

The Insolvency Act 1986  
**Administrator's progress report**

Name of Company  Ethel Austin Investment Properties Limited	Company number  01132068
In the High Court of Justice, Chancery Division, Liverpool District Registry <small>(full name of court)</small>	Court case number  1833 of 2010

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

From  9 August 2011	To  8 February 2012
---------------------------	---------------------------

Signed

  
Joint Administrator(s)

Dated

1.03.2012

**Contact Details:**

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

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When you have completed and signed this form, please send it to the  
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**ETHEL AUSTIN INVESTMENT PROPERTIES LIMITED  
(IN ADMINISTRATION)  
("the Company")**

**Court No. 1833 of 2010**

**SIX MONTHLY PROGRESS REPORT TO CREDITORS  
PURSUANT TO RULE 2.47 OF THE INSOLVENCY RULES 1986 AND THE INSOLVENCY  
(AMENDMENT) RULES 2010**

**1 March 2012**

**This report has been prepared for the sole purpose of updating the 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.**

**William Kenneth Dawson and Neville Barry Kahn were appointed Joint Administrators of Ethel Austin Investment Properties Limited on 28 September 2010. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.**

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

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## **ABBREVIATIONS**

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

"the Act"	Insolvency Act 1986 (as amended)
"the Rules"	Insolvency Rules 1986 and the Insolvency (Amendment) Rules 2010
"the Administrators"	William Kenneth Dawson and Neville Barry Kahn of Deloitte LLP
"the Court"	High Court of Justice, Chancery Division, Liverpool District Registry
"the Company"	Ethel Austin Investment Properties Limited (in Administration)
"Deloitte"	Deloitte LLP
"EAPH"	Ethel Austin Properties Holdings Limited
"JV"	Joint venture companies or partnerships in which EAIP typically has a stake of 50% or less
"Lenders"	Lenders to the JV's
"PP"	Prescribed Part
"RCF"	Revolving credit facility
"SIP7 (E&W)"	Statement of Insolvency Practice 7 (England & Wales)
"SIP13 (E&W)"	Statement of Insolvency Practice 13 (England & Wales)
"We" or "Our"	The Administrators

## **1. INTRODUCTION**

### **1.1 Introduction**

This report has been prepared in accordance with Rule 2.47 of the Rules to provide creditors with an update on the progress of the Administration of the Company since our last report to creditors dated 8 August 2011.

Given the information previously provided to creditors in earlier reports, we have not included detailed background information in respect of the Company and have focussed on progress of the Administration subsequent to our report of 8 August 2011 and our subsequent letter of 6 October 2011.

Copies of all previous communications with creditors are available at [www.deloitte.co.uk/ethelaustin](http://www.deloitte.co.uk/ethelaustin), or by writing to the Joint Administrators to request a copy.

The Administrators' proposals, as approved at the meeting of creditors held on 7 December 2010, are detailed in section 2.1 below.

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

### **1.2 Details of the appointment of the Administrators**

William Kenneth Dawson and Neville Barry Kahn of Deloitte were appointed Joint Administrators of the Company by the Directors of the Company on 28 September 2010, following the filing of a Notice of Appointment of Administrators by the Directors of the Company.

The Court having conduct of the proceedings is the High Court of Justice, Chancery Division, Liverpool District Registry (case number 1833 of 2010).

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

### **1.3 Electronic communication with creditors**

In an effort to reduce the costs of the Administration, all future 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.co.uk/ethelaustin](http://www.deloitte.co.uk/ethelaustin).

A letter will be issued to all creditors each time the website is updated with a statutory notice or report. All creditors' statutory notices will be retained on the website for 3 months after being uploaded to the site.

## **2. JOINT ADMINISTRATORS' PROPOSALS**

### **2.1 Introduction**

As previously reported to creditors, the Administrators concluded that the Company had significant secured and unsecured creditor liabilities. There was insufficient value placed on the Company's assets by third parties in order to effect a restructuring of the Company's debt, and the Administrators concluded that the first objective, to rescue the Company as a going concern, was not possible to achieve. Indeed, the Company's Directors had for some time (prior to Administration) been trying to facilitate a restructuring of the Company's secured debts, but without success.

Consequently, the Administrators have performed their functions in relation to the Company with the objective set out in Paragraph 3(1)(b), which is to achieve a better result for creditors than would be obtained through an immediate Liquidation of the Company.

The Administrators' proposals in order to achieve this objective were approved by the creditors of the Company at a meeting of creditors held on 7 December 2010. The proposals are as follows.

