

**Notice of move from  
administration to dissolution**

Name of Company  The Scotsman Hotel Company Limited	Company number  03699597
In the High Court of Justice, Chancery Division  {full name of court}	Court case number  10022 of 2011

We Robert Andrew Croxen  
KPMG LLP  
8 Salisbury Square  
London  
EC4Y 8BB

David John Crawshaw  
KPMG LLP  
8 Salisbury Square  
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Blair Carnegie Nimmo  
KPMG LLP  
191 West George Street  
Glasgow  
G2 2LJ

having been appointed Administrators of The Scotsman Hotel Company Limited c/o KPMG LLP, 8 Salisbury Square, London EC4Y 8BB

on 16 November 2011 by QFC appointment

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply.

We attach a copy of the final progress report

Signed



Joint Administrator

Dated

9 November 2012

**Contact Details:**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to researchers of the public record

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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



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14/11/2012

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COMPANIES HOUSE

WEDNESDAY



**The Scotsman Hotel Company Limited**

**(in administration)**

**Final progress report**

Pursuant to Rules 2.47, 2.110 & 2.118 of the  
Insolvency Rules 1986 (as amended)

KPMG LLP  
12 November 2012

RAC/DLB/LNB/1F

## **Notice: About this Report**

- This Report has been prepared by Robert Andrew Croxen, David John Crawshaw and Blau Carnegie Nimmo the Joint Administrators of The Scotsman Hotel Company Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in The Scotsman Hotel Company Limited or any other companies in the same group.
- Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this Report for any purpose or in any context other than under Insolvency Rules 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.
- Robert Andrew Croxen and David John Crawshaw are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.
- Blau Carnegie Nimmo is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland.
- The Joint Administrators act as agents for The Scotsman Hotel Company Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administration.



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## **Glossary**

<b>Administrators</b>	Robert Andrew Croxen, David John Crawshaw & Blair Carnegie Nimmo of KPMG LLP
<b>Bank</b>	Bank of Scotland Plc
<b>Botts</b>	Botts Capital Partners LLP
<b>Company/TSHCL</b>	The Scotsman Hotel Company Limited (in administration)
<b>Directors</b>	Mashael Mohamed Bin Issa Al Jaber, Andrea King & Geoffrey Ledger
<b>HMRC</b>	HM Revenue and Customs
<b>Hotel</b>	The Scotsman Hotel
<b>JJW</b>	JJW Limited
<b>JLL</b>	Jones Lang LaSalle Ltd
<b>KPMG</b>	KPMG LLP
<b>MBI</b>	MBI International & Partners Inc
<b>Scotsman Group</b>	TSHGL, TSHCL, TBGHCL, THS, BGR and HDLT
<b>Secured Creditors</b>	Bank of Scotland plc & MBI International & Partners Inc
<b>THS</b>	Tremoille Holdings SA
<b>TBGHCL</b>	The Baby Grand Hotel Company Limited (in administration)
<b>TSHGL</b>	The Scotsman Hotel Group Limited (in administration)

The references in this report to Sections, Paragraphs or Rules are to be the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 (all as amended).

## **1 Introduction**

Robert Andrew Croxen, David John Crawshaw and Blair Carnegie Nimmo of KPMG were appointed Administrators of TSHCL by the Bank on 16 November 2011.

In accordance with Rules 2.47 and 2.110, below is the Administrators' final progress report covering the period from 16 May 2012 to 26 October 2012. Forms 2.24B and 2.35B are enclosed providing formal notice to that effect.

Statutory information as required under Rule 2.47 is attached at Appendix 1. An abstract of the Administrators' receipts and payments accounts showing the final position as at 26 October 2012 and covering period from 16 May 2012 to 26 October 2012 is attached at Appendix 2 together with a schedule of the expenses incurred in this reporting period. The figures are shown net of VAT.

### **1.1 Administrators' proposals**

The Administrators' proposals were circulated to all known members and creditors on 20 December 2011 and were deemed approved without modification in accordance with Rule 2.33(5) on 25 January 2012.

A summary of the Administrators' proposals is attached at Appendix 5.

