

The Insolvency Act 1986

Statement of administrator's proposals

SPA Solutions Limited	1780767
In the High Court of Justice, Chancery Division [full name of court]	Court case number 3777/08

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

I, B C Nimmo, KPMG, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG, attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 1 July 2008

* Delete as applicable

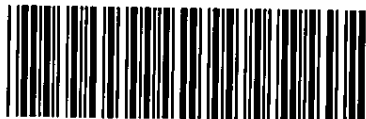
Signed 
Joint / Administrator(s)

Dated 1/7/08

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 members of the public record.

Tel	
DX Number	DX Exchange



A29 *ADXN817N* 114
07/07/2008
COMPANIES HOUSE

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

MONDAY



**Corsie Group Plc
Company 91 Limited
Greengauge Sports Limited
Greengauge Surfaces Limited
Kaloss International Limited
Company 89 Limited
Company 90 Limited
SPA Solutions Limited
(in administration)**

**Joint Administrators' report to
creditors pursuant to Paragraph 49 of
Schedule B1 to
the Insolvency Act 1986**

30 June 2008

**KPMG LLP
June 2008
*This report contains 22 pages***

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Corsie Group Plc and subsidiary companies (in administration)
Joint administrators' report to creditors pursuant to Paragraph 49 of Schedule B1 to
the Insolvency Act 1986
KPMG LLP
30 June 2008

Appendices

- 1 Statutory and other information**
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1 Introduction

We, Blair Carnegie Nimmo and Gary Steven Fraser of KPMG were appointed Joint Administrators of the Companies noted below, collectively referred to as "the Companies" or "the Group" on 9 May 2008

We were appointed by the directors of the Companies

The table below details the Companies

Figure 1: Companies' details

Company
Corsie Group plc ("Corsie") appointed on 9 May 2008 at Court of Session, Edinburgh
Greengauge Sports Limited ("Sports") appointed on 9 May 2008 at Court of Session, Edinburgh
Greengauge Surfaces Limited ("Surfaces") appointed on 9 May 2008 at Court of Session, Edinburgh
Kaloss International Limited ("Kaloss") appointed on 9 May 2008 at Court of Session, Edinburgh
SPA Solutions Limited ("SPA") appointed on 9 May 2008 at the High Court of Justice, London
Company 89 Limited ("Company 89") appointed on 9 May 2008 at Court of Session, Edinburgh
Company 90 Limited ("Company 90") appointed on 9 May 2008 at the High Court of Justice, London
Company 91 Limited ("Company 91") appointed on 9 May 2008 at Court of Session, Edinburgh

In accordance with paragraph 100 (2) of schedule B1 of the Insolvency Act 1986 the functions of the Joint Administrators may be exercised by either of or both the Joint Administrators

In accordance with paragraph 49 of schedule B1 of the Insolvency Act 1986 we set out below our report to the creditors of the Companies together with our proposals for achieving the purpose of the Administrations and for the conduct of the Administrations

The report also includes certain information which is required to be provided to creditors in accordance with Rule 2.25 (1) of the Insolvency (Scotland) Rules 1986

A copy of this report will be laid before a meeting of the Group's creditors to be held at Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG on 15 July 2008 at 10.30 am

2 Statutory and other information

A summary of the statutory and other relevant information relating to the Companies is set out in Appendix 1

3 Background and events leading up to the appointments

3.1 Background

The business was founded by Richard Corsie, the former world bowls champion, in 1997 following the buy out of Douglas Kenn Limited and Worth Sports Limited. It operated initially from premises in Musselburgh, near Edinburgh supplying bowling equipment and clothing to the UK market. Although the Group grew in size, trading losses were sustained in each year from 2001. In March 2006, Corsie Group plc was successfully floated on the Alternative Investment Market.

On the appointment of the Joint Administrators the business consisted of three trading companies serving over 2,400 customers, as set out below:

- Greengauge Surfaces Limited which distributed and installed artificial grass for domestic and commercial use worldwide
- Greengauge Sports Limited which supplied shoes, clothing, and bowls equipment and accessories mainly to bowling clubs and sport retailers throughout the UK, Europe, Hong Kong, Malaysia, Australia and New Zealand
- Kaloss International Limited (also incorporating SPA) specialised in dietary supplements, tanning lotions, and hair and nail products. Sales were made online or over the 'phone' and the main customer base was tanning salons. The division also owned the Trimmers slimming brand.

At the date of our appointment the Companies were operating from their leased headquarters in Haddington and were employing a staff of 28.

3.2 Reasons for insolvency

The directors have provided the following reasons for insolvency:

- Following the floatation in 2006 the Group relocated to premises at Gateside Commerce Park. During that year, despite raising over £1 million (net of expenses) from the issue of shares, the Group suffered a net outflow of funds. This was partly as a result of trading losses and partly as a result of the purchase of the Kaloss business.
- After the purchase of the Kaloss business, around £200,000 of stock was required to be written down for health and safety and obsolescence reasons.
- By mid 2007 trading conditions had not improved and we understand that the directors were actively seeking to bring new investment into the business. Although

new funding was secured in late 2007, the continued pressure on the Group's cash flow and profitability resulted in the Companies being placed into administration in May 2008

4 Objectives of the Administrations

Paragraph 3(1) of Schedule B1 of the Insolvency Act 1986 sets out the three objectives of the Administration process. These are

- a rescuing the Companies as a going concern, or
- b achieving a better result for the Companies' creditors as a whole than if the Companies were wound up (without first being in Administration), or
- c realising property in order to make a distribution to one or more secured or preferential creditors

Given the level of trading losses that had been sustained in the period prior to the appointment of the Joint Administrators and the level of costs that would be required to be incurred to enable trading to continue, it was considered that only a short period of trading would be undertaken while at the same time quickly exploring whether any parties would be interested in acquiring all or some of the business and assets of the Group. Consequently the primary objective of the Administrations was objective (b).

5 Events following the appointments including realisation of the assets

5.1 Initial review/Strategy

After an initial review of the financial position of the business it became evident that although stock levels were relatively high, the financial requirements of the business were such that it would not be possible to continue to trade except in the short term. The reasons for this were as follows

- Although seasonal demand in Greengauge Sports Limited ("Sports") was high, without significant purchases the stock holding would become unbalanced and, as a result, orders would become difficult to complete
- The lack of a warranty would make sales from Greengauge Surfaces Limited ("Surfaces") difficult to achieve
- The product range in Kaloss International Limited ("Kaloss") was incomplete and this would result in lost sales

We received some positive interest in the business as a whole. Although small trading losses were likely to be incurred in continuing to trade these would hopefully be offset by the premium achieved over break up values for the assets in the event of achieving a going concern sale. We, therefore, adopted a strategy designed to reduce the cost base of the Group while maintaining a going concern business.

We advised the Group's Nominated Advisor of the appointment and the terms of an announcement to the Stock Exchange was agreed.

5.2 Ongoing trading

On our appointment we undertook the following initial steps:

- We prepared trading projections and cash flow forecasts for a six week period. These were based on historical trading figures and the current order books of the businesses.
- We reviewed the Group's existing staffing levels and structure and implemented eight redundancies to reduce payroll costs to tailor the workforce to anticipated levels of business.
- We spoke to the Group's customers and advised them of the appointment and our intention to continue to trade. Terms and conditions for ongoing trading were agreed where appropriate.
- Accounts were set up with critical suppliers to the business including couriers and haulage contractors.
- A reporting system was introduced to monitor sales against forecasts on a daily basis.
- Initially sales in Sports and Kaloss met or exceeded targets, however, as stocks became unbalanced sales gradually began to drop. Although a number of small contracts were undertaken in Surfaces, the lack of certainty for the customer and the risks to the Joint Administrators associated with larger, longer term contracts mitigated against successful trading.

