

The Insolvency Act, 1986
Statement of Administrator's
Proposals
Pursuant to section 23(1)(a) of the Insolvency
Act 1986

S.23(1)(a)

For official use

To the Registrar of Companies

Company Number

03197756

Name of Company

Loftus Road Plc

We

Raymond Hocking
8 Baker Street
London
W1U 3LL

Simon James Michaels
8 Baker Street
London
W1U 3LL

Administrators of the company attach a copy of our proposals for achieving the purposes set out in the Administration Order filed herein. A copy of these proposals was sent to all known creditors on:

28 September 2001

Signed



Date: 11 September 2001

Presenter's name address and
reference (if any):

BDO Stoy Hayward
8 Baker Street
London
W1U 3LL

7/PAD/ADM750/C15

For official use
General Section

Post room



Private and Confidential

11 September 2001

Our Ref 7/PAD/ADM600/C6

Please ask for
Mr P A Dines
Direct line: 020 7893 2248**TO ALL CREDITORS**

Dear Sir(s)

Loftus Road Plc - In Administration ("the company")

I refer to the appointment of Simon James Michaels and myself as Joint Administrators of the company by an Order of the High Court of Justice on 2 April 2001 and I am now in a position to convene a meeting of the company's creditors pursuant to Section 23 of the Insolvency Act 1986 formal notice of which is attached. The purpose of the meeting is for the creditors to consider and if they think fit approve the Joint Administrators' proposals for achieving the purposes of the Administration Order made on 2 April 2001.

The meeting is to be held at Loftus Road Stadium, South Africa Road, London W12 7PA on 28 September 2001 at 1000 hrs. A form of proxy and proof of debt are also enclosed.

I also attach a statement to creditors pursuant to Rule 2.16 of the Insolvency Rules 1986 which incorporates a statement of proposals under Section 23 of the Insolvency Act 1986.

Yours faithfully
For and on behalf of
Loftus Road Plc



R Hocking
Joint Administrator

Encs.

7/PAD/ADM600
g:\office97\brish\loftus\adm600.doc

BDO Stoy Hayward - South East Firm

BDO Stoy Hayward firms operate from 37 offices across the United Kingdom

A list of partners' names is open to inspection at the above address
Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business



FS 22857

Loftus Road Plc
- In Administration
Registered Number: 03197756

NOTICE IS HEREBY GIVEN pursuant to Section 23 of the Insolvency Act 1986, that a meeting of the creditors of the above-named company will be held at Loftus Road Stadium, South Africa Road, London W12 7PA on 28 September 2001 at 1000 hrs for the purposes of considering and, if thought fit, approving the proposals of the Administrators for achieving the aim of the Administration Order, and also to consider establishing and, if thought fit, to appoint a creditors' committee.

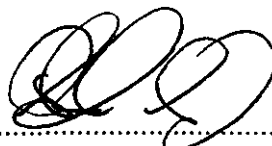
A form of proxy is enclosed which, if to be used at the meeting, must be completed in accordance with the guidance notes provided thereon and lodged at BDO Stoy Hayward, 8 Baker Street, London, W1U 3LL, not later than 1200 hrs on 27 September 2001.

A person authorised under Section 375 of the Companies Act 1985 to represent a corporation must produce to the Chairman of the meeting a copy of the resolution from which their authority is derived. The copy resolution must be under seal of the corporation, or certified by the secretary or director of the corporation as a true copy.

Please note that a creditor is entitled to vote only if he has delivered to the Administrators not later than 1200 hrs on 27 September 2001 details in writing of the debt claimed to be due from the company, and the claim has been duly admitted under the provisions of the Insolvency Rules 1986 and there has been lodged with the Administrators any proxy which the creditor intends to be used on his behalf.

I draw your attention to the effect of Rule 2.22 of the Insolvency Rules 1986 which accompanies this notice.

Dated: 11 September 2001



Raymond Hocking
Joint Administrator

INSOLVENCY RULES 1986 EXTRACT

Rule 2.22 - Entitlement to Vote

1 Subject as follows, at a meeting of creditors in administration proceedings a person is entitled to vote only if:

- (a) he has given to the Administrator, not later than 1200 hours on the business day before the day fixed for the meeting, details in writing of the debt which he claims to be due to him from the company, and the claim has been duly admitted under the following provisions of this Rule, and
- (b) there has been lodged with the Administrator any proxy which he intends to be used on his behalf.

Details of the debt must include any calculation for the purposes of Rules 2.24 and 2.27.