### **1.2 Purpose of the administration**

In accordance with Paragraph 3(1) the Administrators have the following hierarchy of objectives: -

- a) rescuing the Company as a going concern;
- b) achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound up; and
- c) realising property in order to make a distribution to one or more secured or preferential creditors.

The Administrators concluded that it was unlikely that objective a) would be achievable due to the substantial liabilities of the Company. Objective b) was the most viable, with the Company being dissolved following completion of the administration.

## **2 Outcome of the administration**

### **2.1 Asset realisations**

#### **2.1.1 Trading and sale of business**

On appointment the Administrators continued to trade the Hotel to preserve the value in the business as a going concern whilst a purchaser was sought. There was a final loss on trading of £45,532 which was more than offset by the value added by achieving a sale as going concern.

The Administrators successfully completed the sale of the Company's business and assets for £10 million on 14 December 2011 to JJW a company associated with the Scotsman Group's ultimate parent company, JJW Hotels & Resorts Holdings Inc. The sale proceeds were split as follows:

- £6.7 million in respect of freehold property;
- £1.6 million for goodwill;
- £0.8 million leasehold property;
- £0.5 million representing fixtures and fittings;
- £0.3 million for plant and equipment; and
- £0.1 million relating to intellectual property, stock, trade contracts and cash at bank

#### **2.1.2 Cash at bank**

The Administrators recovered the balance of cash at bank of £225,303.

#### **2.1.3 Rent deposit**

The Administrators successfully negotiated the return of £84,018 from the Company's landlord in respect of the rent deposit

#### **2.1.4 Pre-Administration debtors**

A total of £58,919 was recovered in relation to pre-administration debtors.

#### **2.1.5 Other realisations**

During the period covered by this report £165 was earned in bank interest, bringing the total earned to £1,226 details of which are within the receipts and payments account attached at Appendix 2.

### **3 Costs of realisations**

Costs of realisations paid in the period covered by this report, are shown in the Administrators' receipts and payments account attached as Appendix 2. The schedule of expenses attached as Appendix 4 details the costs incurred, which relate specifically to this reporting period only, whether paid or unpaid. The figures in this statement are shown net of VAT

Under Rule 2.48A, creditors are advised that, within 21 days of receipt of this report, a creditor may request additional information about the Administrators' remuneration and expenses as set out in this report. A request must be in writing, and may be made either by a secured creditor or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the Court.

In addition, under Rule 2.109, any secured creditor or any unsecured creditor with either the concurrence of at least 10% in value of creditors, or with the permission of the Court, may apply to the court to challenge the remuneration charged, the basis of remuneration or the expense incurred by the Administrators. Any such application must be made no later than eight weeks after receipt of the first report which reports the charging of the remuneration or the incurring of expenses in question.

The full text of Rules 2.48A and 2.109 can be provided on request by writing to the Administrators at KPMG LLP, Arlington Business Park, Theale, Reading RG7 4SD.

### **3.1 Administrators' remuneration**

The statutory provisions relating to remuneration are set out in Rule 2.106. Further information is given in the Association of Business Recovery Professionals' publication *A Creditors' Guide to Administrators' Fees*, a copy of which can be obtained at [http://www.1301g.uk/media/documents/technical\\_library/SIPS/SIP\\_9\\_EWNov2011.pdf](http://www.1301g.uk/media/documents/technical_library/SIPS/SIP_9_EWNov2011.pdf)

However, if you are unable to access this guide and would like a copy please contact Lyndsay Buich on 0118 964 2268.

The Association of Business Recovery Professional's Statement of Insolvency Practitioners No. 9 requires the Administrators to provide a full detailed analysis of time spent, and charge out rates, for each grade of staff for the various areas of work carried out. Therefore, attached as Appendix 3, is a detailed analysis of time spent on the administration, and charge out rates for each grade of staff, for work carried out from 16 May 2012 to 26 October 2012.

In this period, the Administrators have incurred time costs of £55,430 representing 216 hours at an average hourly rate of £257. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists

In accordance with Rule 2.106, as the Administrators have in this case made a statement under Paragraph 52(1)(b) that, since there will be no surplus funds available to the unsecured creditors, it is for the Secured Creditors, to fix the basis of the Administrators' remuneration.