5.3 Sale of the business

The Administration of the Group was widely publicised and in the first few days we were contacted by many parties who expressed an interest in some or all of the business. We also identified, from our own resources and with the assistance of the Group's Directors and Management, a number of other potentially interested parties who we then contacted.

Due to the level of interest, a Sales Memorandum was prepared and this was sent to all parties who had expressed an interest. As the value of the business was likely to deteriorate rapidly, we advised all interested parties to submit offers and a closing date was set for 19 May 2008.

Seven offers were received for all or parts of the business and after an assessment had been undertaken, a preferred bidder was identified who was given a short period to

conclude a sale. Unfortunately the preferred bidder was unable to secure funding and withdrew from the process. However from the offers we had received we identified a second potential purchaser and after a period of negotiation, a sale was concluded on 12 June 2008 to a consortium led by a supplier to the business, Hensalite (Australia) PTY Limited.

Under the terms of the Sale and Purchase Agreement all assets, including plant and machinery, goodwill, intellectual property, stock and debtors owned by the Companies at 12 June 2008 were sold. The only asset to be retained by the Joint Administrators was a receivable of c £46,000 relating to goods in transit to Australia and New Zealand. In addition, all remaining employees and the liabilities attaching were transferred to the Newco, Crystals Limited.

The consideration for the sale was, in part, deferred with the balance due on 12 July 2004. The total considerations when received will require to be allocated between the various Group companies to reflect the debtor and stock positions at the date of sale.

6 Amounts payable to secured creditors, preferential creditors and the floating charge holder

6.1 Secured lenders

Bank of Scotland holds bonds and floating charges/debentures over all the business and assets of the Companies. Bank of Scotland's claim against the Companies as at the date of our appointment amounts to £2,248,594. It should be noted that interest continues to accrue on this balance.

6.2 Preferential creditors

The Companies' preferential creditors have been estimated as follows:

Figure 1: Preferential creditors

	Corsie	Sports	Surfaces	Kaloss	SPA	89	90	91	£000
Employees – arrears of salary/ wages	1	1	2	1	1	-	-	-	6
Employees – accrued holiday pay	1	2	1	1	-	-	-	-	5
	<u>2</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>
<i>Source: Companies' records and KPMG estimates</i>									

7 Summary of and commentary upon the Statements of Affairs

A summary of the directors' Statement of Affairs for each company in the Group is attached at Appendix 3

Overall the Statements of Affairs indicate the following

- There will be sufficient funds to allow the preferential creditors of each company to be paid in full Under the prescribed part a small dividend may become available to the unsecured creditors of Sports and Kaloss There are insufficient assets in Corsie, Company 91, Company 90, Company 89 and SPA to allow for a dividend under the prescribed part As stated below Surfaces' floating charge pre dates 15 September 2003 and therefore the prescribed part does not apply

It should be noted that the Statements of Affairs do not include provisions for the costs of asset realisation or the costs of the Administrations

8 Prescribed part of the Company's net property pursuant to Section 176A of the Insolvency Act 1986

With the exception of Greengauge Surfaces Limited, the Bank's floating charges were granted after 15 September 2003 Therefore s 176A is applicable and there will be a prescribed part of the Companies' net property available for unsecured creditors

Surfaces floating charge pre dates 15 September 2003 and therefore the prescribed part does not apply in respect of this company

The Companies' net property which would, but for s 176A, be available for floating charge creditors is estimated to be £758,000

After excluding Surfaces the prescribed part, available for distribution to unsecured creditors, is estimated by the directors to be £78,000

9 Dividend prospects for creditors

It is anticipated that the preferential creditors will be paid in full With the exception of the prescribed part, a dividend will not become payable to the unsecured creditors

10 Creditors' meeting

In accordance with paragraph 51 of schedule B1 of the Insolvency Act 1986, a meeting of each of the Companies' creditors will be held on 15 July 2008 at Saltire Court, 20 Castle Terrace, EH1 2EG. A notice for each of the meetings of creditors is enclosed with this report.

The purpose of this meeting is to vote on the Administrators' proposals as outlined below.

11 Joint Administrators' proposals

The Joint Administrators propose the following:

- to continue to do all such things reasonably expedient and generally exercise all their powers as Joint Administrators as they, in their discretion, consider desirable in order to maximise realisations from the assets of the Group,
- to seek an extension of the Administration period if deemed necessary by the Joint Administrators,
- to continue to pursue and ingather the remaining debts still due to the Group,
- to continue to realise any remaining assets of the Group,
- that in the event that no Creditors' Committee is formed, the Joint Administrators' remuneration will be based upon time costs properly incurred at KPMG LLP time rates determined in accordance with Rule 2.106 of the Insolvency Rules or 2.39 of the Insolvency (Scotland) Rules 1986. They be authorised to draw fees on account from the assets of the Company together with disbursements. A copy of "A creditor's guide to administrators' fees (in Scotland and in England)" is attached at Appendix 4,
- that the costs of KPMG LLP in respect of tax, VAT and pension advice provided to the Joint Administrators be based upon time costs at KPMG LLP rates and shall be paid out of the assets of the Companies,
- as it is anticipated that the only practicable objective of the Administrations is to realise assets and to make a distribution to the preferential and secured creditors that the Joint Administrators be permitted to pay any realisations to preferential and secured creditors and then take the appropriate steps to dissolve the Companies,
- that the Joint Administrators be discharged at the end of the Administration from liability in respect of any action of theirs as Joint Administrators pursuant to paragraph 98 (1) of schedule B1 of the Insolvency Act 1986 immediately following the registration of the notice given pursuant to paragraph 84 of schedule B1 of the Insolvency Act 1986, or
- alternatively, in the event that there are sufficient funds to make a distribution to unsecured creditors (or for any other reason), the Joint Administrators be permitted to move the Companies from Administration to Creditors' Voluntary Liquidation, and for the appointment of Blair Carnegie Nimmo and Gary Steven Fraser as Joint



Liquidators of the Companies without further recourse to creditors In accordance with Paragraph 83 (7) of Schedule B1 to the Insolvency Act 1986 and Rule 2.47 of the Insolvency (Scotland) Amendment Rules 2003, creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of the Proposals and before the Proposals are approved,

- that the Joint Administrators be discharged at the end of the Administrations from liability in respect of any action of theirs as Joint Administrators pursuant to paragraph 98 (1) of schedule B1 of the Insolvency Act 1986 immediately following the registration of the notice given pursuant to paragraph 83 of schedule B1 of the Insolvency Act 1986

12 Directors' conduct

We are required by Rules 3 and 4 of the Insolvent Companies (Reports on Conduct of Directors) (Scotland) Rules 1996 to submit a report or a return to the Department of Trade and Industry on the conduct of any person who has been a director or shadow director of the Companies at any time in the three years immediately preceding our appointment

We would be grateful to receive any comments that unsecured creditors or any other party may wish to make in order to assist in our investigations into the Companies' affairs and in our preparation of comments for submission to the DTI. Such comments, if required, can be treated in the strictest confidence

BC Nimmo
KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

30 June 2008

Appendix 1

Statutory and other information

EC Regulation

These Administrations are a main proceeding under the EC Regulation on Insolvency Proceedings. Article 3 of the EC Regulation defines main proceedings and the Companies are registered in Scotland and England, have their main centre of interest in Scotland and do not fall within one of the excepted categories. Consequently, the Administrations are governed by the Insolvency Act 1986 and not any other European Union Member State's insolvency law.

Relevant court

Notice of the appointments by the directors were lodged at the Court of Session and the High Court of Justice on 9 May 2008.

Secured lenders

The table below details the fixed and floating charge securities.

