440,000 out of SCWL's fixed charge assets and £880,000 out of SCWL's floating charge assets. Of these amounts, £8,340,000 and £240,000 were paid during this reporting period respectively. No amounts have been paid out of ALIL's assets.

7.2 Preferential Creditors

The Companies had no employees and consequently there are no known preferential creditors.

7.3 Unsecured Creditors

SCWL

The Statement of Affairs showed unsecured creditors of £22,416,410 of which £22,172,266.31 related to ALIL.

The Administrators are currently in the process of adjudicating unsecured creditors claims in preparation of the Prescribed Part distribution. To date, claims totalling £12,906,33.26 have been received from 4 creditors, of which ALIL is £12,852,266.31.

Any creditor who has not claimed and wants to be included in this distribution, should submit their claim now. More detailed regarding this distribution is found in section 8.

ALIL

The Statement of Affairs showed unsecured creditors of £5,400. To date, claims totalling £480 from 1 creditor have been received.

No defined clarification of creditors' claims has been undertaken as it is uncertain if there will be sufficient realisations to enable a distribution. When a Prescribed Part distribution appears likely, the Administrators will call for creditors' claims and adjudicate accordingly.

8. Scheme of Division

SCWL

8.1 Distribution

As mentioned above, the Administrators are in a position to pay a first distribution in accordance with the prescribed part provisions. Attached at Appendix V is a Scheme of Division form which displays the calculation of the net property to be distributed.

The Administrators intend to distribute £201,594.31 to the unsecured creditors of SCWL being 1.56 pence in the pound. Any creditor not shown on the Scheme of Division form but would like to be included in this distribution, must submit their claim to the Administrators within 14 days. Any claim not received in this time frame may be omitted from this distribution.

8.2 Administrators' Proposed Fee

Circulated as Appendix VI is a Notice of conduct of business by correspondence to enable creditors to consider the following resolution:

Under Rule 2.39 of the Rules and in the absence of a creditors' committee, the remuneration of the Joint Administrators for dealing with the Scheme of Division be fixed in accordance with the time spent by them and their staff.

Details of time costs incurred in the period of this report and an estimate of the additional time costs to be incurred for dealing with the first distribution are set out in Appendix V.

Creditors responses should be received before midday on 28 July 2017.

9. Investigations

In accordance with the Company Directors Disqualification Act 1986, the Administrators would confirm that they have submitted a report on the conduct of the Directors of the Companies to the Department for Business Innovation & Skills. As this is a confidential report, they are not able to disclose the contents.

To complete this report a review of the Companies' financial accounts, bank statements and directors' questionnaires was undertaken regarding the period leading up to the Administration to ascertain whether or not there had been any misconduct by the director in the form of any preference payments, transactions at an undervalue or wrongful trading.

If creditors wish to bring any matters they believe to be relevant to the attention of the Joint Administrators, they are invited to do so in writing to Arron Kendall and Simon Thomas at Moorfields, 88 Wood Street, London EC2V 7QF.

10. Exit from Administration

The Administrators sought and were granted an extension from the Secured Creditor pursuant to paragraph 76(2) Schedule B1 of the Act.

As outlined in the Proposals, it is the Joint Administrators' intention to exit the Administrations by way of dissolution.

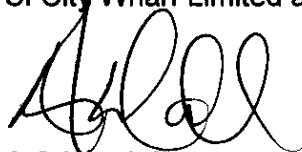
The Joint Administrators have approval to be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

11. Creditors' rights

Any secured creditor, or an unsecured creditor (with the concurrence of at least 25% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Joint Administrators' remuneration, the remuneration charged or the expenses incurred by the Joint Administrators as set out in the progress report are excessive (Rule 2.39A).

If you have any queries regarding this report please contact Tom Straw of this office in the first instance. I will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner.

For and on behalf of
SI City Wharf Limited and Aberdeen Leisure Investments Limited



A S Kendall
Joint Administrator

DDI 0207 186 1148
Fax 0207 186 1177
Email tstraw@moorfieldscr.com

Arron Kendall and Simon Thomas of Moorfields, 88 Wood Street, London, EC2V 7QF were appointed Joint Administrators on 15 January 2016. The Administrators now manage the affairs, business and property of the Companies. The Joint Administrators act as agents only and without personal liability.