Accordingly, the Administrators have obtained approval from the Secured Creditors that their remuneration be on the basis of time properly given by them and their staff in dealing with matters arising in the administration at their normal hourly rate of charging.

During the period covered by this report, the Administrators have drawn remuneration and disbursements of £91,550 and £551 respectively. This brings the total remuneration and disbursements drawn to £184,550 and £935 respectively.



### **3.1.1 Legal fees and disbursements**

In the period covered by this report the Administrators have paid legal costs of £1,303 and disbursements of £5 for ongoing advice to complete the administration. This brings the total legal fees and disbursements to £56,270.

### **3.1.2 Agent's fees**

Fees of £8,300 were paid to JLL for valuation and marketing advice undertaken prior to the sale of the business and assets.

### **3.1.3 D&O Insurance**

The Administrators appointed Geoff Ledger as an independent director to the board of TSHCL, TBGHCL and THS to ensure the efficient ongoing management of the hotels and protect TSHGL's interests. Simultaneously, Mr Ledger appointed Licensed Ventures LLP to support ongoing operations and to safeguard the hotel assets. D&O cover was put in place to indemnify Mr Ledger from legal actions that may have been taken against him as a result of his role as director of the Company at a cost of £8,040.

### **3.1.4 MBI recharge**

A total of £8,110 was paid to the purchaser of the Hotel in respect of post completion sales which were received into the Company's pre-administration bank account in error.

### **3.1.5 Other costs**

Other costs incurred relate to statutory advertising, bank charges and irrecoverable VAT of £1,674 and are listed in the attached receipts and payments account as Appendix 2

## **4 Outcome to creditors**

### **4.1 Secured Creditors**

At the date of the Administrators' appointment, the Bank was owed approximately £51.2 million. The Bank holds fixed and floating charges over the Company's assets under its debenture dated 21 September 1999. Stevens & Bolton LLP confirmed the validity of the Bank's security.

The Administrators have made total distributions to the Bank of £8.93 million under its fixed charge and £1.13 million under its floating charge, leaving the Bank with a significant shortfall.

In addition to the Bank, the Company also granted fixed and floating charges in favour of Botts which were subsequently assigned to MBI. This security ranks behind the Bank's security and hence no funds were available to MBI.

## **4.2 Preferential creditors**

As previously reported, claims in respect of certain wages and holiday pay ranked preferentially. However, as part of the sale, the Company's employees transferred to the purchaser and no preferential claims were received against the Company.

## **4.3 Unsecured creditors**

A distribution to the unsecured creditors of the Company was not possible due to the shortfall suffered by the Secured Creditors.

### **4.3.1 Prescribed Part**

The provisions of Section 176A in relation to the Prescribed Part do not apply in this administration as the Secured Creditors debentures were all created prior to 15 September 2003, being the relevant date for these provisions.

## **5 Other matters**

### **5.1 Investigations**

As required by the Company Directors Disqualification Act 1986, the Administrators submitted a report on the conduct of those directors and any person appearing to act as a shadow director in office in the three years prior to the administration with the Department for Business Innovation and Skills. The contents of the report are confidential.

### **5.2 Taxation**

KPMG Tax specialists were instructed to deal with the Company's tax affairs during the administration. All necessary returns have been submitted to HMRC, which has confirmed that it has no objection to the administration being closed.

## **6 Final matters**

### **6.1 Exit from administration**

Since there are no further distributable assets and all outstanding matters have been dealt with the Company will move from administration to dissolution approximately three months after the filing of this final report and registration of form 2.35B with the Registrar of Companies.

The Administrators will be discharged from liability on filing of this report with the Registrar of Companies as agreed with the Secured Creditors.