- 2 The chairman of the meeting may allow a creditor to vote, notwithstanding that he has failed to comply with paragraph (1)(a), if satisfied that the failure was due to circumstances beyond the creditor's control.
- 3 The Administrator or, if other, the chairman of the meeting may call for any document or other evidence to be produced to him, where he thinks it necessary for the purpose of substantiating the whole or part of the claim.
- 4 Votes are calculated according to the amount of a creditor's debt as at the date of the Administration Order, deducting any amounts paid in respect of the debt after that date.
- 5 A creditor shall not vote in respect of a debt for an unliquidated amount, or any debt whose value is not ascertained, except where the chairman agrees to put upon the debt an estimated minimum value for the purposes of entitlement to vote and admits the claim for that purpose.

Loftus Road Plc
In Administration

Statement to Creditors pursuant to Rule
2.16 of the Insolvency Rules 1986 and
Statement of Proposals under Section 23 of
the Insolvency Act 1986



BDO Stoy Hayward
Chartered Accountants

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3 A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

LOFTUS ROAD PLC - IN ADMINISTRATION

1 Introduction

- 1.1 This report is addressed to the creditors of Loftus Road Plc ("the Company") and incorporates the Joint Administrators' proposals. These proposals are to be considered by the creditors' meeting called pursuant to Section 23 of the Insolvency Act 1986 to be held at Loftus Road Stadium, South Africa Road, London W12 7PA on 28 September 2001 at 1000 hrs.
- 1.2 Creditors may approve the proposals with or without modifications subject to the Joint Administrators' agreement to any such modifications. If the creditors reject the Joint Administrators' proposals a report will be required to be sent to the High Court of Justice confirming that the creditors have so rejected the proposals. This Court may then discharge the Administration Order and make consequential directions. Alternatively, it may adjourn the hearing or make some other Order as it thinks fit.
- 1.3 If the Joint Administrators' proposals are agreed at the meeting of creditors then the Joint Administrators will continue to control the business of the Company to the extent that it has not been transferred. Based on the information presently available and the current situation it is likely that the company will survive as a going concern.

2 Events leading up to the making of the Administration Order

- 2.1 The company was incorporated on 13 May 1996 to acquire the share capital of The Queens Park Rangers Football and Athletic Club Ltd ("QPR") and Wasps Rugby Football Club Ltd ("Wasps"). These acquisitions took place on 5 August 1996.
- 2.2 In both cases, agreements were entered into whereby the business activities, assets (excluding player and training staff contracts) and income streams of Wasps and QPR were transferred to the Company such transfer being effective from 5 August 1996.
- 2.3 Additionally management agreements were entered into whereby QPR and Wasps agreed to provide a football/rugby team to enable fixtures to be completed in The Football League Limited ("Football League"), which controls the league in which QPR participates and English First Division Rugby Limited ("EFDR") which controls the league in which Wasps participate, with the Company meeting all the costs of QPR and Wasps plus an additional 1% profit. The Company also undertook to ensure that playing and training facilities were available.
- 2.4 In reality all income and expenditure passed through the Company and the inter-company transactions were reflected only in accounting entries at each year-end.
- 2.5 The relationships with the Football League and EFDR rested with QPR or Wasps respectively. The players' contracts and registration remained with QPR or Wasps as appropriate.
- 2.6 The Company traded as Queens Park Rangers Football Club, currently in Division 2 of the Football League (having been relegated at the end of the 2000/01 season),

and as Wasps Rugby Football Club, currently in the English Rugby Premiership. It owns the Loftus Road stadium and all rights to income from the ticket sales and merchandising. Additionally, it owns the rights to receive income from the sale of broadcasting rights and sponsorship agreements. All costs in relation to the running of the rugby and football clubs including player salaries were borne by the Company.

- 2.7 As has been well documented, the economics of professional football and rugby union is marginal at best. Following the relegation of QPR from the Premier Division in 1996, income dropped significantly and operating losses increased. Most of these losses have in prior years been covered by the sale of players or surplus property. However, losses in the year 2000/01 were funded by Mr Wright, such that his loans to the Company increased from £2,000,000 at the end of May 2000 to £7,550,000 at the date of the Administration Order.
- 2.8 On 2 April 2001 a petition was presented in the High Court of Justice for the making of an Administration Order and proposing that myself and my partner Simon James Michaels be appointed as Joint Administrators of the Company. On 2 April 2001 the Administration Order was granted and Simon James Michaels and I were appointed Joint Administrators.