- 1 The Administrators continue to manage the affairs and any remaining assets of the Company and the settlement of all Administration expenses;
- 2 the Administrators continue with their enquiries into the conduct of the Directors of the Company and continue to assist any regulatory authorities with their investigation into the affairs of the Company,
- 3 the Administrators be authorised to agree the claims of secured, preferential and unsecured creditors against the Company unless the Administrators conclude, in their reasonable opinion that the Company will have no assets available for distribution,
- 4 the Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,
- 5 that, in the event the creditors of the Company so determine, at meetings of creditors, a Creditors' Committee be appointed in respect of the Company comprising of not more than five and not less than three creditors of the Company,
- 6 that the Creditors' Committee, if one is appointed, be asked to agree that the basis of the Administrators' remuneration be fixed by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT and asked to agree the Administrators' expenses;
- 7 that, if a Creditors' Committee is not appointed at a meeting of creditors, the creditors be asked to agree that the basis of the Administrators' remuneration be fixed by reference to 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, and asked to agree the Administrators' expenses;
- 8 that, if a Creditors' Committee is not appointed at a meeting of creditors, the creditors shall fix the Administrators' disbursements for mileage to be fixed by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising during the administration, calculated at the prevailing standard mileage rate.

used by Deloitte at the time when mileage is incurred (presently up to 40p per mile), plus VAT where applicable,

- 9 that the Creditors' Committee, if one is appointed, be asked to agree that the basis of the Administrators' Pre Administration Costs as detailed in Appendix 5 of the Administrators' Proposals And the Administrators be authorised to draw their costs, plus VAT, from the administration estate;
10. that if a Creditors' Committee is not appointed at a meeting of creditors, the creditors shall be asked to agree the Administrators' Pre Administration costs as detailed in Appendix 5 of the Administrators' Proposals And that the Administrators be authorised to draw their costs, plus VAT, from the administration estate,
- 11 that, following the realisation of assets and resolution of all matters in the Administration, and as quickly and efficiently as is reasonably practicable, the 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,
- 12 that, if the Company were to be placed into CVL, the Administrators propose to be appointed Liquidators and any Creditors' Committee appointed will become the Liquidation Committee pursuant to R4 174A of the Rules and that the basis of the Liquidators' remuneration be fixed by reference to time given in attending to matters arising in the Liquidation. As per Paragraph 83(7) of Schedule B1 of the Act and R2 117A (2)(b) of the Rules, the creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the proposals are approved by creditors For the purposes of Section 231 of the Act, the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and
13. in the absence of a Creditors' Committee, the creditors agree that the Administrators be discharged from liability per paragraphs 98 and 99 of Schedule B1 of the Act immediately upon the Administrators' filing their final report to creditors and vacating office

## 2.2 Amendments to proposals

No amendments have been made to the Joint Administrators' Statement of Proposals

## 2.3 Progress on and achievement of the approved proposals

We have summarised below the progress and current status in respect of each of the approved proposals

Proposal	Current status
1	The Administrators continue to manage the affairs of the Company including the settlement of all Administration expenses Further information regarding current and future asset realisations are contained within section 3 of this report
2	The conduct of the Directors has been investigated and a confidential return was submitted to the Insolvency Service on 14 March 2011
3- 4	No claims have been agreed in respect of the secured and unsecured creditors of the Company. Further details regarding secured, unsecured and preferential creditors are contained within section 4 of this report
5- 6	No Creditors Committee was appointed
7 -8	In accordance with Rule 2 106(5) of the Rules, in the absence of a Creditors Committee, the Administrators have sought approval of their fees and expenses from the Company's creditors. At the meeting of creditors held on 7 December 2010, a resolution was passed authorising the Administrators to draw their fees on a time cost basis, plus any disbursements, as and when they see fit

<b>9</b>	<b>No Creditors Committee was appointed</b>
<b>10</b>	<b>This proposal was passed by resolution at the meeting of creditors held on 7 December 2010, and pre-administration fees of £387,000 plus VAT and expenses of £3,232 90 have been drawn</b>
<b>11-13</b>	<b>Not yet applicable</b>

Further information in respect of the realisation of assets, the status of liabilities and the estimated outcome for creditors is contained in the following sections of this report



### **3. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

#### **3.1 Introduction**

Attached at Appendix 2 is a Receipts and Payments account covering the period from 28 September 2010 to 8 February 2012, together with details of the transactions in the interim period 27 September 2011 to 8 February 2012, in accordance with SIP7 (E&W) Transactions for the period 8 August 2011 to 27 September 2011 were included with our letter to creditors dated 6 October 2011.

In this section, we have summarised the main asset realisations during the period 27 September 2011 to 8 February 2012 and commented on those assets yet to be realised, together with details of costs incurred but as yet remain unpaid.

#### **3.2 Asset realisations**

The Administration of EAIP has been a large and extremely complex administration. We highlight the most salient points below:

- EAIP has 126 JV investments, with gross property assets of some £250 million and secured bank debt of over £240 million from approximately 20 different bank lenders.
- Approximately 30 of the above JVs with gross property assets of some £113 million and secured bank debt in the region of £70 million will provide a direct value return to EAIP either through debt or equity returns.
- In addition, we are unwinding lending structures from EAIP itself, EAPH and other JV partners of almost £120m, of which £40m relates to the above assets.
- A number of the JV investments have bi-lateral bank lending which EAIP has guaranteed, and which we are therefore working to mitigate in order to maximise the return to unsecured creditors, in addition to fulfilling appropriate statutory obligations.
- We are also working to realise non property assets including a number of shareholdings and debtor recoveries.