Robert Croxen  
*Joint Administrator*



## Appendix 1

### Statutory information

Company and trading name	The Scotsman Hotel Company Limited T/A The Scotsman Hotel		
Administration appointment	High Court of Justice, Companies Division Court No 10022 of 2011		
Date of appointment	16 November 2011		
Present Administrators' details	<p>Robert Andrew Croxen &amp; David John Crawshaw are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of England and Wales.</p> <p>Blair Carnegie Nimmo is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland</p>		
Functions	The functions of the Administrators are being exercised by either or all of them in accordance with Paragraph 100(2) of Schedule B1 of the Act.		
Application of EC regulations	EC regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations.		
Company Directors		<i>From:</i>	<i>To:</i>
	Mashaël Mohamed Bin Issa Al Jaber	31/01/06	26/10/11
	Andrea King	28/07/10	26/10/11
	Geoffrey Ledger	26/10/11	Present
Company Secretary	Timiko Cranwell	17/03/08	26/10/11
Date of incorporation	22 January 1999		
Company registration number	03699597		
Previous registered office	78-80 Wigmore Street, London W1U 2SJ		
Present registered office	c/o KPMG, Arlington Business Park, Theale, Reading, RG7 4SD		
Trading address	20 North Bridge, Edinburgh EH1 1TR		



*The Scotsman Hotel Company Limited (in administration)*  
*Final progress report*  
*KPMG LLP*  
*12 November 2012*

Details of the Company's share capital and holdings

Authorised share capital	2 shares at £1 each
Issued share capital	2 shares at £1 each
Shareholder	The Scotsman Hotel Group Limited (in administration)



*The Scotsman Hotel Company Limited (in administration)*  
*Final progress report*  
*KPMG LLP*  
*12 November 2012*

## **Appendix 2**

### **Administrators' receipts and payments account**

**The Scotsman Hotel Company Limited**  
**(In Administration)**  
**Administrators' Trading Account**

Statement of Affairs	From 16/05/2012 To 09/11/2012	From 16/11/2011 To 09/11/2012
<b>POST-APPOINTMENT SALES</b>		
Sales	38,631.08	432,528.44
Post Completion Sales	(2,312.33)	9,731.65
Miscellaneous income	NIL	20.04
	<u>36,318.75</u>	<u>442,280.13</u>
<b>PURCHASES</b>		
Purchases-Food	2,583.38	19,489.75
Purchases (2)	84.17	84.17
Purchases - Other consumables	34.00	19,922.05
	<u>(2,701.55)</u>	<u>(39,495.97)</u>
<b>OTHER DIRECT COSTS</b>		
Direct labour	NIL	155,225.12
Sub contractors	NIL	1,644.53
	<u>NIL</u>	<u>(156,869.65)</u>
<b>TRADING EXPENSES</b>		
Ransom	NIL	26,647.93
License Venture Fees	NIL	35,335.51
Rent	NIL	86,345.50
Rates	(397.51)	23,088.60
Water rates	NIL	2,325.24
Heat & light	8,513.27	42,901.69
Payroll costs	1,800.00	2,384.88
Telephone/Telex/Fax/TV	NIL	8,142.96
Insurance	NIL	13,379.64
Bank charges & interest	39.00	521.63
HP/Leasing payments	NIL	1,536.99
Repairs and maintenance	NIL	4,656.27
Sundry expenses	NIL	1,659.04
Commission on sales	227.80	15,257.78
Hotel running costs	NIL	26,489.01
Advertising	NIL	165.00
IT	NIL	608.91
	<u>(10,182.56)</u>	<u>(291,446.58)</u>
<b>TRADING SURPLUS/(DEFICIT)</b>	<u><u>23,434.64</u></u>	<u><u>(45,532.07)</u></u>