Figure 1: Security details

Company	Charge and debenture holder	Fixed/Floating charge	Charge/Debenture dated	Charge/Debenture registered
Corsie Group plc	Bank of Scotland Plc	Floating	28/02/2007	14/03/2007
Company 89 Ltd	Bank of Scotland Plc	Floating	14/03/2000	17/03/2000
Company 90 Ltd	Bank of Scotland Plc	Debenture	11/10/2001	16/10/2001
Greengauge Surfaces Ltd	Bank of Scotland Plc	Floating	15/02/2002	26/02/2002
Greengauge Sports Ltd	Bank of Scotland Plc	Floating	28/02/2007	14/03/2007
Kaloss International Ltd	Bank of Scotland Plc	Floating	28/02/2007	14/03/2007
Company 91 Ltd	Bank of Scotland Plc	Floating	14/03/2000	17/03/2000
SPA Solutions Ltd	Bank of Scotland Plc	Debenture	31/07/2000	09/08/2000

Incorporation

The Companies were incorporated on

Corsie Group plc	28/02/06
Company 91 Limited	17/12/99
Greengauge Sports Limited	18/05/01
Greengauge Surfaces Limited	12/10/01
Kaloss International Limited	16/07/03



Company 89 Limited	16/10/97
Company 90 Limited	15/01/85
SPA Solutions Limited	23/12/83

Registered office and trading address

The Company's registered office is 5 Gateside Commerce Park, Haddington, East Lothian, EH41 3ST

As part of the Administration process, the registered office has been changed to

c/o KPMG
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

The Companies traded from leased premises at

5 Gateside Commerce Park
Haddington
East Lothian
EH41 3ST

Previous registered offices or trading addresses during the three years prior

Unit 9, Newhailes Industrial Estate
Musselburgh
East Lothian
EH21 6SY

Company number

The company numbers are

Corsie Group plc	SC297926
Company 91 Limited	SC202469
Greengauge Sports Limited	SC219315
Greengauge Surfaces Limited	SC224204
Kaloss International Limited	SC252860
Company 89 Limited	SC179721
Company 90 Limited	01877423
SPA Solutions Limited	01780767

Directors

The directors at the date of our appointment were



Corsie Group Plc and subsidiary companies (in administration)
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KPMG LLP
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David McArthur	Appointed 28/02/06
Graham Robertson	Appointed 28/02/06

Other directors during the three years prior to the date of our appointment were

Richard Corsie	Appointed 28/02/06 Resigned 01/05/08
David Mathewson	Appointed 01/03/06 Resigned 29/04/08
Vikram Lall	Appointed 01/10/06 Resigned 24/04/08

Company secretary

The company secretary at the date of our appointment was David McArthur

Share capital

The authorised share capital for Corsie Group plc is 300,000,000 Ordinary Shares of 0 1p each

The issued and called up share capital is 167,416,664 Ordinary Shares of 0 1p each

Auditors

The auditors were

Grant Thornton UK LLP
14 Atholl Crescent
Edinburgh
EH3 8LQ



Financial information

Summaries of the Group's most recent available financial information are set out at Figures 1, 2, and 3, below

Figure 1 : Profit and loss accounts

	Year to 31 Dec 2007 £000 (Unaudited)	Year to 31 Dec 2006 £000 (Audited)	Year to 31 Dec 2005 £000 (Audited)
Turnover	3,999	3,625	3,633
Gross profit	1,439	1,387	1,228
Operating costs	(1,473)	(228)	(1,048)
Net profit / (loss) before exceptional items	(212)	(329)	(198)
<i>Source Companies House/ Companies records</i>			

Figure 2 : Balance sheets

	31 Dec 2007 £000 (Unaudited)	31 Dec 2006 £000 (Audited)	31 Dec 2005 £000 (Audited)
Fixed assets	1,009	690	476
Current assets	1,777	2,359	1,957
	<hr/>	<hr/>	<hr/>
Liabilities	(3,070)	(4,188)	(5,786)
	<hr/>	<hr/>	<hr/>
Shareholders' funds	(284)	(1,139)	(3,353)
	<hr/>	<hr/>	<hr/>
<i>Source Companies House/ Companies records</i>			



Figure 3 : Other financial information

	Year to 31 Dec 2007 £000 (Unaudited)	Year to 31 Dec 2006 £000 (Audited)	Year to 31 Dec 2005 £000 (Audited)
Directors' remuneration	unknown	244	113
Dividends paid	Nil	Nil	Nil



Corsie Group Plc and subsidiary companies (in administration)
Joint administrators' report to creditors pursuant to Paragraph 49 of Schedule B1 to
the Insolvency Act 1986
KPMG LLP
30 June 2008

Appendix 2

Directors' Statements of Affairs

Corsie Group plc (in administration)

Directors' Statement as to the Affairs of the company as at 9 May 2008

	Book Value £	£	Estimated to realise £
Assets			
Assets not specifically secured	74,742		19,202
Assets specifically secured			
Estimated realisable value		218,491	
Less Amount due to secured creditors		339,815	
Estimated Surplus		<u>(121,324)</u>	NIL
Estimated total assets available for preferential creditors, holders of floating charges and unsecured creditors			<u>19,202</u>
Liabilities			
Preferential creditors			<u>(2,088)</u>
Estimated balance of assets available for holders of floating charges and unsecured creditors			<u>17,114</u>
Estimated prescribed part of net property where applicable (to carry forward)			(2,423)
Holders of floating charges			<u>(2,248,594)</u>
Estimated surplus/deficiency as regards holders of floating charges			<u><u>(2,233,903)</u></u>
Estimated prescribed part of net property where applicable (brought down)			2,423
Unsecured creditors			
Trade accounts		(266,633)	
Bills payable		NIL	
Contingent or other liabilities		NIL	
Estimated deficiency after floating charge		<u>(2,233,903)</u>	
Total unsecured creditors			<u>(2,500,536)</u>
Estimated surplus/deficiency as regards creditors			<u>(2,498,113)</u>
Issued and Called-up Capital			<u>(2,183,826)</u>
Estimated surplus/deficiency as regards members			<u><u>(4,681,939)</u></u>

Corsie Group plc (in administration)

Notes to directors' Statement as to the Affairs of the company on 9 May 2008

1 Assets not specifically secured

- Corsie Group plc holds a lease over the trading premises at Unit 5, Gateside Commerce Park, Haddington. Included within the lease terms is an option to purchase the premises at a price of £1.4 million. The directors are of the view that no value is attached to the option or the lease and this is supported by valuations provided to the Joint Administrators.
- The assets held by the company consist of plant, machinery, furniture and fittings. The directors have estimated that these assets will realise £19,202. The valuations instructed by the Joint Administrators indicate that this figure will not be achieved.

2 Assets specifically secured

These assets consist of racking, telephone and computer equipment. After accounting for the sums due to the finance creditors, it is not anticipated that a surplus will be available to the general body of creditors.

- 3 The business and assets of the Company were sold on 12 June 2008. Under the terms of the Sale and Purchase Agreement the balance of the consideration is due on 12 July 2008 and will be required to be allocated to each of the Group companies on the basis of the assets, stock and debtors held by each company at the date of sale. On current estimates it is likely that the directors' valuations in Corsie Group plc will be slightly exceeded.
- 4 Each company in the Group has granted cross-guarantees in favour of Bank of Scotland. The full amount of the Group's indebtedness to Bank of Scotland has therefore been included as a creditor in each company's Statement of Affairs.
- 5 The statement does not take into account the costs of the Administration.