Statutory information**(SI City Wharf Limited)****Company Information**

Company Name: SI City Wharf Limited

Previous Names: WG Mitchell (City Wharf) Limited
DMWS 820 Limited

Company Number: SC318550

Date of Incorporation: 14 March 2007

Trading Addresses: Exchequer House, Exchequer Row, Shiprow, Virginia Street, Aberdeen AB11 5BW
City Wharf, Exchequer Row, Shiprow, Virginia Street, Aberdeen AB5 4YL

Current Registered Office: c/o Pinsent Masons, 13 Queens Road, Aberdeen AB15 4YL

Former Registered Office: 41 Charlotte Square, Edinburgh EH2 4HQ

Principal Trading Activity: Investment Property

Appointment Details

Date of Appointment: 15 January 2016

Appointment Made By: OCM Albion Debt Co DAC. Security by way of floating charges over the Company's assets dated 14 May 2008 and registered at Companies House on 23 May 2008

Court Details: The Court of Session, Parliament House, Parliament Square, Edinburgh EH1 1RQ

Administrators Appointed: Arron Kendall (IP Number: 16050) & Simon Thomas (IP Number: 8920)

Extensions: The Administration has been extended until 14 January 2018 by consent of the Secured Creditor, pursuant to paragraph 76(2) Schedule B1 of the Act.

Directors: Peter Young
Malcolm Briselden

Company Secretary: Malcolm Briselden

Nominal Share Capital: £1 divided into 1 ordinary share of £1

Registered Shareholder: Aberdeen Leisure Investments Limited 1 ordinary share held

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Appendix I b

Statutory information

(Aberdeen Leisure Investments Limited)

Company Information

Company Name: Aberdeen Leisure Investments Limited

Previous Names: Dunwilco (1457) Limited

Company Number: SC323802

Date of Incorporation: 16 May 2007

Trading Addresses: N/A

Current Registered Office: c/o Pinsent Masons, 13 Queens Road, Aberdeen AB15 4YL
Former Registered Office: 41 Charlotte Square, Edinburgh EH2 4HQ

Principal Trading Activity: Property Investment

Appointment Details

Date of Appointment: 15 January 2016

Appointment Made By: OCM Albion Debt Co DAC. Security by way of floating charges over the Company's assets dated 14 May 2008 and registered at Companies House on 23 May 2008

Court Details: The Court of Session, Parliament House, Parliament Square, Edinburgh EH1 1RQ

Administrators Appointed: Arron Kendall (IP Number: 16050) & Simon Thomas (IP Number: 8920)

Extensions: The Administration has been extended until 14 January 2018 by consent of the Secured Creditor, pursuant to paragraph 76(2) Schedule B1 of the Act.

Directors: Peter Young
Malcolm Briselden

Company Secretary: Malcolm Briselden

Nominal Share Capital: £11,000,000 divided into
11,000,000 ordinary shares
of £1 each

Registered Shareholder: SI Limited Partnership No 7 11,000,000 ordinary shares held

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Appendix II a

SI City Wharf Limited
(In Administration)

Joint Administrators' Abstract of Receipts and Payments
15 January 2016 to 14 June 2017