**The Scotsman Hotel Company Limited**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

Statement of Affairs	From 16/05/2012 To 09/11/2012	From 16/11/2011 To 09/11/2012
<b>FIXED CHARGE ASSETS</b>		
Freehold property	NIL	6,746,000 00
Leasehold property	NIL	800,000 00
Property rights/Patents	NIL	30,000 00
Goodwill	NIL	1,580,000.00
Bank interest, gross	80 60	425 87
	<u>80 60</u>	<u>9,156,425 87</u>
<b>FIXED CHARGE COSTS</b>		
Administrators' fees	49,000 00	134,000.00
Legal fees	NIL	46,999.11
	<u>(49,000.00)</u>	<u>(180,999.11)</u>
<b>FIXED CHARGE CREDITORS</b>		
Fixed charge creditor	NIL	8,926,000 00
	<u>NIL</u>	<u>(8,926,000.00)</u>
<b>ASSET REALISATIONS</b>		
Plant & machinery	NIL	280,000 00
Fixtures and Fittings	NIL	540,000 00
Stock	NIL	22,000.00
Cash at bank	NIL	225,302.62
Rent Deposit	NIL	84,018 13
	<u>NIL</u>	<u>1,151,320 75</u>
<b>OTHER REALISATIONS</b>		
Bank interest, gross	84.42	800 01
Sundry refunds	NIL	13.14
Trading Surplus/(Deficit)	23,434 64	(45,532.07)
Pre-Admin Debtors	NIL	58,919.97
	<u>23,519 06</u>	<u>14,201.05</u>
<b>COST OF REALISATIONS</b>		
Administrators' fees	42,549.73	50,549.73
Administrators' expenses	550 57	935.35
Irrecoverable VAT	(388 45)	1,547.54
Agents'/Valuers' fees	NIL	8,300 00
Legal fees	1,302.76	9,265.88
Legal disbursements	5 16	5.16
MBI recharge	NIL	8,109.71
Statutory advertising	NIL	76 50
D&O Insurance	8,040.00	8,040 00
Bank charges	50.00	50.00
	<u>(52,109 77)</u>	<u>(86,879.87)</u>
<b>FLOATING CHARGE CREDITORS</b>		
Floating charge	153,297 29	1,128,068.69
	<u>(153,297.29)</u>	<u>(1,128,068.69)</u>
	<u>(230,807.40)</u>	<u>(0.00)</u>
<b>REPRESENTED BY</b>		<u>NIL</u>

## Appendix 3

### Analysis of the Administrators' time costs and schedule of rates of charging

	28 Jun 2011 to 30 Sep 2012	1 Oct 2012 to Present
Partner/director	£460 - £535	£485 - £565
Management	£345 - £425	£365 - £450
Administrators	£175 - £240	£185 - £250
Support	£110	£115

#### KPMG Restructuring policy for the recovery of disbursements

Where funds permit, the officeholder will look to recover both category 1 and category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

**Category 1 disbursements:** These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

**Category 2 disbursements:** These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Any disbursements paid from the estate are disclosed within the attached summary of disbursements.

Category 2 disbursements that KPMG Restructuring currently charges includes mileage, this is calculated as follows:

Mileage claims fall into three categories:

Use of privately-owned vehicle or car cash alternative – 40p per mile

Use of company car – 60p per mile

Use of partner's car – 60p per mile

For all of the above car types, when carrying passengers an additional 5p per mile per passenger will also be charged where appropriate



# The Scotsman Hotel Company Limited

Administrators' time cost analysis 16 May 2012 to 9 November 2012

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
<b>Administration &amp; planning</b>							
Cashiering							
General (Cashiering)		6 10	4 10	0 60	10 80	£2,966 50	£274 68
Reconciliations (& IPS accounting reviews)		7 20	8 00		15 20	£3,939 00	£259 14
<b>General</b>							
Books and records		0 30	4 80		5 10	£943 50	£185 00
Fees and WIP		2 80	1 90		4 70	£1,311 00	£287 45
<b>Statutory and compliance</b>							
Bonding and bordereau			0 20		0 20	£35 00	£175 00
Checklist & reviews	0 50	4 95	3 20		8 65	£2,577 25	£293 32
Closure and related formalities		3 60			3 60	£1,452 00	£403 33
Pre-appointment checks		0 10	1 10		1 20	£299 00	£249 17
Reports to debenture holders		1 30			1 30	£552 50	£425 00
Statutory receipts and payments accounts				0 60	0 60	£66 00	£110 00
Strategy documents		3 10	3 30		6 40	£1,653 00	£258 28
<b>Tax</b>							
Post appointment corporation tax	0 70	9 00	35 45		45 15	£9,879 25	£218 81
Post appointment PAYE		0 50			0 50	£172 50	£345 00
Post appointment VAT		17 95	30 75		48 70	£12,312 00	£252 81
<b>Creditors and claims</b>							
General correspondence		0 70	4 65		5 35	£1,055 25	£197 24
Pre-appointment VAT / PAYE / CT		4 10			4 10	£1,420 50	£346 46
Statutory reports	0 30	19 10	9 60		29 00	£8,646 00	£298 14
<b>Employees</b>							
Correspondence		1 20			1 20	£420 00	£350 00
Pensions reviews		1 20	1 50		2 70	£676 50	£250 56
<b>Realisation of assets</b>							
Cash and investments		0 80	0 50		1 30	£363 50	£279 62
Debtors			0 60		0 60	£105 00	£175 00
Freehold property		0 50			0 50	£172 50	£345 00
Leasehold property			0 40		0 40	£70 00	£175 00
Open cover insurance		0 10			0 10	£36 50	£365 00
Purchases and trading costs (the finalising of)		2 50	15 00		17 50	£3,960 50	£226 31
Sales		1 00			1 00	£345 00	£345 00
<b>Total in period</b>					<b>215.85</b>	<b>£55,429 75</b>	<b>£256 80</b>