Greengauge Surfaces Limited (in administration)

Directors' Statement as to the Affairs of the company as at 9 May 2008

	Book Value £	£	Estimated to realise £
Assets			
Assets not specifically secured	801,562		313,832
Assets specifically secured			
Estimated realisable value		16,290	
Less Amount due to secured creditors		14,713	
Estimated Surplus		<u>1,577</u>	1,577
Estimated total assets available for preferential creditors, holders of floating charges and unsecured creditors			<u>315,409</u>
Liabilities			
Preferential creditors			<u>(14,310)</u>
Estimated balance of assets available for holders of floating charges and unsecured creditors			301,099
Estimated prescribed part of net property where applicable (to carry forward)			(59,220)
Holders of floating charges			<u>(2,248,594)</u>
Estimated surplus/deficiency as regards holders of floating charges			<u><u>(2,006,715)</u></u>
Estimated prescribed part of net property where applicable (brought down)			59,220
Unsecured creditors			
Trade accounts		(309,413)	
Bills payable		Nil	
Contingent or other liabilities		Nil	
Estimated deficiency after floating charge		<u>(2,006,715)</u>	
Total unsecured creditors			<u>(2,316,128)</u>
Estimated surplus/deficiency as regards creditors			<u>(2,256,908)</u>
Issued and Called-up Capital			(1)
Estimated surplus/deficiency as regards members			<u><u>(2,256,909)</u></u>

Greengauge Surfaces Limited (in administration)

Notes to directors' Statement as to the Affairs of the company on 9 May 2008

1 Assets not specifically secured

- Included under assets not specifically secured is £306,000 of book debts which the directors have written down to £161,000 to reflect likely recoveries now that the Company is unable to provide a warranty
- Stock in trade has been written down from £255,000 to £104,000 to reflect old and faulty goods and the difficulty in realising value from stock held by an overseas supplier
- Plant, machinery, fixtures and fittings held by the company had a book value of £245,000. The directors estimate that these assets will realise approximately £47,000. The valuations instructed by the Joint Administrators indicate that this figure will not be achieved

2 Assets specifically secured

These consist mainly of computer equipment. Although the Directors' estimate that a surplus will be achieved, our valuers have advised us that it is unlikely that after accounting for the sums due to the finance creditors any sums will be available to the general body of creditors.

3 Statement of Affairs

The directors in completing the Statement of Affairs have applied a distribution under the prescribed part. However as the floating charge predates 15 September 2003 the prescribed part does not apply in respect of this company.

- 4 After taking into account the anticipated proceeds from the sale of the business and assets and debtor recoveries it is possible that the directors' estimates of total realisations will be exceeded
- 5 Each company in the Group has granted cross-guarantees in favour of Bank of Scotland. The full amount of the Group's indebtedness to Bank of Scotland has therefore been included as a creditor in each company's Statement of Affairs
- 6 The statement does not take into account the costs of the Administration

Greengauge Sports Limited (in administration)

Directors' Statement as to the Affairs of the company as at 9 May 2008

	Book Value £	£	Estimated to realise £
Assets			
Assets not specifically secured	554,787		365,602
Assets specifically secured			
Estimated realisable value		Nil	
Less Amount due to secured creditors		Nil	
Estimated Surplus		Nil	Nil
Estimated total assets available for preferential creditors, holders of floating charges and unsecured creditors			<u>365,602</u>
Liabilities			
Preferential creditors			<u>(12,173)</u>
Estimated balance of assets available for holders of floating charges and unsecured creditors			353,429
Estimated prescribed part of net property where applicable (to carry forward)			(69,686)
Holders of floating charges			<u>(2,248,594)</u>
Estimated surplus/deficiency as regards holders of floating charges			<u><u>(1,964,851)</u></u>
Estimated prescribed part of net property where applicable (brought down)			69,686
Unsecured creditors			
Trade accounts		(294,951)	
Bills payable		Nil	
Contingent or other liabilities		Nil	
Estimated deficiency after floating charge		<u>(1,964,851)</u>	
Total unsecured creditors			<u>(2,259,802)</u>
Estimated surplus/deficiency as regards creditors			<u>(2,190,116)</u>
Issued and Called-up Capital			(2)
Estimated surplus/deficiency as regards members			<u><u>(2,190,118)</u></u>

Greengauge Sports Limited (in administration)

Notes to directors' Statement as to the Affairs of the company on 9 May 2008

1 Assets not specifically secured

- The directors estimate that after taking into account known bad debts and purchase ledger contra the Sales Ledger will achieve realisations of £180,000
- Stock, which has a book value of £326,000, is estimated by the directors to realise approximately £185,000

2 After taking into account the anticipated proceeds from the sale of the business, total realisations are likely to be broadly in line with the directors' estimates

3 Each company in the Group has granted cross-guarantees in favour of Bank of Scotland. The full amount of the Group's indebtedness to Bank of Scotland has therefore been included as a creditor in each company's Statement of Affairs

4 The statement does not take into account the costs of the Administration

Kaloss international Limited (in administration)

Directors' Statement as to the Affairs of the company as at 9 May 2008

	Book Value £	£	Estimated to realise £
Assets			
Assets not specifically secured	326,743		90,897
Assets specifically secured			
Estimated realisable value		16,290	
Less Amount due to secured creditors		14,713	
Estimated Surplus		<u>1,577</u>	1,577
Estimated total assets available for preferential creditors, holders of floating charges and unsecured creditors			<u>92,474</u>
Liabilities			
Preferential creditors			<u>(5,577)</u>
Estimated balance of assets available for holders of floating charges and unsecured creditors			86,897
Estimated prescribed part of net property where applicable (to carry forward)			(16,379)
Holders of floating charges			<u>(2,248,594)</u>
Estimated surplus/deficiency as regards holders of floating charges			<u><u>(2,178,076)</u></u>
Estimated prescribed part of net property where applicable (brought down)			16,379
Unsecured creditors			
Trade accounts		(86,790)	
Bills payable		Nil	
Contingent or other liabilities		Nil	
Estimated deficiency after floating charge		<u>(2,178,076)</u>	
Total unsecured creditors			<u>(2,264,866)</u>
Estimated surplus/deficiency as regards creditors			<u>(2,248,487)</u>
Issued and Called-up Capital			(2)
Estimated surplus/deficiency as regards members			<u><u>(2,248,489)</u></u>

Kaloss International Limited (in administration)

Notes to directors' Statement as to the Affairs of the company on 9 May 2008

1 Assets not specifically secured

- Trade debtors had a book value of £111,000 which the directors have written down to £37,000 (after taking into account known bad debts and contras) to reflect the difficulty in recovering the ledger which consists of a large amount of small balances
- The book value of stock had been written down by approximately £200,000 prior to the appointment of the Joint Administrators. The directors are of the view that the remaining stocks require to be written down further and only approximately £17,000 of realisations will be achieved
- Plant, machinery, fixtures and fittings held by the company had a book value of £46,000. The directors estimate that these assets will realise approximately £37,000. The valuations instructed by the Joint Administrators indicate that this figure will not be achieved

2 Assets specifically secured

These consist mainly of computer equipment. Although the Directors' estimate that there may be a surplus after taking into account sums due to finance creditors, our valuation agents have advised us that it is unlikely that any funds will become available to the general body of creditors

- 3 After taking into account anticipated proceeds from the sale of the business and assets, total realisations are likely to be broadly in line with the directors' estimates
- 4 Each company in the Group has granted cross-guarantees in favour of Bank of Scotland. The full amount of the Group's indebtedness to Bank of Scotland has therefore been included as a creditor in each company's Statement of Affairs
- 5 The statement does not take into account the costs of the Administration

Company 89 Limited (in administration)

Directors' Statement as to the Affairs of the company as at 9 May 2008

	Book Value £	£	Estimated to realise £
Assets			
Assets not specifically secured	Nil		Nil
Assets specifically secured			
Estimated realisable value		Nil	
Less Amount due to secured creditors		Nil	
Estimated Surplus		Nil	Nil
Estimated total assets available for preferential creditors, holders of floating charges and unsecured creditors			Nil
Liabilities			
Preferential creditors			Nil
Estimated balance of assets available for holders of floating charges and unsecured creditors			Nil
Estimated prescribed part of net property where applicable (to carry forward)			Nil
Holders of floating charges			(2,248,594)
Estimated surplus/deficiency as regards holders of floating charges			<u>(2,248,594)</u>
Estimated prescribed part of net property where applicable (brought down)			Nil
Unsecured creditors			
Trade accounts		Nil	
Bills payable		Nil	
Contingent or other liabilities		Nil	
Estimated deficiency after floating charge		(2,248,594)	
Total unsecured creditors			<u>(2,248,594)</u>
Estimated surplus/deficiency as regards creditors			<u>(2,248,594)</u>
Issued and Called-up Capital			(2)
Estimated surplus/deficiency as regards members			<u><u>(2,248,596)</u></u>

Company 89 Limited (in administration)

Notes to directors' Statement as to the Affairs of the company on 9 May 2008

- 1 Each company in the Group has granted cross-guarantees in favour of Bank of Scotland. The full amount of the Group's indebtedness to Bank of Scotland has therefore been included as a creditor in each company's Statement of Affairs.
- 2 The statement does not take into account the costs of the Administration.