Only details of progress that has taken place since the date of our last report have been reported below. For details of sales that took place prior to this, please see our previous reports of 19 November 2010, 20 April 2011 and 8 August 2011.

##### **Sale of Business and Assets**

Full details of the pre-pack sale that occurred immediately following the appointment of the Joint Administrators have been provided previously (see section 1.1 of this report, for details of where copies of previous reports can be accessed).

##### **Shares Sales**

The Company has a number of shareholdings, both third party listed and non-listed companies and in subsidiary companies, details as follows:

##### ***Non-Group Investments***

EAIP held shares in The Store. We engaged our colleagues in the Corporate Finance Advisory to assist with the negotiations to sell these shares, and £15,000 was received.

EAIP continues to hold shares in:

- Cobra Holdings plc/GAL Holdings plc,

- The Hotel Corporation plc,
- Amerdale Ventures LLP; and
- Orchid Development Group Limited

The Administrators continue to explore opportunities to maximise realisations from these assets, and are working with appropriate advisors in this regard.

#### **Freehold Land & Property**

The Company had an interest in a number of properties and plots of land, some of which were charged to third party lenders, and some of which were unencumbered

Since our last report, we have sold EAIP's interest in two jointly owned portfolio's, EAIP and Highneal Limited and EAIP and Refuge Pension Limited for a net return of £1,524,363.23 after the discharge of secured bank lending, where relevant

We have also successfully concluded the sale of our interest in a property based in Denbigh for £180,328 and recovered £234,456 in respect of EAIP's interest in EA Commercial Properties Limited

#### **Subsidiary & Associate Company Loans**

As stated previously, there are a number of JVs that EAIP has previously funded, both on a secured and unsecured basis

Proceeds in this period from this source total, £148,080 We are continuing to pursue further recoveries

#### **Management Fees**

As previously advised, EAIP charged a monthly management fee for performing the accounting and other functions for a number of the JVs We have collected £11,873 20 in respect of charges to 7 February 2012

There will be no further management fees in this regard as the Joint Administrators staff exited site in early November 2011 and EAIP no longer performs this function.

#### **Rents**

Rent received in the period of this report totals £72,163 34. No further income will be received in this regard, as the properties in which EAIP held a direct interest in have now been sold

#### **Miscellaneous Receipts**

Other receipts in the period include cash at bank, sundry income and refunds, bank interest and dividend on investments These total £92,908 11 and are listed in the Receipts and Payments Account at Appendix 2

### **3.3 Costs Incurred but remain unpaid**

There are no costs that have been incurred which remain unpaid

### **3.4 Estimated outcome for creditors**

#### ***Preferential Creditors***

In our previous report, we advised that contracts for employees were drafted in such a way that each employee was employed by both EAIP and EAPH and their respective subsidiaries and associates

In an attempt to simplify matters, EAPH offered compromise agreements to all employees In consideration for agreeing to the terms of the compromise agreement, EAPH offered a sum of

money which was calculated by EAPH without any reference to the Administrators. The impact of these agreements was to extinguish all preferential claims from employees, with the exception of one claim for unpaid overtime. Preferential creditors will be paid in full.

***Unsecured Creditors***

There will be a dividend to unsecured creditors in this matter. Further details are provided in section 4.5 of this report.

## **4. DISTRIBUTIONS TO CREDITORS**

### **4.1 Secured creditors**

The Company's debt to the RCF Lenders at the date of the appointment of the Administrators was c £59,000,000

This debt was extinguished in its entirety following the pre-pack sale which took place immediately following our appointment. Full details of the transaction were included in our letter to creditors dated 8 October 2010.

### **4.2 Preferential creditors**

There is one preferential claim in respect of unpaid overtime. This claim will be paid in full.

### **4.3 Prescribed Part**

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

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

As there are no floating charge creditors in this matter, PP is not applicable.

### **4.4 Unsecured creditors**

The unsecured creditors' position as at 28 September 2010 per the Directors' Statement of Affairs (excluding any shortfall to floating charge holders) is £51,210,507.

### **4.5 Claims process**

By order of the Court dated 9 December 2011, the Court granted approval for the Joint Administrators to make a dividend distribution to unsecured creditors of the Company in the Administration.

Attached at Appendix 4 of this report are two Notice of Intended Dividends, one in respect of preferential claims and the other for unsecured claims. Creditors who wish to submit a claim are required to do so on or before 31 March 2012 as set out in the notice. The dividend will be declared within two months from the last date for proving, being 31 March 2012.

To submit a claim in the Administration, creditors are required to submit the proof of debt form attached at Appendix 5 of this report. Completed proof of debt forms together with supporting evidence should be marked for the attention of Gemma McCarthy and sent to the address on the front of this report. Creditors who have already submitted a Proof of Debt in the Administration do not need to re-submit a further Proof of Debt.