3 The Administration Order

- 3.1 As mentioned above the Administration Order was made on 2 April 2001 on the basis that the Company was or was likely to become unable to pay its debts. The petition for the Order was supported by my report under Rule 2.2 of the Insolvency Rules 1986. I reported that, on the basis of the information provided to me, the Company was insolvent but that there was a real prospect that the objectives stated in the petition could be achieved.
- 3.2 The Administration Order was therefore granted to facilitate one or more of the following purposes being achieved:
- (a) the survival of the Company and the whole or any part of its undertaking as a going concern
 - (b) the approval of a Voluntary Arrangement under Part 1 of the Insolvency Act 1986 and
 - (c) a more advantageous realisation of the Company's assets than would be effected on a winding-up.
- 3.3 In order to continue to trade, Mr Wright confirmed that he would initially provide further funding until October 2001, in order that I may be able to find a purchaser/investor for the company or its assets. Repayment of the sums advanced together with interest will, of course, be a first charge on any realisations.

4 Statement of Affairs and statutory information

- 4.1 I attach at Appendix 1 to this report a summary of the estimated statement of affairs of the Company as at 16 March 2001, prepared from the information available to me, together with certain statutory information relating to the Company.

4.2 The directors of the Company are yet to submit a formal Statement of Affairs as at 2 April 2001.

5 Management of the Company's affairs since the Joint Administrators' appointment

5.1 Initial Actions

5.1.1 Upon the making of the Administration Order I undertook an immediate review of the Company's affairs with particular regard to its financial and resource requirements. This assessment was carried out in liaison with the remaining management of the Company having regard to the Company's ongoing business commitments and the anticipated cashflows.

5.1.2 From my review, it was apparent that it was essential that the Company and its subsidiaries continue to trade whilst a purchaser/investor was found for each of the businesses.

5.1.3 As a consequence of my review a number of redundancies were made and initially reduced the number of staff from 171 to 167. In addition, a substantial numbers of football players' contracts expired in the summer and these have not been renewed. The reductions in staffing levels, together with the funding being provided by Mr Wright, has enabled the Company to continue to meets its obligations, service and support its existing customers, and also pursue new contracts.

5.2 Trading during the Administration

5.2.1 As detailed above the Company's ongoing contractual obligations have in the main been met and this has led to realisations in the period from 2 April 2001 to 31 July 2001 of £6,325,000. The Company's operations have had to be funded out of the trading income together with financing from Mr Wright mentioned above.

5.2.2 I attach a summary of my receipts and payments for the period from 2 April 2001 to 31 July 2001.

5.3 Creditors' claims

5.4 The Company has granted security to Mr Wright comprising fixed and floating charges over all of the Company's assets.

5.5 The Company's bankers are Barclays Bank plc which at the date of my appointment were owed £2.535 million and have been granted two legal charges over property owned by the Company and have a fixed and floating charge over all of the Company's assets in respect of such outstanding liability. Of this sum, £1.9 million was repaid by Mr Wright following my appointment. The remaining £635,000 remained outstanding, secured by a legal charge over the Company's freehold property at Twyford Road, pending its sale as detailed below.

5.5.1 The creditors' claims notified to me to date total approximately £616,879. To date, I have received no claims from preferential creditors, although Company's records show that approximately £662,000 is due to the preferential creditors.

5.6 Sale of business

Since my appointment, I am pleased to advise that I have been able to agree sales of two of the Company's assets, being all of the shares in Wasps and the training ground at Twyford. Details of the sale agreements are given below.

5.7 Wasps

5.8 An offer from London Wasps Holdings Limited to purchase Wasps on the following terms was accepted:

5.9 The aggregate consideration for the sale of the Shares, the Business and the Sale Assets was £2,500,000.

5.10 The consideration was totally satisfied by the repayment by the Company to Mr Wright of on-demand loans made by Mr Wright.

5.11 Completion took place on 7 June 2001. Mr Wright controls London Wasps Holdings Limited.

5.12 Twyford

5.13 The Twyford training ground was sold for a consideration of £2,500,000 exclusive of VAT to a Joint Venture group in which Mr Wright has a 50% interest.

5.14 The consideration was satisfied in part by the repayment of the Company to Mr Wright of on demand loans made by Mr Wright of approximately £1,550,000. The balance of the sale proceeds of approximately £950,000 was paid to the Company on completion. From the sale proceeds, Barclays Bank plc was repaid its debt in full, the total sum being £684,616 including interest since the date of appointment.