SPA Solutions Limited (in administration)

Directors' Statement as to the Affairs of the company as at 9 May 2008

	Book Value £	£	Estimated to realise £
Assets			
Assets not specifically secured	Nil		Nil
Assets specifically secured			
Estimated realisable value		Nil	
Less Amount due to secured creditors		Nil	
Estimated Surplus		Nil	Nil
			<hr/>
Estimated total assets available for preferential creditors, holders of floating charges and unsecured creditors			Nil
Liabilities			
Preferential creditors			(364)
			<hr/>
Estimated balance of assets available for holders of floating charges and unsecured creditors			Nil
Estimated prescribed part of net property where applicable (to carry forward)			Nil
Holders of floating charges			(2,248,594)
Estimated surplus/deficiency as regards holders of floating charges			<hr/> <u>(2,248,594)</u>
Estimated prescribed part of net property where applicable (brought down)			Nil
Unsecured creditors			
Trade accounts		Nil	
Bills payable		Nil	
Contingent or other liabilities		Nil	
Estimated deficiency after floating charge		(2,248,594)	
Total unsecured creditors			(2,248,594)
			<hr/>
Estimated surplus/deficiency as regards creditors			(2,248,958)
Issued and Called-up Capital			(100)
			<hr/>
Estimated surplus/deficiency as regards members			<u>(2,249,058)</u>

SPA Solutions Limited (in administration)

Notes to directors' Statement as to the Affairs of the company on 9 May 2008

- 1 Each company in the Group has granted cross-guarantees in favour of Bank of Scotland. The full amount of the Group's indebtedness to Bank of Scotland has therefore been included as a creditor in each company's Statement of Affairs.
- 2 The statement does not take into account the costs of the Administration.

Company 90 Limited (in administration)

Directors' Statement as to the Affairs of the company as at 9 May 2008

	Book Value £	£	Estimated to realise £
Assets			
Assets not specifically secured	Nil		Nil
Assets specifically secured			
Estimated realisable value		Nil	
Less Amount due to secured creditors		Nil	
Estimated Surplus		Nil	Nil
Estimated total assets available for preferential creditors, holders of floating charges and unsecured creditors			Nil
Liabilities			
Preferential creditors			Nil
Estimated balance of assets available for holders of floating charges and unsecured creditors			Nil
Estimated prescribed part of net property where applicable (to carry forward)			Nil
Holders of floating charges			(2,248,594)
Estimated surplus/deficiency as regards holders of floating charges			<u>(2,248,594)</u>
Estimated prescribed part of net property where applicable (brought down)			Nil
Unsecured creditors			
Trade accounts		(153)	
Bills payable		Nil	
Contingent or other liabilities		Nil	
Estimated deficiency after floating charge		<u>(2,248,594)</u>	
Total unsecured creditors			(2,248,747)
Estimated surplus/deficiency as regards creditors			<u>(2,248,747)</u>
Issued and Called-up Capital			(300)
Estimated surplus/deficiency as regards members			<u><u>(2,249,047)</u></u>

Company 90 Limited (in administration)

Notes to directors' Statement as to the Affairs of the company on 9 May 2008

- 1 Each company in the Group has granted cross-guarantees in favour of Bank of Scotland. The full amount of the Group's indebtedness to Bank of Scotland has therefore been included as a creditor in each company's Statement of Affairs.
- 2 The statement does not take into account the costs of the Administration.

Company 91 Limited (in administration)

Directors' Statement as to the Affairs of the company as at 9 May 2008

	Book Value £	£	Estimated to realise £
Assets			
Assets not specifically secured	Nil		Nil
Assets specifically secured			
Estimated realisable value		Nil	
Less Amount due to secured creditors		Nil	
Estimated Surplus		Nil	Nil
Estimated total assets available for preferential creditors, holders of floating charges and unsecured creditors			Nil
Liabilities			
Preferential creditors			Nil
Estimated balance of assets available for holders of floating charges and unsecured creditors			Nil
Estimated prescribed part of net property where applicable (to carry forward)			Nil
Holders of floating charges			(2,248,594)
Estimated surplus/deficiency as regards holders of floating charges			<u>(2,248,594)</u>
Estimated prescribed part of net property where applicable (brought down)			Nil
Unsecured creditors			
Trade accounts		(2,613)	
Bills payable		Nil	
Contingent or other liabilities		Nil	
Estimated deficiency after floating charge		<u>(2,248,594)</u>	
Total unsecured creditors			(2,251,207)
Estimated surplus/deficiency as regards creditors			<u>(2,251,207)</u>
Issued and Called-up Capital			(550,768)
Estimated surplus/deficiency as regards members			<u><u>(2,801,975)</u></u>

Company 91 Limited (in administration)

Notes to directors' Statement as to the Affairs of the company on 9 May 2008

- 1 Each company in the Group has granted cross-guarantees in favour of Bank of Scotland. The full amount of the Group's indebtedness to Bank of Scotland has therefore been included as a creditor in each company's Statement of Affairs.
- 2 The statement does not take into account the costs of the Administration.



Corrie Group Plc and subsidiary companies (in administration)
Joint administrators' report to creditors pursuant to Paragraph 49 of Schedule B1 to
the Insolvency Act 1986
KPMG LLP
30 June 2008

Appendix 3

Administrators' time costs and disbursements

Conse Group plc (in Administration)