		For the period from 15 December 2016 to 14 June 2017			Total from 15 January 2016 to 14 June 2017		
Notes	Estimated to realise per SOA £	Fixed Charge	Floating Charge	Total	Fixed Charge	Floating Charge	Total
RECEIPTS							
	Uncertain	8,300,000.00		8,300,000.00	8,300,000.00		8,300,000.00
Heritable Property							
Bank Interest		212.47	277.67	490.14	419.96	638.35	1,058.31
Cash at Bank	1	178,884.00				171,131.04	171,131.04
Debtors		331.00					
Dilapidations		80,000.00		80,000.00	80,000.00	80,000.00	140,000.00
Insurance Recharge		(391.09)		(391.09)	18,625.02		18,625.02
Inter-Group Debtors		504,633.00					
Rent		312,878.72	260,338.04	573,216.76	833,888.33	880,719.49	1,714,607.82
Rent Deposit						81,069.78	81,069.78
Service Charge Account	2	264,795.00					
Unapplied Cash		55.00					
VAT refund						23,788.87	23,788.87
Business Rates Refund			26,230.44	26,230.44		26,230.44	26,230.44
		372,700.10	286,846.15	659,546.25	9,212,933.31	1,263,577.97	10,476,511.28
PAYMENTS							
Agents Fees		71,013.00		71,013.00	82,013.00		82,013.00
Asset Manager Fees		22,783.00		22,783.00	103,563.95		103,563.95
Bank Charges		50.00	25.00	75.00	75.00	125.00	200.00
Marketing Costs	3				645.00		645.00
Hotel/Gym Expenditure	3				4,000.00		4,000.00
Insurance		(3,158.09)		(3,158.09)	25,142.56		25,142.56
Legal Fees		97,725.83		97,725.83	158,157.91	1,195.00	159,352.91
Letting Agents Fees		90.91		90.91	38,825.91		38,825.91
Nisbet's lease works	3	9,053.66		9,053.66	33,639.18		33,639.18
Pre Appointment Agents Fees					20,250.00		20,250.00
Pre Appointment Legal Fees					6,450.00		6,450.00
Professional Fees		24,200.00		24,200.00	35,951.80		35,951.80
Property Management Fees		1,500.00		1,500.00	3,080.00		3,080.00
Service Charge Voids		64,651.27	0.00	64,651.27	78,126.71		78,126.71
Storage Costs			160.00	160.00		160.00	160.00
Joint Administrator Cat 1 Disbursements			1,418.98	1,418.98		1,418.98	1,418.98
		(267,909.56)	(1,603.96)	(269,513.56)	(589,921.02)	(2,898.98)	(592,820.00)
DISTRIBUTIONS							
OCM Albion Debtco DAC		(8,340,000.00)	(240,000.00)	(8,580,000.00)	(8,440,000.00)	(880,000.00)	(9,320,000.00)
BALANCES IN HAND	4	(8,255,209.48)	45,242.17	(8,209,967.31)	183,012.29	380,678.99	563,691.28
Represented By							
Fixed Charge Bank Account							203,845.89
Floating Charge Bank Account							399,369.43
Fixed: VAT Receivable							7,929.17
Fixed: VAT Payable							(15,175.01)
Floating : VAT Payable							(18,690.44)
VAT Suspense Account							(13,587.76)
							563,691.28

Notes:

- 1) Cash at bank includes funds held by Savills plc on appointment.
- 2) The balance on the service charge account is ringfenced for the benefit of City Wharf tenants and will not be realisable.
- 3) The Joint Administrators, as landlord, agreed to carry out works to one of the City Wharf units in order to secure a new tenants and enhance value with the agreement of the Secured Creditor.
- 4) Balances are held in an interest bearing accounts with Metrobank Plc.

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Appendix II b

**Aberdeen Leisure Investments Limited
(In Administration)**

**Joint Administrators' Abstract of Receipts and Payments
15 January 2016 to 14 June 2017**

	For the period from 15 December 2016 to 14 June 2017			Total from 15 January 2016 to 14 June 2017			
	Estimated to realise per SOA £	Fixed Charge	Floating Charge	Total	Fixed Charge	Floating Charge	Total
RECEIPTS							
Bank Interest		0.02	0.09	0.11	0.02	0.21	0.23
Cash at Bank	161.00					100.95	100.95
Intercompany Debtor - SI City Wharf Limited	Uncertain						
Intercompany Debtor - SI Limited Partnership No 7	Uncertain						
Contribution to Costs		3,000.00		3,000.00	3,000.00		3,000.00
		<u>3,000.02</u>	<u>0.09</u>	<u>3,000.11</u>	<u>3,000.02</u>	<u>101.16</u>	<u>3,101.18</u>
PAYMENTS							
Legal Fees		2,000.00		2,000.00	2,000.00		2,000.00
		<u>(2,000.00)</u>	<u>0.00</u>	<u>(2,000.00)</u>	<u>(2,000.00)</u>	<u>0.00</u>	<u>(2,000.00)</u>
BALANCES IN HAND							
		<u>1,000.02</u>	<u>0.09</u>	<u>1,000.11</u>	<u>1,000.02</u>	<u>101.16</u>	<u>1,101.18</u>
Represented By:							
Fixed Charge Bank Account*							600.02
Floating Charge Bank Account*							101.16
Fixed: VAT Unrecoverable							400.00
							<u>1,101.18</u>