5.15 On completion of the sale a Licence was granted to QPR for an initial term of 5 years to use the facilities at Twyford Road. The Licence fee will be £35,000 per annum exclusive of VAT. In addition QPR will pay 50% of the cost of providing the facilities covering rates and outgoings and various other items to be identified by the Purchaser.

5.16 The sale was completed on 6 August 2001

5.17 Sale of QPR and the Loftus Road ground

5.18 Since the appointment of Simon Michaels and myself as Joint Administrators, I have received a substantial number of "expressions of interest" for QPR and the Loftus Road ground. I have entered into discussions with a number of these interested parties, some of whom have tabled conditional offers for QPR and the Loftus Road ground but, to date, no unconditional offers have been made.

5.19 In July, I entered into a lock-out agreement for a twenty one day period to enable a prospective purchaser to conduct a full examination of the company's records. Regrettably, the purchaser was unable to proceed.

- 5.20 I am, therefore, still seeking a purchaser for QPR and the Loftus Road Stadium. There are currently three main parties with whom I am in discussions, all of which have currently indicated that any offer they make will include an injection of funds sufficient to enable all creditors to be repaid in full.

6 Possible outcomes for the Company

- 6.1 As stated above, there has been substantial interest in the Loftus Road Stadium and QPR but as yet, no unconditional offers have been received. I believe that, in view of the negotiations to date, any offer that is accepted will be on the basis that creditors are repaid in full and therefore it is the Joint Administrators' recommendation and proposal, as detailed below, that the first purpose of the Administration Order be achieved by them continuing to manage the affairs of the Company until such time as a purchaser has been found thus ensuring the survival of the company and the remaining part of its undertaking.

7 Conclusion and Joint Administrators' statement of proposals

- 7.1 The prospects for payments to the preferential and unsecured creditors depend on the sale of the Loftus Road Stadium and QPR. At present, I estimate that creditors will be repaid in full.

7.2 Statement of proposals under Section 23 Insolvency Act 1986

- 7.2.1 In accordance with Section 23 of the Insolvency Act 1986 the Joint Administrators make to the creditors the following proposals for achieving the purposes of the Administration Order made on 2 April 2001. Approval of these proposals will be considered as a single resolution by the meeting of creditors to be held on 28 September 2001.

7.3 Proposals

- 7.3.1 The Joint Administrators propose that:

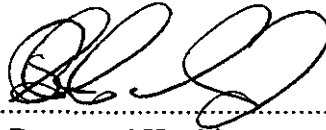
- (a) They continue to manage the business affairs and property of the Company on the basis of seeking to achieve the first purpose for which the Administration Order was made, namely survival of the Company, and the whole or part of its undertaking, as a going concern.
- (b) They do all such things and generally exercise all their powers in order to achieve the purposes of the Administration Order and preserve the value of the assets of the Company to maximise the realisations for the benefit of the creditors generally
- (c) They consult at appropriate intervals with any Creditors' Committee established at the meeting of creditors on 28 September 2001 concerning the conduct of the Administration and implementation and development of these proposals
- (d) The basis of the Administrators' remuneration be considered and, if appropriate, agreed by either any Creditors' Committee appointed or by the creditors at the meeting on 28 September 2001 or any subsequent meeting

convened for that purpose. The Administrators' time costs for the period to 11 September 2001 total £180,426.85 representing 769.65 hours spent at an average charge out rate of £234.43 per hour. A Creditors' Guide to Administrators' fees is attached at Appendix 3

- (e) In the event that a Creditors' Committee is not appointed, the Joint Administrators' remuneration be agreed by reference to the time spent by them and their staff in the conduct of the Administration.

My firm's disbursements include a provision for low cost expenses which cannot be economically recorded, such as postage, stationery and telephone which are calculated at 2% of the time charges in the relevant period. The balance of my disbursements represent specific recorded costs, such as travel, printing, advertising and storage costs.

Dated: 11 September 2001

A handwritten signature in black ink, appearing to be 'R. Hocking', written over a horizontal dotted line.