Reporting period 09 May 2008 to 30 June 2008

SIP 9 Compliant fees worksheet

Consolidated time spent by grade

Activity	Partner/Director	Management	Administrators	Support	Total Hours	Total Cost £	Average Rate £
Administration & planning							
Pre appointment checks	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Appointment and related formalities	13.70	3.50	27.10	0.00	44.30	13,657.00	308.28
Bonding and Bordereau	0.00	0.00	1.00	0.00	1.00	205.00	205.00
Strategy documents	0.00	1.00	0.00	0.00	1.00	365.00	365.00
Reports to debenture holders	0.00	15.00	5.00	0.00	20.00	5,950.00	297.50
Checklists & Reviews	0.00	0.00	6.10	0.00	6.10	1,217.50	199.59
General books & records	0.00	0.00	6.50	6.80	13.30	1,263.50	95.00
	13.70	19.50	45.70	6.80	85.70	22,658.00	264.39
Investigation							
Statement of Affairs	0.00	0.20	0.00	0.00	0.20	73.00	365.00
	0.00	0.20	0.00	0.00	0.20	73.00	365.00
Realisation of assets							
Stock and WIP	0.00	0.00	2.00	0.00	2.00	622.00	311.00
Debtors	0.00	0.00	1.00	0.00	1.00	311.00	311.00
Sale of business	0.00	2.00	7.00	0.00	9.00	2,925.00	325.00
Open cover insurance	0.00	0.00	1.00	0.00	1.00	205.00	205.00
	0.00	2.00	11.00	0.00	13.00	4,063.00	312.54
Trading							
Initial reviews CT and VAT	0.00	0.60	1.40	0.00	2.00	429.00	214.50
Post appointment VAT	0.00	0.30	0.00	0.00	0.30	109.50	365.00
Post appointment Corporation Tax	0.00	1.50	2.30	0.00	3.80	892.50	234.87
Cash & profit projections & strategy	0.00	0.00	12.00	0.00	12.00	1,140.00	95.00
Sales	0.00	0.00	1.30	0.00	1.30	195.00	150.00
Purchases and trading costs	0.00	0.00	13.50	0.00	13.50	1,337.50	99.07
Employee correspondence	0.00	0.00	49.90	0.00	49.90	10,229.50	205.00
DIT redundancy payments advice	0.00	0.00	2.70	0.00	2.70	278.50	103.15
Agreeing employee claims	0.00	0.00	2.50	0.00	2.50	237.50	95.00
Pension funds	0.00	0.00	10.90	0.00	10.90	1,806.00	165.69
Cashiering general	0.00	0.00	21.20	29.10	50.30	4,800.50	95.44
Cashiering reconciliations	0.00	0.00	2.00	0.00	2.00	190.00	95.00
Cashiering fund management	0.00	0.00	5.00	0.00	5.00	475.00	95.00
	0.00	2.40	124.70	29.10	156.20	22,120.50	141.62
Creditors							
Creditor correspondence	0.00	3.00	33.50	30.50	67.00	7,175.00	107.09
Statutory reports	0.00	6.00	0.00	0.00	6.00	2,190.00	365.00
Pre appointment VAT/PAYE/CT	0.00	0.20	0.00	0.00	0.20	73.00	365.00
Notification of appointment	0.00	0	5.00	0.00	5.00	475.00	21.90
ROT claim	0.00	0.00	11.50	0.00	11.50	1,092.50	95.00
	0.00	9.20	50.00	30.50	89.70	11,005.50	122.69
Total hours/cost	13.70	33.30	231.40	66.40	344.80	59,920.00	173.78

Fees drawn		Hours/Costs to date	
B/f	0.00	0.00	0.00
In the period	0.00	344.80	59,920.00
C/f	0.00	344.80	59,920.00

Company 89 Limited (in Administration)

Reporting period: 09 May 2008 to 30 June 2008

SIP 9 Compliant fees worksheet

Consolidated time spent by grade

Activity	Partner/Director	Management	Administrators	Support	Total Hours	Total Cost £	Average Rate £
Administration & planning Books and Records Checklists & Reviews	0 00	0 00	0 00	0 60	0 60	42 00	70 00
	0 00	0 00	1 00	0 00	1 00	160 00	160 00
	0 00	0 00	1 00	0 60	1 60	202 00	126 25
Trading Cashing - General	0 00	0 00	0 00	0 50	0 50	35 00	70 00
	0 00	0 00	0 00	0 50	0 50	35 00	70 00
Total hours/cost	0 00	0 00	1 00	1 10	2 10	237 00	112 86

Fees drawn		Hours/Costs to date	
B/f	0 00	0 00	0 00
In the period	0 00	2 10	237 00
C/f	0 00	2 10	237 00
			112 86

Company 90 Limited (in Administration)

Reporting period 09 May 2008 to 30 June 2008

SIP 9 Compliant fees worksheet

Consolidated time spent by grade

Activity	Partner/Director	Management	Administrators	Support	Total Hours	Total Cost £	Average Rate £
Administration & planning Books and Records Checklists & Reviews	0.00	0.00	0.00	0.90	0.90	63.00	70.00
	0.00	0.00	1.00	0.00	1.00	160.00	160.00
	0.00	0.00	1.00	0.90	1.90	223.00	117.37
Trading Cashiering - General	0.00	0.00	0.00	0.50	0.50	35.00	70.00
	0.00	0.00	0.00	0.50	0.50	35.00	70.00
	0.00	0.00	1.00	1.40	2.40	258.00	107.50
Total hours/cost							

Fees drawn		Hours/Costs to date	
B/f	0.00	0.00	0.00
In the period	0.00	2.40	258.00
C/f	0.00	2.40	258.00

107.50

Company 91 Limited (in Administration)

Reporting period: 09 May 2008 to 30 June 2008

SIP 9 Compliant fees worksheet

Consolidated time spent by grade

Activity	Partner/Director	Management	Administrators	Support	Total Hours	Total Cost £	Average Rate £
Administration & planning Books and Records Checklists & Reviews	0 00	0 00	0 00	0 60	0 60	42 00	70 00
	0 00	0 00	1 00	0 00	1 00	160 00	160 00
	0 00	0 00	1 00	0 60	1 60	202 00	126 25
Trading Cashing - General	0 00	0 00	0 00	0 50	0 50	35 00	70 00
	0 00	0 00	0 00	0 50	0 50	35 00	70 00
Total hours/cost	0 00	0 00	1 00	1 10	2 10	237 00	112 86

	Fees drawn	Hours/Costs to date
B/f	0 00	0 00
In the period	0 00	2 10
C/f	0 00	237 00
		112 86

Greengauge Sports Limited (in Administration)

Reporting period 09 May 2008 to 30 June 2008

SIP 9 Compliant fees worksheet

Consolidated time spent by grade

Activity	Partner/Director	Management	Administrators	Support	Total Hours	Total Cost £	Average Rate £
Administration & planning							
Appointment and related formalities	0.00	4.00	2.00	0.00	6.00	1,552.00	258.67
Checklists & Reviews	0.00	0.00	3.00	0.00	3.00	480.00	160.00
General - books & records s95	0.00	0.00	0.00	1.90	1.90	133.00	70.00
	0.00	4.00	5.00	1.90	10.90	2,165.00	198.62
Realisation of assets							
Stock and WIP	0.00	10.00	0.00	0.00	10.00	2,983.00	298.30
Debtors	0.00	5.00	7.00	0.00	12.00	2,875.00	239.58
Sale of business	0.00	9.00	0.00	0.00	9.00	2,934.00	326.00
	0.00	15.00	7.00	0.00	31.00	8,792.00	283.61
Trading							
Initial reviews - CT and VAT	0.00	0.00	1.50	0.00	1.50	240.00	160.00
Post appointment VAT	0.00	0.00	1.50	0.00	1.50	240.00	160.00
Cash & profit projections & strat s35	0.00	0.00	16.50	0.00	16.50	2,640.00	160.00
Sales	0.00	0.00	15.00	0.00	15.00	2,400.00	160.00
Purchases and trading costs	0.00	0.00	4.00	0.00	4.00	640.00	160.00
Employees correspondence s40	0.00	0.00	23.40	0.00	23.40	3,744.00	160.00
Agreeing employee claims s42	0.00	0.00	1.00	0.00	1.00	160.00	160.00
Cashiering - general s65	0.00	0.00	0.00	3.80	3.80	266.00	70.00
	0.00	0.00	62.90	3.80	66.70	10,330.00	154.87
Creditors							
Creditor correspondence s51	0.00	0.00	6.50	0.00	6.50	1,040.00	160.00
	0.00	0.00	6.50	0.00	6.50	1,040.00	160.00
Total hours/cost	0.00	19.00	81.40	5.70	115.10	22,327.00	193.98

	Fees drawn	Hours/Costs to date
B/f	0.00	0.00
In the period	0.00	115.10
C/f	0.00	115.10
		22,327.00
		193.98

Greengauge Surfaces Limited (in Administration)