*Funds are held on interest bearing accounts with Metrobank Plc

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Appendix III a

Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

SIC001 - SI City Wharf Limited

	For the period from 15 December 2016 to 14 June 2017							Total from 15 January 2015 to 14 June 2017	
Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)	Hours Cumulative	Time Costs (£) Cumulative
10 : Case Planning	0.00	0.00	1.10	0.00	1.10	280.50	255.00	14.15	3,692.00
11 : Administrative Set Up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.75	573.75
12 : Appointment Notification	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.75	2,086.25
14 : Statutory Reporting	0.00	0.60	13.60	0.00	14.20	3,660.00	257.75	51.55	13,490.50
15 : Case Monitoring	8.50	0.50	1.10	0.00	10.10	4,995.50	494.60	39.25	15,235.00
16 : IPS Case Set Up	0.00	0.00	0.50	0.00	0.50	127.50	255.00	0.75	240.00
17 : General Administration	0.00	0.00	0.50	0.00	0.50	127.50	255.00	13.35	3,577.00
18 : Cashiering	1.10	1.25	8.30	14.60	25.25	5,503.00	217.94	60.85	15,710.00
2 : Pre Appointment Work	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.30	253.50
70 : Post appoint VAT and CT returns	0.00	5.70	1.70	0.00	7.40	2,457.00	332.03	15.80	5,339.00
Admin & Planning	9.60	6.05	26.60	14.60	59.05	17,151.00	290.45	205.50	57,608.00
30 : Freehold / Leasehold Property	0.00	14.40	0.00	0.00	14.40	5,112.00	355.00	96.10	32,317.00
34 : Debtors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.40	120.00
36 : Identifying, Securing, Insuring	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.10	1,055.00
38 : Asset related legal Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.60	1,483.00
71 : Other Assets	0.00	0.00	1.90	0.00	1.90	484.50	255.00	3.90	994.50
77 : Managing Agent	0.00	2.80	0.00	0.00	2.80	994.00	355.00	17.90	6,035.00
Asset Realisation	0.00	17.20	1.90	0.00	19.10	6,590.50	345.05	127.00	42,055.00
62 : Secured creditor claims/Reporting	0.00	0.30	0.60	0.00	0.90	259.50	288.33	6.60	2,283.00
63 : Secured creditor reports	0.00	2.90	1.90	0.00	4.80	1,514.00	315.42	34.90	11,512.00
64 : Prescribed Part Matters	0.00	0.00	9.00	0.00	9.00	2,295.00	255.00	10.40	2,692.00
Creditors	0.00	3.20	11.50	0.00	14.70	4,068.50	276.77	51.90	16,487.00
20 : SIP2 Review	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	255.00
21 : CDDA Reports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.80	636.50
22 : Antecedent Transactions	0.00	0.00	0.15	0.00	0.15	38.25	255.00	28.10	6,855.88
65 : Director's Correspondence	0.00	0.00	1.00	0.00	1.00	255.00	255.00	25.00	6,375.00
Investigations	0.00	0.00	1.15	0.00	1.15	293.25	255.00	55.90	14,122.38
Total Hours	9.60	28.45	41.35	14.60	94.00	28,103.25	298.97	440.29	130,272.38