Raymond Hocking
Joint Administrator

7/PAD/ADM680/C6

STATEMENT OF AFFAIRS AND STATUTORY INFORMATION

Loftus Road Plc - Group Estimated Statement of Affairs as at 16 March 2001

	Book Value £'000	Estimated to Realise	
		Administration £'000	Liquidation £'000
Assets Subject to Fixed Charges			
Loftus Road Stadium	12,670	15,000	15,000
Twyford Avenue	1,106	2,500	2,000
Sudbury	150	200	200
Trade Debtors	62	60	60
Prepayments and Accrued Income	1,109	600	600
Other Debtors	115	50	30
	15,212	18,410	17,890
Fixed Charge Holders (Secured Creditors)			
Barclays Bank plc	-2,169	-2,169	-2,169
CNW	-7,000	-7,000	-7,000
Surplus as Regards Fixed Charge Holders	6,043	9,241	8,721
Other Assets			
Plant & Equipment	1,241	200	200
Motor Vehicles	7	20	20
Fixtures & Fittings	66	10	10
WASPS	0	2,500	0
Assets Available for Preferential Creditors	7,357	11,971	8,951
Preferential Creditors			
PAYE/NIC and VAT	-518	-518	-518
Employee Claims	0	-20	-20
Surplus as Regards Preferential Creditors	6,839	11,433	8,413
Unsecured Creditors			
Trade Creditors	-785	-785	-785
Transfer Creditors	-40	-40	-40
Amounts Invoiced in Advance	-673	-673	-673
Accruals and Deferred Income	-514	-415	-415
Other Creditors	-123	-60	-60
Other Loans	-900	-900	-900
Administration Staff Claims	0	-110	-110
Executive Directors Claims	0	-100	-100
Playing Staff Claims	0	-4,000	-5,695
Surplus/(Deficiency) as Regards Unsecured Creditors	3,804	4,350	-365

Statutory Information

Company Number: 03197756

Date of Incorporation: 15 May 1996

Address of Registered Office: 8 Baker Street, London, W1U 3LL
Formerly Hanover House, 14 Hanover Square,
London W1R 0BE

Directors: David Davies
Paul Hart
Chris Wright
Nick Blackburn
Bob Collier
Ross Jones
Charles Levison
Ivor Montlake

Company Secretary:

Nominal Share Capital: £599,549.99 - divided into 59,954,998 ordinary shares of 1p each and one preference share of 1p

The Company has a large number of shareholders. Those with a holding greater than 3% are:

Shareholder Interest

Mr Chris Wright	43.9%
Trustees of WASPS Football Club	6.5%
Culture Vulture Pension Fund	4.8%
St James Place Unit Trust Group	4.3%
James Arbib	4.2%

Trading Results:

Y/E 31 May	Turnover £'000's	Gross Profit £'000's	Net Profit (after tax) £'000's	Directors' remuneration £'000's	Balance on P & L A/c £'000's
2000	8,051	(4,591)	(5,333)	282	2,621
1999	7,070	(6,031)	(8,927)	512	7,954
1998	9,756	(1,586)	(5,563)	373	(12,615)
1997	7,497	(893)	(7,052)	490	(7,052)

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS

LOFTUS ROAD PLC - IN ADMINISTRATION

SUMMARY OF RECEIPTS AND PAYMENTS FOR THE PERIOD FROM 2 APRIL 2001 (DATE OF ADMINISTRATION ORDER) TO 31 JULY 2001

Receipts	Realised £'000
Sale of London Wasps	2,500
Ticket Sales	646
CNW loan	1,000
TV and internet income	686
Transfers	1,077
Other receipts	416
	<u>£ 6,325</u>

Payments	£'000
Repayment of on demand loans	2,500
Wages	2,588
Trading expenses	393
Duress creditor	26
Sundry expenses	600
Balance in hand	218
	<u>£ 6,325</u>

Note 1: A sum of £819,000 has been received in respect of season ticket and membership sales.
This is being held on account for the season ticket holders and members.

Note 2: The funds from the sale of the training ground at Twyford Avenue were not received until the end of August.
As such they are not accounted for in this summary.

BDO Stoy Hayward
8 Baker Street
London W1U 3LL

R Hocking
Joint Administrator

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

1 Introduction

When a company goes into administration the costs of the proceedings are paid out of its assets. 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 fees. This guide is intended to help creditors be aware of their rights under the legislation 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 in order to achieve one or more of the following statutory purposes:

- the survival of the company and its business in whole or in part;
 - the approval of a company voluntary arrangement;
 - the sanctioning of a scheme under section 425 of the Companies Act 1985;
 - a better realisation of assets than would be possible in a liquidation.
- Administration may be followed by a company voluntary arrangement or liquidation.

3 The Creditors' Committee

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 3 months of the administration order 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 2.47 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.

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 fixed as a percentage, to fix the percentage to be applied. Rule 2.47 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 property which the Administrator has to deal with.

4.2 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 an 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 an 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 ?

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 ?