## **5. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS**

### **5.1 Extensions to the initial appointment period**

The Administration of the Company has been extended until 27 September 2012 pursuant to an order of the Court dated 19 August 2011

### **5.2 Investigations**

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

In this regard, a confidential report was submitted to The Insolvency Service on 14 March 2011.

### **5.3 Exit**

In accordance with the provisions of the Act incorporated by the Enterprise Act 2002, all Administrations automatically come to an end after one year, unless an extension is granted above by the Court or with consent of the creditors.

As discussed above, the Administrators sought a 12 month extension to the Administration which is now due to expire on 27 September 2012. There are however several exit routes available for the Administrators to consider when it is appropriate to do so

The options available to the Administrators include:

- an application to Court (in the event of a court appointment),
- filing a notice in Court and with the Registrar of Companies confirming the purpose of the Administration has been sufficiently achieved, or
- in the event that the company has no property, the Administrators may notify the Registrars of Companies to that effect at which time the appointment of the Administrator ceases and three months following that date, the company is deemed to be dissolved

Alongside these exit routes, the Administrators could propose to place the Company into Creditors' Voluntary Liquidation, a Compulsory Liquidation or a Company Voluntary Arrangement

We have not yet concluded which exit route will be pursued, and will comment on this further in our next report to you

### **5.4 SIP13 (E&W) – Transactions with connected parties**

There have not been any transactions with connected parties during the period of this report. Details relating to the two years prior to our appointment have been provided previously

### **5.5 EC Regulations**

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

## **6. PRE-ADMINISTRATION COSTS**

Included within the Administrators' Report and Proposals dated 19 November 2010 was a Statement of Pre-Administration Costs, in accordance with rule 2.33(2)(ka) of the Rules.

As advised in the Administrators' Report and Proposals, pre-appointment time costs totalled £1,038,000 relating to 2,348 hours

Fees of £190,000 were paid by the Company prior to the Joint Administrators appointment, together with a further £100,000 on appointment in respect of fixed charge realisations

With the agreement of creditors, a further £287,000 (plus VAT) has been drawn in respect of Administrator's pre-appointment fees. This payment was approved by a resolution from the body of creditors, at the meeting of creditors held on 7 December 2010. The balance of pre-appointment time costs has been written off (£461,000).

### ***Addleshaw Goddard LLP***

The Company engaged Addleshaw Goddard LLP prior to the appointment of the Administrators, in order to advise on the potential administration of the Company and the proposed pre-packaged transaction.

Addleshaw Goddard LLP incurred pre-appointment time costs of £325,000 of which £95,000 was paid by the Company prior to the Joint Administrators appointment, together with a further £50,000 on appointment in respect of fixed charge realisations

With the agreement of creditors, a further £105,000 (plus VAT) has been drawn in respect of pre-appointment legal fees. This payment was approved by a resolution from the body of creditors, at the meeting of creditors held on 7 December 2010. The balance of pre-appointment time costs has been written off (£75,000)

## **7. JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES**

### **7.1 Joint Administrators' Remuneration**

#### **7.1.1 Basis of Remuneration**

The basis of the Administrators' remuneration was fixed by the creditors at the meeting of creditors held on 7 December 2010 on a time cost basis. The following resolutions were passed

1. the basis of the Administrators' remuneration be fixed by reference to 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 was performed, plus VAT, and asked to agree the Administrators' expenses,
2. the creditors shall fix the Administrators' disbursements for mileage to be fixed by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising during the administration, calculated at the prevailing standard mileage rate used by Deloitte at the time when mileage is incurred (presently up to 40p per mile), plus VAT where applicable

Time costs of £4,563,165.75 have been incurred to 15 February 2012, representing 10,100.30 hours, at an average hourly rate of £451.79. Remuneration totalling £2,645,705.42 has been drawn to date.

#### **7.1.2 Remuneration**

Remuneration charged during the period of this report is summarised at Appendix 3.

The work has been categorised into the following task headings and sub categories

- **Administration and planning** includes case planning, case set-up, notification of appointment, maintenance of our case files and insolvency case record, statutory reporting, compliance, cashiering and accounting
- **Investigations** includes investigating the Company's affairs and in particular any antecedent transactions and also reporting on the conduct of its directors
- **Realisation of Assets** includes identifying, securing and insuring assets, sale of business, transition of contracts, property issues, disposal of stocks, collection of debts, realisation of other fixed assets and VAT and taxation matters
- **Trading** includes planning, identifying strategy, preparation of trading forecasts, monitoring of performance against the forecasts, managing operations, dealing with supplier and landlord issues to ensure continuity of operations, accounting and employees (including pensions and other staff benefits)
- **Creditors** includes set-up of creditor records, creditor communications, preferential claims, unsecured claims, secured and employee claims

Total remuneration charged for the period of the appointment is shown at Appendix 3.