Reporting period 09 May 2008 to 30 June 2008

SIP 9 Compliant fees worksheet

Consolidated time spent by grade

Activity	Partner/Director	Management	Administrators	Support	Total Hours	Total Cost £	Average Rate £
Administration & planning							
Appointment and related formalities	0.00	4.00	3.50	0.00	7.50	1,792.00	238.93
Checklists & Reviews	0.00	0.00	4.50	0.00	4.50	720.00	160.00
Shareholders - general correspondence	0.00	0.00	0.50	0.00	0.50	80.00	160.00
General - books & records s95	0.00	0.00	0.00	3.30	3.30	231.00	70.00
	0.00	4.00	8.50	3.30	15.80	2,823.00	178.67
Realisation of assets							
Stock and W/P	0.00	10.00	3.00	0.00	13.00	3,373.00	259.46
Debtors	0.00	5.00	3.00	0.00	8.00	2,235.00	279.38
Sale of business	0.00	10.00	0.00	0.00	10.00	3,260.00	326.00
Pre-appointment tax	0.00	0.00	1.00	0.00	1.00	160.00	160.00
	0.00	25.00	7.00	0.00	32.00	9,028.00	282.13
Trading							
Post appointment VAT	0.00	0.00	1.50	0.00	1.50	240.00	160.00
Cash & profit projections & surat s35	0.00	0.00	16.50	0.00	16.50	2,640.00	160.00
Sales	0.00	0.20	17.50	0.00	17.70	2,800.00	158.19
Purchases and trading costs	0.00	0.00	8.50	0.00	8.50	1,360.00	160.00
Employees correspondence s40	0.00	0.00	22.30	0.00	22.30	3,568.00	160.00
DTI redundancy payments advice	0.00	0.00	0.20	0.00	0.20	32.00	160.00
Agreeng employee claims s42	0.00	0.00	1.00	0.00	1.00	160.00	160.00
Cashuering - general s65	0.00	0.00	0.00	3.30	3.30	231.00	70.00
	0.00	0.20	67.50	3.30	71.00	11,031.00	155.37
Creditors							
Creditor correspondence s51	0.00	0.00	3.00	0.00	3.00	480.00	160.00
ROT claims	0.00	0.00	1.00	0.00	1.00	160.00	160.00
	0.00	0.00	4.00	0.00	4.00	640.00	160.00
Total hours/cost	0.00	29.20	87.00	6.60	122.80	23,522.00	191.55

	Fees drawn	Hours/Costs to date
B/f	0.00	0.00
In the period	0.00	122.80
C/f	0.00	122.80
		23,522.00
		191.55

Kaloss International Limited (in Administration)

Reporting period 09 May 2008 to 30 June 2008

SIP 9 Compliant fees worksheet

Consolidated time spent by grade

Activity	Partner/Director	Management	Administrators	Support	Total Hours	Total Cost £	Average Rate £
Administration & planning							
Initial reviews - CT and VAT	0.00	0.00	1.00	0.00	1.00	160.00	160.00
Appointment and related formalities	0.00	4.00	2.00	0.00	6.00	1,552.00	258.67
Checklists & Reviews	0.00	0.00	2.00	0.00	2.00	320.00	160.00
General - books & records s95	0.00	0.00	4.50	0.00	4.50	315.00	70.00
	0.00	4.00	8.50	0.00	12.50	2,187.00	174.96
Realisation of assets							
Debtors	0.00	5.00	5.00	0.00	10.00	2,555.00	255.50
Stock	0.00	2.00	0.00	0.00	2.00	622.00	311.00
Sale of business	0.00	9.00	0.00	0.00	9.00	2,934.00	326.00
	0.00	5.00	5.00	0.00	21.00	6,111.00	892.50
Trading							
Cash & profit projections & su s35	0.00	0.00	14.50	0.00	14.50	2,320.00	160.00
Sales	0.00	0.00	3.00	0.00	3.00	480.00	160.00
Employees correspondence s40	0.00	0.00	6.30	0.00	6.30	1,008.00	160.00
DTI redundancy payments advice	0.00	0.00	0.90	0.00	0.90	144.00	160.00
Agreeing employee claims s42	0.00	0.00	1.00	0.00	1.00	160.00	160.00
Cashiering - general s65	0.00	0.00	0.00	7.20	7.20	504.00	70.00
	0.00	0.00	25.70	7.20	32.90	4,616.00	140.30
Creditors							
Creditor correspondence s51	0.00	0.00	3.00	0.00	3.00	480.00	160.00
	0.00	0.00	3.00	0.00	3.00	480.00	160.00
Total hours/cost	0.00	9.00	42.20	7.20	69.40	13,394.00	193.00

Fees drawn			Hours/Costs to date		
B/f		0.00	0.00	0.00	0.00
In the period		0.00	69.40	13,394.00	193.00
C/f		0.00	69.40	13,394.00	193.00

SPA Solutions Limited (in Administration)

Reporting period: 09 May 2008 to 30 June 2008

SIP 9 Compliant fees worksheet

Consolidated time spent by grade

Activity

	Partner/Director	Management	Administrators	Support	Total Hours	Total Cost £	Average Rate £
Administration & planning Books and Records	0 00	0 00	0 00	0 20	0 20	14 00	70 00
	0 00	0 00	0 00	0 20	0 20	14 00	70 00
Trading Cashiering - General Employees correspondence	0 00	0 00	0 00	0 50	0 50	35 00	70 00
	0 00	0 00	3 00	0 00	3 00	480 00	160 00
	0 00	0 00	0 00	0 50	3 50	515 00	147 14
Total hours/cost	0 00	0 00	0 00	0 70	3 70	529 00	142 97

	Fees drawn	Hours/Costs to date
B/f	0 00	0 00
In the period	0 00	3 70
C/f	0 00	3 70

KPMG Charge out rates as at 30 June 2008

Corsie Group plc and subsidiaries (in Administration)

<i>Grade</i>	<i>Hourly rate</i>
Partner	£370
Director	£305
Senior manager	£280
Assistant manager	£220
Senior administrator	£160
Junior administrator	£116
Secretarial assistance	£70



Corsie Group Plc and subsidiary companies (in administration)
Joint administrators' report to creditors pursuant to Paragraph 49 of Schedule B1 to
the Insolvency Act 1986
KPMG LLP
30 June 2008

Appendix 4

A creditor's guide to administrators' fees

A creditors' guide to the fees of administrators - Scotland

This guide applies to all appointments on or after 15 September 2003

1 Introduction

- 1.1 When a company goes into administration the costs of the proceedings are paid out of the company's assets in priority to creditors' claims. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's remuneration. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor remuneration and outlays and explain the basis on which remuneration and outlays are fixed.

2 The Nature of Administration

- 2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the objective of
- (a) rescuing the company as a going concern, or
 - (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors

- 2.2 Administration may be followed by a company voluntary arrangement or liquidation

3 The Creditors' Committee

- 3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is established at the meeting of creditors which the administrator is required to hold within 10 weeks of the administration order (or longer with the consent of the court) to consider his proposals. The administrator must call the first meeting of the committee within 3 months of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide such information as it may require.

4 Fixing the Administrator's Fees

- 4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.39 of the Insolvency (Scotland) Rules 1986 which states that it may be a commission calculated by reference to the value of the company's property with which he has to deal. It is for the creditors' committee (if there is one) to fix the remuneration and Rule 2.39 says that in arriving at its decision the committee shall take into account

- the work which, having regard to the value of the company's property, was reasonably undertaken by the administrator, and
- the extent of his responsibilities in administering the company's assets

- 4.2 Although not specifically stated in the rules, the normal basis for determining the remuneration will be that of the time costs properly incurred by the administrator and his staff.

- 4.3 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration will be fixed by the court on application by the administrator.