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

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 on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

Rule 8.1 Insolvency Act 1986
Proxy (Administration)

*Insert the name of the
company

IN THE MATTER OF * Loftus Road Plc
and
IN THE MATTER OF THE INSOLVENCY ACT 1986

Notes to help completion of
the form

Please give full name and
address for communication

Name of creditor _____

Address _____

Please insert name of person
(who must be 18 or over) or
the "Chairman of the
Meeting". If you wish to
provide alternative proxy-
holders in the circumstances
that your first choice is unable
to attend please state the
name(s) of the alternatives as
well

Name of proxy-holder _____

Please delete words in
brackets if the proxy-holder is
only to vote as directed ie he
has no discretion

I appoint the above person to be my / the creditor's proxy-holder at the meeting of creditors to be held on 28 September 2001, or at any adjournment of that meeting. The proxy-holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his / her discretion).

Voting instructions for resolutions

* Please delete as appropriate

1. For the acceptance/rejection* of the Administrator's proposals/revised proposals as circulated

for the appointment of _____
of _____
representing _____
as a member of the creditors' committee

This form must be signed

Signature _____ Date _____

Name in CAPITAL LETTERS _____

Only to be completed if the
creditor has not signed in
person

Position with creditor or relationship to creditor or other authority for signature

Remember: there may be resolutions on the other side of this form

Loftus Road Plc - In Administration

**RESOLUTIONS TO BE PUT TO THE MEETING OF CREDITORS TO BE HELD
ON 28 September 2001.**

The Joint Administrators propose that they:

- (a) continue to manage the business affairs and property of the Company on the basis of seeking to achieve the first purpose for which the Administration Order was made, namely survival of the Company, and the whole or part of its undertaking, as a going concern.
- (b) do all such things and generally exercise all their powers in order to achieve the purposes of the Administration Order and preserve the value of the assets of the Company to maximise the realisations for the benefit of the creditors generally
- (c) consult at appropriate intervals with any Creditors' Committee established at the meeting of creditors on 27 September 2001 concerning the conduct of the Administration and implementation and development of these proposals
- (d) the basis of the Administrators' remuneration be considered and, if appropriate, agreed by either any creditors' committee appointed or by the creditors at the meeting on 28 September 2001 or any subsequent meeting convened for that purpose. The Administrators' time costs for the period to 11 September 2001 total £180,426.85 representing 769.65 hours spent at an average charge out rate of £234.43 per hour
- (e) in the event that a creditors' committee is not appointed, the Joint Administrators' remuneration be agreed by reference to the time spent by them and their staff in the conduct of the Administration.

PROOF OF DEBT

**In The High Court of Justice
Chancery Division
Companies Court**

No 2255 of 2001

**Loftus Road Plc
- In Administration -**

Date of Administration Order 2 April 2001

- 1 Name of creditor
- 2 Address of creditor
- 3 Total claim including VAT and interest as at
the date of the Administration Order £
(see overleaf)
- 4 Details of documents by which debt can be
substantiated
- 5 Amount of any interest included in claim £
- 6 Is the whole or part of the debt preferential? Yes / No
If so, state amount, and details £
See notes overleaf
- 7 Particulars of how and when debt incurred
- 8 Particulars and value of any security held and
the date it was given
- 9 Signature of creditor
or other authorised person
- Name in BLOCK LETTERS
- Creditor's reference:
- 10 Position or Relationship with Creditor

For Use of Administrator Only

11 Admitted to vote for £

Date

Joint Administrator

12 Admitted preferentially
for £

Date

Joint Administrator

Admitted non-preferentially
for £

Date

Joint Administrator

Guidance Notes re Preferential Debts:

The categories of preferential debts under S.386(1) of the Insolvency Act 1986 are as follows:

- money owed to the Inland Revenue for income tax deducted at source
- VAT, car tax, betting and gaming duties
- social security contributions
- pension scheme contributions
- remuneration etc of employees
- Levies on Coal & Steel Productions Insolvency, Beer Duty, Lottery Duty, Air Passenger duty, Landfill Tax and Insurance Premium Tax.

VAT Bad Debt Relief

The provisions of the Finance Act, 1990, came into effect on 26 July, 1990, and introduced changes in the way that VAT on Bad Debts is recovered.

Your claim overleaf must be quoted inclusive of VAT. You may claim relief on your VAT return when the debt is at least six months old and has been written off. Any dividend you receive in respect of this claim will include payment in respect of the VAT element of your debt and you will be responsible for declaring such VAT to HM Customs & Excise.