"A Creditors' Guide to Remuneration" is available for download at [http://www.r3.org.uk/media/documents/technical\\_library/SIPS/SIP-9-EW-INTER.pdf](http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP-9-EW-INTER.pdf)

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

## Expenses

The Administrators' direct expenses for the period of this report are as follows

Nature of expenses	Total for the period 01 08 11 to 24.02.12	Total to Date (£)
Mileage	3,270 14	13,169 02
Accommodation	61 67	2,110 51
Company Searches	10 00	10 00
Mobile phone/ telephone usage	272 67	1,138 55
Parking	1,315 37	5,637 48
Borderau	1,600 00	1,600 00
Postage	448 07	600.04
Website	500 00	500 00
Couners	615 90	615 90
Storage	291 72	291 72
Travel (including air, taxi, train and bus)	428 80	15,091 12
<b>Total</b>	<b>8,522.62</b>	<b>40,472.62</b>

To date, the Administrators have billed direct expenses totalling £39,357 52. This is shown in the receipts and payments account attached at Appendix 2.

Note that Deloitte policy is to seek approval of both Category 1 and 2 expenses and therefore there is no need to distinguish between the two. Disclosure is required where we have incurred Category 2 expenses such as mileage and internal copying.

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred

## 7.2 Charge out rates

The range of charge out rates for the separate categories of staff is based on our 2010, 2011 and 2012 charge out rates as summarised below. Manager rates include all grades of assistant manager

Grade	2010 £	2011 £	2012 £
Partners/Directors	535 to 895	560 to 895	585 to 920
Managers	265 to 640	280 to 670	295 to 700
Assistants and Support Staff	165 to 265	175 to 280	150 to 295

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, Corporate Finance or Drivers Jonas Deloitte 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.

With effect from 1 January 2012, charge out rates were increased by an average 5% and the charge out rate bandings have been amended, where applicable, to reflect this change.

### 7.3 Other professional costs

As previously advised, Addleshaw Goddard LLP were instructed by the Administrators to advise on appropriate legal matters and to prepare appropriate documentation (including asset sale agreements). In addition, Eversheds LLP, Hill Dickinson and HBJ Gateley Wareing were instructed to advise and assist on a variety of other legal matters. The legal and professional fees below include certain disbursements on which VAT is not charged.

In addition, David Currie & Co and Brymau Estates Limited, firms of chattel agents, were instructed by the Administrators to undertake inventories and valuations of stock, plant and equipment, fixtures and fittings and other chattel assets where appropriate.

GVA Grimley and CB Richard Ellis, firms of agents were instructed by the Administrators to undertake valuations of properties where appropriate.

Investec (formerly Rensburg Sheppard) were instructed by the Joint Administrators to sell the shares the Company held in Eredene Capital plc, and provide advice regarding other listed shareholdings.

The professional costs to date are summarised in the table below. All professional costs are reviewed and analysed before payment is approved. Payments reflect VAT at either 17.5%, or the increased rate of 20%.

Professional Service Firm	NET (£) TOTAL
Addleshaw Goddard LLP	904,206.79
Brymau Estates Limited	1,233.00
CB Richard Ellis	1,000.00
David Currie & Co	1,500.00
DLA Piper UK Limited	1,803.00
Eversheds LLP	9,063.94
GVA Grimley	194,937.50
Global Energy Consultancy LLP	685.00
HBJ Gateley Wareing LLP	30,225.50
Hill Dickinson LLP	19,310.99
Legal Costs paid by Mason Owen	587.50
Rensburg	251.75
Savills (L&P) Limited	1,400.00
<b>Total</b>	<b>1,166,204.97</b>

#### **7.4 Creditors' right to request information**

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

#### **7.5 Creditors' right to challenge Remuneration and/or Expenses**

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

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

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

**ETHEL AUSTIN INVESTMENT PROPERTIES LIMITED (IN ADMINISTRATION)**

**STATUTORY INFORMATION**

Company Name	Ethel Austin Investment Properties Limited
Previous Names	None
Proceedings	In Administration
Court	High Court of Justice Chancery Division Liverpool District Registry
Court Reference	1833 of 2010
Date of Appointment	28 September 2010
Joint Administrators	William Kenneth Dawson and Neville Barry Kahn Deloitte LLP 2 Hardman Street PO Box 500 Manchester M60 2AT
Registered office Address	Ethel Austin Investment Properties Limited - In Administration c/o Deloitte LLP 2 Hardman Street PO Box 500 Manchester M60 2AT
Company Number	01132068
Incorporation Date	31 August 1973
Company Secretary	Andrew Robert Lovelady and Helen Silvano
Bankers	Various
Auditors	Ernst Young LLP
Appointment by	The Board of Directors
Directors at date of Appointment	Andrew Robert Lovelady, Michael Barry Owen OBE, Peter Wild Bullivant and Stephen George Laing
Directors' Shareholdings	Michael Barry Owen OBE and family own 50.9% of shares. The other Directors have no shareholding.