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Appendix III b

Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

ABER001 - Aberdeen Leisure Investments Limited

	For the period from 15 December 2016 to 14 June 2017							Total from 15 January 2015 to 14 June 2017	
Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)	Hours Cumulative	Time Costs (£) Cumulative
10 : Case Planning	0.00	0.00	1.00	0.00	1.00	280.50	255.00	2.30	599.00
11: Administrative Set Up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	106.25
12 : Appointment Notification	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.30	1,611.00
13 : Maintenance of Records	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20	51.00
14 : Statutory Reporting	0.00	0.60	1.50	0.00	2.10	580.50	276.43	17.45	4,701.00
15 : Case Monitoring	8.00	1.50	2.00	0.00	11.50	5,395.00	469.13	31.30	12,651.00
16 : IPS Case Set Up	0.00	0.00	0.50	0.00	0.50	127.50	255.00	0.75	240.00
17 : General Administration	0.00	0.00	0.50	0.00	0.50	127.50	255.00	6.91	1,857.50
18 : Cashiering	0.00	0.00	0.50	1.70	2.20	399.50	181.59	5.50	1,070.00
2 : Pre Appointment Work	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.30	253.50
70 : Post appoint VAT and CT returns	0.00	0.00	0.60	0.00	0.60	153.00	255.00	0.60	153.00
Admin & Planning	8.00	2.10	6.70	1.70	18.50	7,063.50	381.81	72.86	23,493.26
30 : Freehold / Leasehold Property	3.50	0.00	0.00	0.00	3.50	1,855.00	530.00	7.00	3,710.00
36 : Identifying, Securing, Insuring	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.50	372.50
71 : Other Assets	0.00	6.70	0.00	0.00	6.70	2,378.50	355.00	16.50	5,791.00
Asset Realisation	3.50	6.70	0.00	0.00	10.20	4,233.50	415.68	26.00	9,873.50
50 : Creditor Correspondence	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	255.00
51: Unsecured creditor claims	0.00	0.00	0.30	0.00	0.30	76.50	255.00	0.30	76.50
63 : Secured creditor reports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	530.00
Creditors	0.00	0.00	0.30	0.00	0.30	76.50	255.00	2.30	861.50
20 : SIP2 Review	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	127.50
21: CDDA Reports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.80	636.50
22 : Antecedent Transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19.40	4,611.88
65 : Director's Correspondence	0.00	0.00	1.00	0.00	1.00	255.00	255.00	13.00	3,315.00
Investigations	0.00	0.00	1.00	0.00	1.00	255.00	255.00	34.70	8,690.88
Total Hours	11.50	8.80	8.00	1.70	30.00	11,628.50	387.62	134.86	42,919.13

Appendix IV

1 Explanation of office-holders charging and disbursement recovery policies

In accordance with best practice we provide below details of policies of Moorfields, in respect of fees and disbursements for work in relation to insolvency estates.

This summary outlines the activities undertaken during this matter to date together with details of charge out rates for time costs incurred and the basis of disbursements incurred and recharged.

1.1 SCWL

The activities are summarised for as follows:

1.1.1 Administration and planning

The following activities have been undertaken:

- Statutory duties associated with the appointment including the filing of relevant notices;
- Notification of the appointment to creditors, members other interested parties;
- Setting up of case files
- Reviewing available information to determine the appropriate strategy;
- Setting up and maintaining bank accounts;
- Implementing the strategy for the Administration;
- 6 monthly progress review of the case;
- Completion of statutory returns to the Insolvency Compliance Unit of the Department for Business Innovation and Skills;
- Writing and circulating progress reports;
- Obtaining an extension of the Administration and completing the statutory documents associated.

Staff of different levels were involved in the above activities depending upon the experience required.

1.1.2 Realisation of assets

Appendix II shows the realisations made for the benefit of the creditors. In this case the assets belonging to the Company were as follows;

- Heritable Property
- Cash at Bank
- Debtors/ Intercompany Debtors
- Dilapidations
- Rent and Rent Deposits
- Insurance/Business Rates/VAT Refund

The time spent includes the following matters:

- Liaising with APAM, Savills and Knight Frank regarding the management and marketing of the properties;

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- Collecting in Rent
- Corresponding with agents in relation to valuation and realisation of assets;
- Dealing with legal advisors with regards to the sale of Heritable Property;
- Obtaining information regarding debt collection;
- Liaising with HMRC/Aberdeen Council RE refunds due;
- Obtaining balance of funds held in pre-appointment bank account;
- Agreeing value of dilapidations with tenants.