Brought forward time from 16 November 2011 to 9 November 2012

735 70 £238,923 50

Time costs from 15 May 2012 to 9 November 2012

215 85 £55,429 75

Total time costs

951 55 £294,353 25

## Disbursements

### Category 1 disbursements

None

### Category 2 disbursements

None

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the above analysis of time. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

## Appendix 4

### Schedule of expenses

	<b>Paid</b>	<b>Accrued</b>	<b>Total for period</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Trading</b>			
Purchases	2,702	-	2,702
Trading expenses	10,183	-	10,183
<b>Cost of realisations</b>			
Legal fees	1,308	-	1,308
Bank charges	50	-	50
Administrators' remuneration & disbursements	-	-	-
D&O insurance	8,040	-	8,040
<b>Total</b>	<b>22,283</b>	<b>-</b>	<b>22,283</b>

**Notes:** Creditors are reminded that the basis upon which Administrators' remuneration has been charged has been agreed with the Secured Creditors in accordance with Rule 2.106. However, to determine if the quantum of the remuneration to be taken is reasonable the analysis included at Appendix 3 should be reviewed along with section 3.1 of this report

Any additional information regarding remuneration or expenses charged for the period is available from the Administrators upon request by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with Rule 2.48A. This request must be made within 21 days of receipt of the report. In addition creditors are reminded that the quantum can be challenged by any secured creditor or any unsecured creditor(s) with at least 10% in value (including that creditor's claim) of the unsecured debt by making an application to Court in accordance with Rule 2.109 within eight weeks of receipt of this report. The full text of these Rules can be provided upon request.

## **Appendix 5**

### **Administrators' proposals**

The Administrators proposed the following:

- To continue to do all such things reasonably expedient and generally exercise all their powers as Administrators as they, in their discretion, consider desirable in order to maximise realisations from the assets of the Company in accordance with the objective as set out above;
- To investigate and, if appropriate, pursue any claims the Company may have;
- To seek an extension to the administration period if deemed necessary by the Administrators;
- To pay any realisations to secured and preferential creditor(s) (if any);
- To take the necessary steps to dissolve the Company under Paragraph 84, unless circumstances arise which require the Company to be placed into liquidation. The administration will end on filing of the Administrators' final progress report with the Registrar of Companies and dissolution will take place approximately three months thereafter;
- Alternatively, if thought fit, to petition the Court for a winding up order placing the Company into compulsory liquidation appointing Robert Andrew Croxson, David John Crawshaw and Blair Carnegie Nimmo as Liquidators of the Company without any further recourse to creditors. Any act required or authorised under any enactment to be done by the liquidators may be done by either one of them;
- To seek their discharge from liability in respect of any action of their as Administrators pursuant to Paragraph 98(1) from the Secured Creditors and preferential creditor(s) (if appropriate);
- To draw fees on account and disbursements, including category two disbursements, from the assets of the Company from time to time during the period of the administration based on time properly spent at KPMG LLP appropriate charge out rates, including any increase, that reflect the complexity of the assignment subject to the provisions of Rule 2.106;
- To pay the costs of KPMG LLP in respect of forensic, tax, VAT and pension advice provided to the Administrators be based upon time costs and shall be paid out of the assets of the Company.