Ethel Austin Investment Properties Limited (In Administration)			
Joint Administrators' Receipts and Payments Account as at 8 February 2012			
	Statement of Affairs £	For the Period 27/09/11 to 8/02/12 £	Cumulative to Date 28/09/10 to 8/02/12 £
<b>RECEIPTS</b>			
Account Prep Fees	-	11,873 20	119,599 75
Rents	-	72,163 34	425,678.81
Listed Investments	107,000.00	-	-
Non-Group Investments	1,419,200.00	-	3,393,482 73
Contribution to Costs	-	-	146,410 00
Freehold Land & Property *1	35,931,653.00	1,939,147 48	37,786,204 36
Interest in Joint Ventures *2	34,561,251.00	25,688 05	24,717,546 46
Third Party Share Sales & Ancillary *3	-	-	24,310 15
Subsidiary & Associate Company Loans	3,495,925 00	148,080 00	966,969 14
Third Party Monies	-	-	93,030 98
Equipment & Motor Vehicles	9,700 00	-	5,900 00
Trade Debtors and Prepayments	-	(40,506 05)	448,651 03
VAT Refunds	-	-	5,622 74
Cash at Bank	488,333 00	17,268 99	468,754 70
Sundry Income and Refunds	-	10,953 35	27,728 81
Bank Interest Gross	-	29,638 49	44,341 36
S of A Preparation (L&P)	-	-	4,000 00
Dividend on Investments	-	35,047 28	289,504 40
VAT Payable	-	(19,747 70)	3,989 01
	<u>76,013,062.00</u>	<u>2,229,606 43</u>	<u>68,971,724 43</u>
<b>PAYMENTS</b>			
Labour	-	35,614 31	416,355 35
Mortgage Payment	-	-	2,000 00
Payroll Fees	-	-	1,102 00
Telephone	-	-	537 78
Managing Agent Fee	-	-	14,381 96
Insurance	-	-	6,377 07
Professional Fees	-	-	300 00
Ransom Payments	-	-	1,175 00
Sundry Expenses	-	752 08	12,307 72
Repairs & Maintenance	-	-	1,374 44
Companies House	-	258 00	795 00
Bank Interest	-	-	3,000 00
Empty Rates	-	-	13,750 00
Third Party Monies	-	-	4,791 02
Electricity-EAPH	-	246.86	3,026 19
Rent-EAPH	-	1,666 67	19,122 92
Service Charge EAPH	-	-	4,338 14
Contribution to Property Floats	-	-	2,291 68
Cleaning Costs	-	1,091 17	7,802 67
Payment to Chargeholder	-	-	57,531,851 00
Office Costs	-	2,101 92	29,953 72
Legal Fees and Expenses	-	150,130 23	798,009 20
Pre-Administration Remuneration	-	-	387,000 00
Pre-Administration Legal Fees	-	-	155,587 50
Pre Appointment Travel Expenses	-	(19 41)	3,232 90
Administrators Remuneration	-	616,271 01	2,645,705 42
Administrators Expenses - Travel Expenses	-	-	14,640 80
Administrators Expenses - Accommodation	-	265 87	2,048 84
Administrators Expenses - Mobile Phone	-	243 36	1,107 83
Administrators Expenses - Mileage	-	5,528 53	18,122 81
Administrators Expenses - Postage	-	1,174 77	1,326 74
Administrators General Expenses - Bond, Storage etc	-	2,110 50	2,110 50
Agents/Valuers Fees	-	(2,340 00)	183,177 42
JV Expenditure	-	-	76,111 75
Syndicated VAT	-	-	547 42
Statutory Advertising	-	-	317 20
Bank Charges	-	75 40	121 60
Irrecoverable VAT	-	(38,145 91)	16,427 21
Petty Cash	-	(621 85)	207 60
VAT Receivable	-	41,754 30	150,401 26
		<u>818,157 81</u>	<u>62,532,837 66</u>
Balance			<u>6,438,886 77</u>
<b>REPRESENTED BY</b>			
Bank Account			<u>6,438,886 77</u>
			<u>6,438,886 77</u>
Source: Deloitte Analysis			

**General Notes**

The Receipts and Payments account must be read in conjunction with the attached notes and report.

**NOTES TO THE RECEIPTS AND PAYMENTS ACCOUNT AND ESTIMATED OUTCOME STATEMENT**

1. The Directors' Statement of Affairs listed freehold land and property of £35,931,653 Of this, £34,901,653 related to the properties sold as part of the prepack transaction  
  
Estimated realisations for the non RCF properties and land per the Directors Statement of Affairs, therefore reduces to £1,030,000
- 2 The Directors' Statement of Affairs listed interests in jointly owned properties/JV companies of £53,931,653 Of this, £22,630,198 related to EAIPs interest in a number of subsidiary companies being sold as part of the prepack transaction  
  
Estimated realisations for EAIPs interest in jointly owned properties/JV companies, per the Director Statement of Affairs, therefore reduces to £11,931,053 00. This figure does not allow for the debts secured by way of legal charges etc on certain properties, estimated at £5,040,026 on Directors' Statement of Affairs Realisations are therefore further reduced to £6,891,027 to account for the repayment of these debts (assuming they are valid charges)  
  
With the exception of the assets subject to the pre-pack transaction, there are no other fixed charge assets
- 3 Incorrectly posted to debtors, reallocated accordingly between loan repayments and interest in joint ventures.