1.1.3 Creditors

The time spent includes the following matters:

- Recording and maintaining the list of creditors;
- Recording creditor claims;
- Dealing with specific creditor calls and correspondence;
- Reporting to creditors;
- Meetings of creditors;
- Dealing with creditor queries;
- Reviewing and evaluating creditor claims to date;
- Calculating an interim distribution;
- Calling for creditors to claim.

1.1.4 Investigations and communications

The time spent includes the following matters:

- Corresponding with Company directors for purposes of conduct report;
- Issuing questionnaires and requests for Statement of Affairs;
- Reviewing Company records and questionnaires and preparing the statutory return in accordance with the requirements of the Department for Business Innovation and Skills.

1.2 **ALIL**

The activities are summarised for as follows:

1.2.1 Administration and planning

The following activities have been undertaken:

- Statutory duties associated with the appointment including the filing of relevant notices;
- Notification of the appointment to creditors, members other interested parties;
- Setting up of case files
- Reviewing available information to determine the appropriate strategy;
- Setting up and maintaining bank accounts;
- Implementing the strategy for the Administration;
- 6 monthly progress review of the case;
- Completion of statutory returns to the Insolvency Compliance Unit of the Department for Business Innovation and Skills;

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- Writing and circulating progress reports;
- Obtaining an extension of the Administration and completing the statutory documents associated.

Staff of different levels were involved in the above activities depending upon the experience required.

1.2.2 Realisation of assets

Appendix II shows the realisations made for the benefit of the creditors. In this case the assets belonging to the Company were as follows;

- Cash at Bank
- Intercompany Debtors

The time spent includes the following matters:

- Obtaining balance of funds held in pre-appointment bank account;
- Obtaining information regarding debt collection;
- Review of potential for redress claim in respect of interest rate hedging product.

1.2.3 Creditors

The time spent includes the following matters:

- Recording and maintaining the list of creditors;
- Recording creditor claims;
- Dealing with specific creditor calls and correspondence;
- Reporting to creditors;
- Meetings of creditors;
- Dealing with creditor queries;
- Reviewing and evaluating creditor claims to date;
- Calculating an interim distribution;
- Calling for creditors to claim.

1.2.4 Investigations and communications

The time spent includes the following matters:

- Corresponding with Company directors for purposes of conduct report;
- Issuing questionnaires and requests for Statement of Affairs;
- Reviewing Company records and questionnaires and preparing the statutory return in accordance with the requirements of the Department for Business Innovation and Skills.

2. **Time recording**

The Partners will engage managers and other staff to work on the insolvent estate and statutory compliance diaries. The work required is delegated to the most appropriate level

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of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the estate's bank accounts. Work carried out by all staff is subject to the overall supervision of the Partners.

All time spent by staff working directly on case related matters is charged to a time code established for the case. Each member of staff has a specific hourly rate, which is subject to change over time.

The current charge out rates per hour of staff within the firm who may be involved in working on the insolvency follows, this in no way implies that staff at all such grades will work on the case:

GRADE	£
Partner	530
Director/ Senior Manager	450
Manager	355
Assistant Manager	300
Senior Administrator	255
Administrator	225
Cashier/ Support	195

The rates charged by Moorfields are reviewed periodically in January & July each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time in units of 6 minutes.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time cost basis the time invoiced will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors, the report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

Approved remuneration will be drawn at such times that sufficient funds are available.

For your information, A Creditor's Guide to Administrators' Fees can be obtained at <http://www.insolvency-practitioners.org.uk/uploads/Admin.pdf>.

3 Disbursement recovery

3.1 Category 1 Disbursements

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling, postage, photocopying if external provider, statutory advertising and other expenses made on behalf of the assignment.

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Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

3.2 Category 2 Disbursements

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Moorfields for the provision of services which include an element of recharged overhead, for example, room hire or document storage. Statement of Insolvency Practice No. 9 provides that such disbursements are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn.

The following Category 2 disbursements may be charged by this firm

- Stationery and postage charge for sending out circulars – 5 pence per sheet plus postage at cost.
- A set-up charge of £50 per case for online creditor reporting where applicable
- Mileage allowances are paid at HM Revenue & Customs approved rates. For personnel using their own vehicles, these are currently 45 pence per mile for the first 10,000 miles and 25 pence per mile thereafter.