5 What Information should be Provided by the Administrator?

- 5.1 Claims by the administrator for the outlays reasonably incurred by him and for his remuneration shall be made in accordance with section 53 of the Bankruptcy (Scotland) Act 1985 as applied by rule 4.68 which provides that within two weeks after the end of an accounting period, the administrator shall submit to the creditors' committee or if there is no creditors' committee, to the court

- his accounts of intromissions for audit,
- a claim for the outlays reasonably incurred by him and for his remuneration, broken down into category 1 disbursements, being those costs where there is specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party, and category 2 disbursements, which are costs which include elements of shared or allocated costs, and are supplied internally by the administrator's own firm, and
- where the documents are submitted to the creditors' committee, he shall send a copy of them to the court

- 5.2 The administrator may at any time before the end of an accounting period submit to the creditors' committee (if any) an interim claim for category 1 and 2 disbursements reasonably incurred by him and for his remuneration.

- 5.3 When seeking agreement to his fees and disbursements, the administrator should provide sufficient supporting information to enable the committee to form a judgement as to whether the proposed fee and disbursements are reasonable having regard to all circumstances of the case. The nature and extent of the supporting information which should be provided will depend on

- the nature of the approval being sought,
- the stage during the administration of the case at which it is being sought, and
- the size and complexity of the case

- 5.4 Where, at any creditors' committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

- 5.5 Where the administrator seeks agreement to his remuneration during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed remuneration is based on time costs the administrator should disclose to the committee or the court the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading

- Creditors
- Any other case specific matters

The following categories are suggested as a basis for analysis by grade of staff

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain

- Any significant aspects of the case, particularly those that affect the amount of time spent
- The reasons for subsequent changes in strategy
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, or the drawing, or agreement of remuneration
- Any existing agreement about remuneration
- In cases where there are distributable funds available to unsecured creditors by means of the creditors' prescribed part, how the administrator has allocated remuneration and costs with regard to dealing with the administration of and agreeing of unsecured creditors' claims. Remuneration in respect of time spent dealing with issues specific to the funds for ordinary creditors will be applied against the creditors prescribed part, prior to the funds being distributed, and will not be applied against the total funds available to all creditors, including those available to the floating charge holder
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will be relevant, whilst further analysis may be necessary in larger cases

5 6 Where the remuneration is charged as a commission based on the value of the company's property with which the administrator has had to deal, the administrator should provide details of any work which has been or is intended to be contracted out which would normally be undertaken directly by the administrator or his staff

5 7 As noted in 5 1, any claim for outlays must be approved in the same way as remuneration. Professional guidance issued to Insolvency Practitioners requires that where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements may include an element of shared or allocated costs (such as room hire, document storage or communication facilities) they must be approved as if they were remuneration. Such disbursements must be directly incurred on the case and subject to a reasonable method of calculation and allocation. A charge for disbursements calculated as a percentage of the amount charged for remuneration is not allowed

5 8 Payments to outside parties in which the office holder or his firm or any associate has an interest should be disclosed to the body approving remuneration and should be treated in the same way as payments to himself. They therefore require specific approval as remuneration prior to being paid

6 What if a Creditor is Dissatisfied?

6 1 If a creditor believes the administrator's remuneration is too high, he may appeal against the determination by virtue of Section 53(6) of the Bankruptcy Act, applied by Rule 4 32 of the Insolvency Rules, which is in turn applied by Rule 2 39. Creditors have a right of appeal against the determination of an administrator's remuneration by virtue of the application of Section 53(6) of the Bankruptcy (Scotland) Act

6 2 The right of appeal is either to the court (if the determination is by the creditors committee) or to a higher court (if the determination is by a court). Notwithstanding the fact that the statutory time limit for appealing expires eight weeks from the end of the accounting period concerned, it is normal practice to advise the creditors that they may appeal within 14 days of being notified of the determination in cases where this extends beyond the statutory appeal period

7 What if the Administrator is Dissatisfied?

7 1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for an order increasing its amount or rate. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration

8 Other Matters Relating to Fees

8 1 Where there are joint administrators it is for them to agree between themselves how remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors

A creditors' guide to administrators' fees - England and Wales

1 Introduction

- 1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights to approve and monitor fees and explains the basis on which fees are fixed.

2 The nature of administration

- 2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court. The administrator of a company must perform his functions with the objective of
- rescuing the company as a going concern, or
 - achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
 - realising property in order to make a distribution to one or more secured or preferential creditors
- 2.2 Administration may be followed by a company voluntary arrangement or liquidation.

3 The creditors' committee

- 3.1 The creditors have the right to appoint a committee with a minimum of three and a maximum of five members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is established at the meeting of creditors which the administrator is required to hold within ten weeks of the administration order to consider his proposals. The administrator must call the first meeting of the committee within three months of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide such information as it may require.

4 Fixing the administrator's fees

- 4.1 The basis for fixing the administrator's remuneration is set out in rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either
- as a percentage of the value of the property which the administrator has to deal with, or
 - by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration
- 4.2 It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is to be fixed as a percentage, to fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters
- the complexity (or otherwise) of the case,
 - any responsibility of an exceptional kind or degree which falls on the administrator,
 - the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties,
 - the value and nature of the assets which the administrator has to deal with
- 4.3 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.

5 What information should be provided by the administrator?

- 5.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The administrator should always make available an up to date receipts and payments account. Where the fee is to be charged on a time basis the administrator should be prepared to disclose the amount of time spent on the case and the charge-out value of the time spent, together with such additional information as may reasonably be required having regard to the size and complexity of the case. Where the fee is charged on a percentage basis the administrator should provide details of any work which has been, or is intended to be, contracted out which would normally be undertaken directly by a administrator or his staff.
- 5.2 The payment of expenses and disbursements is not subject to approval by the committee or the creditors. However, where a administrator makes, or proposes to make, a separate charge by way of expenses and disbursements to recover the cost of facilities provided by his own firm, he should disclose those charges to the committee or the creditors when seeking approval of his fees, together with an explanation of how those charges are made up and the basis on which they are arrived at.

6 What if a creditor is dissatisfied?

- 6.1 If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration.

7 What if the administrator is dissatisfied?

- 7.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

8 Other matters relating to fees



- 8.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors. If the administrator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the court.

Whilst every care has been taken in its preparation, this statement is intended for general guidance only.



Appendix 5

Joint Administrators' receipts and payments accounts

Receipts and payments accounts have only been included in respect of companies in which transactions have occurred

The receipts and payments do not reflect further realisations anticipated in respect of the sale of the business and assets and debtor recoveries or the costs of the Administrations

Corsie Group plc
(in administration)

Administrators Abstract of Receipts and Payments
To 30 June 2008

	Total (£)
Receipts	
Sale of business and assets	15,124
	<hr/>
	15,124
Payments	-
	<hr/>
Balances in hand	<u>15,124</u>

Greengauge Surfaces Limited
(in administration)

Administrators Abstract of Receipts and Payments
To 30 June 2008

	Total (£)
Receipts	
Book debts	135,443
Sale of business and assets	103,408
Stock	-
Fixed Assets	-
Sales receipts	21,772
	<hr/> 260,623
Payments	
Labour costs	(17,277)
Freight	(32,691)
Subcontracting costs	(3,979)
Valuations	(588)
	<hr/> 206,089
Balances in hand	<hr/> <hr/> 206,089

Greengauge Sports Limited
(in administration)

Administrators Abstract of Receipts and Payments
To 30 June 2008

	Total (£)
Receipts	
Book Debts	105,917
Sale of business and assets	150,073
Stock	-
Sales receipts	35,162
	<hr/> 291,152
Payments	
Labour costs	(10,430)
Subcontracting costs	(709)
Appointment advertising	(917)
	<hr/>
Balances in hand	<u><u>279,096</u></u>

Kaloss International Limited
(in administration)

Administrators Abstract of Receipts and Payments
To 30 June 2008

	Total (£)
Receipts	
Book Debts	32,218
Sale of business and assets	31,395
Stock	-
Fixed Assets	-
Sales receipts	10,769
	<hr/>
	74,382
Payments	-
	<hr/>
Balances in hand	<u><u>74,382</u></u>