**ETHEL AUSTIN INVESTMENT PROPERTIES LIMITED  
(IN ADMINISTRATION)**

**JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD 28 SEPTEMBER 2010 TO 15 FEBRUARY 2012**

Ethel Austin Investment Properties Limited  
(In Administration)

Time costs for the period 28 September 2010 to 15 February 2012

	Partners & Directors		Messengers		Assistants & Support		TOTAL		Average Hourly Rate
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
<b>Administration and Planning</b>									
Cashiering and Statutory Filing	120	954.00	87.30	38,108.50	42.80	10,690.50	131.30	49,853.00	380.63
Case Supervision, Management and Closure	243.50	159,637.50	88.00	38,283.50	365.05	69,018.75	696.55	266,945.75	384.34
Initial Actions (e.g. Notification of Appointment, Securing Assets)	34.50	19,307.50	44.50	18,257.50	15.20	2,738.00	94.20	38,303.00	406.61
General Reporting	638.00	624,625.00	127.30	50,111.50	25.50	4,450.00	1,088.80	579,388.50	532.13
Liaison with Other Insolvency Practitioners	-	-	18.00	8,890.00	-	-	18.00	8,890.00	418.13
	<b>1,215.20</b>	<b>794,724.00</b>	<b>261.10</b>	<b>149,459.00</b>	<b>448.55</b>	<b>67,106.25</b>	<b>2,024.85</b>	<b>941,288.25</b>	<b>464.87</b>
<b>Investigations</b>									
Investigations	4.00	2,330.00	-	-	-	-	4.00	2,330.00	582.50
Reports on Directors' Conduct	4.00	2,330.00	477.95	24,857.50	8.90	1,289.00	489.95	29,476.50	57.84
	<b>8.00</b>	<b>4,660.00</b>	<b>477.95</b>	<b>24,857.50</b>	<b>8.90</b>	<b>1,289.00</b>	<b>492.85</b>	<b>30,506.50</b>	<b>62.10</b>
<b>Trading</b>									
Day 1 Control of Trading	-	-	41.50	14,172.50	-	-	41.50	14,172.50	341.51
Ongoing Trading	-	-	89.00	33,042.50	318.40	60,340.00	418.40	93,562.50	222.19
Monitoring Trading	28.00	14,480.00	2,869.50	1,308,265.00	387.00	72,220.00	3,285.50	1,392,965.00	424.24
Closure of Trade	-	-	-	-	25.70	4,901.00	25.70	4,901.00	190.70
	<b>28.00</b>	<b>14,480.00</b>	<b>2,910.00</b>	<b>1,333,480.00</b>	<b>733.00</b>	<b>137,461.00</b>	<b>3,769.00</b>	<b>1,505,421.00</b>	<b>399.42</b>
<b>Realisation of Assets</b>									
Book Debts	2.00	1,790.00	21.00	7,500.00	11.10	2,049.00	34.10	11,339.00	332.62
Other Assets (e.g. Stock)	175.50	150,480.00	61.50	23,917.50	30.80	5,798.00	267.80	180,195.50	672.87
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	74.50	42,092.50	2.20	411.00	76.70	42,503.50	554.15
Property - Freehold and Leasehold	1,001.00	747,870.00	1,357.50	674,470.00	128.30	28,385.50	2,486.80	1,450,625.50	583.29
Retention of Title	-	-	-	-	-	-	-	-	-
Sale of Business / Assets	-	-	-	-	-	-	-	-	-
Third Party Assets	-	-	-	-	-	-	-	-	-
	<b>1,178.50</b>	<b>899,940.00</b>	<b>1,514.50</b>	<b>747,980.00</b>	<b>172.40</b>	<b>36,643.50</b>	<b>2,865.40</b>	<b>1,684,603.50</b>	<b>587.50</b>
<b>Creditors</b>									
Employees	-	-	88.30	24,820.00	8.00	1,047.00	94.30	25,867.00	274.31
Preferential	-	-	-	-	-	-	-	-	-
Secured	-	-	-	-	-	-	-	-	-
Shareholders	-	-	-	-	-	-	-	-	-
Unsecured	52.00	31,430.00	110.50	48,025.00	37.00	8,838.00	199.50	88,293.00	432.55
	<b>52.00</b>	<b>31,430.00</b>	<b>198.80</b>	<b>72,845.00</b>	<b>45.00</b>	<b>9,885.00</b>	<b>295.80</b>	<b>112,160.00</b>	<b>381.78</b>
<b>Other Matters Include</b>									
Litigation	-	-	-	-	-	-	-	-	-
Pensions	0.40	330.00	-	-	0.50	92.00	0.90	422.00	468.88
Tax and VAT	29.70	24,714.00	385.25	215,847.50	238.65	48,143.00	653.60	288,704.50	441.78
	<b>30.10</b>	<b>25,044.00</b>	<b>385.75</b>	<b>215,847.50</b>	<b>239.05</b>	<b>48,235.00</b>	<b>654.40</b>	<b>289,128.50</b>	<b>441.62</b>
<b>TOTAL HOURS &amp; COST</b>	<b>2,809.80</b>	<b>1,680,278.00</b>	<b>6,847.60</b>	<b>2,664,268.00</b>	<b>1,642.90</b>	<b>318,619.75</b>	<b>10,100.30</b>	<b>4,663,185.75</b>	<b>451.79</b>