It should be noted that disbursements costs might increase from time to time, however, increases would only be in line with inflation or increases from our supplier.

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Appendix V

FORM OF SCHEME OF DIVISION

State of Funds and Scheme of Division thereof as at 14 June 2017 as submitted by
 Arron Kendall and Simon Thomas, as Administrators of
 SI City Wharf Limited

Floating Charge Funds held as at 14 June 2017	£	£
		1,263,577.97

LESS:

Total approved expenditure to date (2,898.98)

LESS:

Payable VAT (18,690.44)

Sub-total 1,241,988.55

LESS:

Provisions-

Joint Administrators' Fees 78,494.00

Joint Administrators' Disbursements 1,063.00

Taxation Fees 10,000.00

Other Costs 6,000.00

General Provision 50,000.00

Sub-total (145,557.00)

LESS:

Preferred creditors 1,096,431.55

-

Net Property 1,096,431.55

PRESCRIBED PART CALCULATION:

50% of first £10,000 5,000.00

20% of balance (Capped at £600,000) 217,286.31

222,286.31

PRESCRIBED PART COSTS:

The Joint Administrators' time costs to reporting period for dealing with the first distribution (2,692.00)

The Joint Administrators' estimated costs for dealing with the first distribution (18,000.00)

THIS DISTRIBUTION 201,594.31

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The sum of £201,594.31 represents (subject to further accrued bank interest) a first and final dividend of £201,594.31, being 1.56p in the £, on claims totalling £12,906,333.26 admitted to an ordinary ranking, conform to Schedule of ordinary attached hereto.

Schedule of ordinary creditors

<u>Creditor</u>	<u>Claim admitted</u>	<u>Dividend</u>	<u>Statutory interest</u>	<u>TOTAL</u>	<u>p in the £</u>
1 Aberdeen Leisure Investments Limited	12,852,266.31	200,749.80	-	200,749.80	1.56
2 BDO LLP	480.00	7.50	-	7.50	1.56
3 CMS Cameron McKenna LLP	3,005.60	46.95	-	46.95	1.56
4 HM Revenue & Customs	50,581.35	790.07	-	790.07	1.56
TOTAL	12,906,333.26	201,594.32	-	201,594.32	1.56

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Rule 2.39

Notice of conduct of business by correspondence

Appendix VI

Name of Company SI City Wharf Limited	Company number SC318550
In the The Court of Session (full name of court)	Court case number of N/A

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

Notice is hereby given by (a)

Arron Kendall
Moorfields
88 Wood Street
London
EC2V 7QF

Simon Thomas
Moorfields Corporate Recovery Limited
88 Wood Street
London
EC2V 7QF

(b) Insert full name and address of registered

to the creditors of (b) SI City Wharf Limited
c/o Pinsent masons
13 Queens Road
Aberdeen

(c) Insert number of resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c) resolutions for your consideration. Please indicate below whether you are in favour or against each resolution.

(d) Insert address to which form is to be delivered

This form must be received at (d)
Moorfields
88 Wood Street
London
EC2V 7QF

(e) Insert closing date

by 12.00 hours on 28 July 2017 (e) in order to be

counted. It must be accompanied by details in writing of your claim unless those details have already been submitted for the purpose of a meeting of creditors. Failure to do so will lead to your vote(s) being disregarded.

Resolution (1) Under Rule 2.39 of the Insolvency Rules 1986 and in the absence of a creditors' committee, the remuneration of the Joint Administrators for dealing with the Scheme of Distribution be fixed pursuant to the time spent on each distribution.

I am *in Favour / Against

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

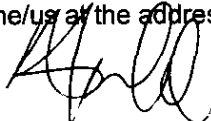
Name of creditor

Signature of creditor

(If signing on behalf of creditor, state capacity
e.g. director/solicitor)

If you require any further details or clarification prior to returning your votes, please contact me/us at the address above.

Signed



Joint Administrator
Dated 7 July 2017