TOTAL FEES DRAWN TO DATE

2,845,705.42

All partners and technical staff (including cashiers) assigned to the case record their time spent working on the case on a computerised time-recording system.

A summary of the time costs incurred is provided above, in accordance with Statement of Insolvency Practice number 9 (E&W)

Time spent by secretarial staff working on the assignment has not been recorded or recovered.

The appropriate staff were 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 being agreed.

This summary should be read in conjunction with the attached report and explanatory notes.

**Notice of Intended Dividend**  
**In the Matter of The Insolvency Rules 1986**  
**AND**

**Ethel Austin Investment Properties Limited**

**COMPANY NUMBER**

**01132068**

**REGISTERED OFFICE ADDRESS**

**C/o Deloitte LLP, PO Box 500, 2 Hardman Street, Manchester, M60 2AT**

**PRINCIPAL TRADING ADDRESS**

**4<sup>th</sup> Floor, North House, 17 North John Street, Liverpool, L2 5EA**

**(IN ADMINISTRATION)**

NOTICE IS HEREBY GIVEN pursuant to Rule 2.95 of the Insolvency Rules 1986 that the Joint Administrators in this matter intend declaring an interim dividend to non preferential creditors who are required on or before 31 March 2012 being the last date for proving, to submit their proofs of debt to the undersigned William Kenneth Dawson at PO Box 500, 2 Hardman Street, Manchester, M60 2AT, and if so requested to provide such further details or produce such documentation or other evidence as may appear to the Joint Administrators to be necessary. A creditor who has not proved his debt before the last date for proving is not entitled to disturb, by reason that he had not participated in it, any dividend subsequently declared.

Should you wish to submit a claim the enclosed Proof of Debt form and documentation in support of your claim must be sent to the Joint Administrators.

The dividend will be declared within the period of two months from the last date for proving.

Please contact Gemma McCarthy on 0161 455 6278 or [gmcCarthy@deloitte.co.uk](mailto:gmcCarthy@deloitte.co.uk) for further information.



**William Kenneth Dawson**  
**Joint Administrator**  
**IP No 008266**

**Date: 1 March 2012**

**Notice of Intended Dividend**  
**In the Matter of The Insolvency Rules 1986**  
**AND**

**Ethel Austin Investment Properties Limited**

**COMPANY NUMBER**

**01132068**

**REGISTERED OFFICE ADDRESS**

**C/o Deloitte LLP, PO Box 500, 2 Hardman Street, Manchester, M60 2AT**

**PRINCIPAL TRADING ADDRESS**

**4<sup>th</sup> Floor, North House, 17 North John Street, Liverpool, L2 5EA**


**(IN ADMINISTRATION)**

NOTICE IS HEREBY GIVEN pursuant to Rule 2.95 of the Insolvency Rules 1986 that the Joint Administrators in this matter intend declaring a first and final dividend to preferential creditors who are required on or before 31 March 2012 being the last date for proving, to submit their proofs of debt to the undersigned William Kenneth Dawson at PO Box 500, 2 Hardman Street, Manchester, M60 2AT, and if so requested to provide such further details or produce such documentation or other evidence as may appear to the Joint Administrators to be necessary. A creditor who has not proved his debt before the last date for proving is not entitled to disturb, by reason that he had not participated in it, any dividend subsequently declared.

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Please contact Gemma McCarthy on 0161 455 6278 or [gmccarthy@deloitte.co.uk](mailto:gmccarthy@deloitte.co.uk) for further information.



**William Kenneth Dawson**  
Joint Administrator  
IP No: 008266

Date: 1 March 2012



**Rule 2.72**

**Form 4.25**

**PROOF OF DEBT - GENERAL FORM**  
**In the matter of**  
**Ethel Austin Investment Properties Limited**  
**In Administration**  
**and in the matter of The Insolvency Act 1986**

Date of Administration Order 28 September 2010

1.	Name of Creditor	
2	Address of Creditor	
3.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show -  (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category  Amount(s) claimed as preferential £
9.	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	

**Rule 2.72**

**PROOF OF DEBT - GENERAL FORM (CONTD...)**

**Form 4.25**

Admitted to Vote for

£

Date

Administrator

---

Admitted preferentially for

£

Date

Administrator

---

Admitted non-preferentially for

£

Date

Administrator