

The Insolvency Act 1986

Statement of administrator's proposals 2.17B

Name of Companies SAPPHIRE (BURNLEY) (NO.2) NOMINEE LIMITED	Company number 04208919
In the HIGH COURT OF JUSTICE, CHANCERY DIVISION, COMPANIES COURT	Court case number 6880 of 2010

We, Malcolm Shierson, Daniel Smith and Martin Ellis

of Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU,

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

15 October 2010

Signed



Joint Administrator

Dated

18 October 2010

Contact Details:

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

Alan Kelly Grant Thornton UK LLP 30 Finsbury Square	
London EC2P 2YU	Tel 020 7383 5100
DX Number	DX Number



A12 20/10/2010 244
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

WEDNESDAY



Grant Thornton

Our Ref PXP/ARK/JND/MBS/M99826/PF9

TO THE CREDITORS

Recovery and Reorganisation

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18 October 2010

Dear Sirs

Sapphire Retail Fund Limited (SRFL)
Sapphire (Harlow) Nominee Limited (SHNL)
Sapphire (Harlow) (No.2) Nominee Limited (SH2NL)
Sapphire (Burnley) Nominee Limited (SBNL)
Sapphire (Burnley) (No.2) Nominee Limited (SB2NL)
Sapphire (Cardiff) Nominee Limited (SCNL)
Sapphire (Cardiff) (No.2) Nominee Limited (SC2NL)
- All In Administration (The Administration Companies)
High Court of Justice, Chancery Division (6875 to 6881 of 2010)

1 Introduction

- 1.1 Following the appointment of Daniel Smith, Martin Ellis and myself as Joint Administrators of the Administration Companies on 24 August 2010 by the security trustee, Bank of Scotland plc, acting on behalf of the Senior Lenders of both the Senior A and Senior B facilities (the Senior Lenders), I am submitting my proposals pursuant to paragraph 49(1) of schedule B1 to the Insolvency Act 1986 for achieving the objectives of the Administrations
- 1.2 This report contains the information required by Rule 2.33 of the Insolvency Rules 1986
- 1.3 For all of the Administration Companies, in accordance with paragraph 100 (2) of Schedule B1 to the Insolvency Act 1986, the functions of the Joint Administrators are to be exercised by any or all of them

Chartered Accountants
Member firm within Grant Thornton International Ltd
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A list of members is available from our registered office

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business

A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address.

- 1 4 On the same date as the appointment of myself as Joint Administrator of the Administration Companies, I was also appointed the Joint Receiver, again with Daniel Smith and Martin Ellis, of the assets of Sapphire No 2 Limited Partnership (SN2LP), a Jersey registered entity
- 1 5 SN2LP is the immediate holding entity of SCNL and SC2NL. The ultimate parent company of SN2LP is SRFL.
- 1 6 Whilst I do not have the same reporting requirements for SN2LP as I do for the Administration Companies, I have included details of this appointment in this report to give the creditors the overall picture of the insolvency of the Group

2 Statutory information

- 2 1 The statutory details of the Administration Companies are summarised in Appendix A
- 2 2 My appointment to the Administration Companies in each case constitutes "main proceedings" under the EC Regulation on Insolvency Proceedings

3 Background to Administrators' appointments

- 3 1 SRFL is the parent company of the Sapphire Retail Fund Group (the Group) which consists of the following subsidiary entities
- SHNL
 - SH2NL
 - SBNL
 - SB2NL
 - SCNL
 - SC2NL
 - SN2LP
 - Sapphire Unit Trust
 - Sapphire No 1 Limited Partnership
- 3 2 As indicated above, I have been appointed as Joint Administrator over SRFL and the first six companies listed above. I have also been appointed Joint Receiver of the assets of SN2LP
- 3 3 In respect of Sapphire Unit Trust, this is the holding entity of SN2LP and is owned 100% by SRFL. This entity is not subject to any insolvency proceedings
- 3 4 Sapphire No 1 Limited Partnership is, we understand, a dormant entity and also not subject to any insolvency proceedings

- 3 5 The Group commenced to trade in November 2001 and owned three shopping centres (the Assets) at the date of my appointment as follows
- Harvey Centre in Harlow
 - Charter Walk Centre in Burnley
 - Queen's Arcade in Cardiff
- 3 6 The acquisition of these properties by the Group in 2001 was funded by a combination of bank funding and loan stock provided by the shareholders. The acquisition in 2001 included a shopping centre in High Wycombe which was sold by the Group in 2006
- 3 7 The facilities of the Senior Lenders were due to expire on 31 August 2010. In the 12 months prior to this date, the Group had breached a number of its covenants as a result of the general economic climate which had impacted to a significant degree on both property values and the retail industry
- 3 8 Specifically, the Group was not only experiencing an increased number of void units at its centres (which was adversely impacting on both the income and cost base of the Group) but was also experiencing reducing rental values in line with the market as a whole. Both of these factors reduced the cash flow generated from the Assets resulting in the Group being unable to meet its financial commitments under the facility agreements
- 3 9 Grant Thornton UK LLP (the Firm) was first engaged by the Senior Lenders, who hold a qualifying floating charge over the assets of all the companies and other entities in the Group including the Administration Companies, on 24 May 2010 with a view to giving advice on the Group's financial position and the options of the Senior Lenders
- 3 10 Prior to that consultation, neither I nor the Firm, had any dealings or involvement with the Administration Companies or their directors
- 3 11 The Firm carried out an investigation into the Group's financial position and the options available to the Senior Lenders and produced a report to the Senior Lenders dated 29 July 2010
- 3 12 At broadly the same time as the Firm was completing this report, the directors had advised the Senior Lenders that they would petition for the appointment of administrators on 24 August 2010 if an extension of the facilities had not been agreed by that date
- 3 13 The Firm was further engaged on 10 August 2010 to assist the Senior Lenders to prepare a contingency plan document in the event that the facilities were not extended and that either the Senior Lenders or the directors requested the appointment of administrators to the Group
- 3 14 Whilst discussions took place between the directors and the Senior Lenders in respect of extending the facilities, no agreement was reached

- 3 15 In light of this, and having considered all the options available to them, Bank of Scotland plc, on behalf of, and in consultation with, the Senior Lenders, considered that the best route for the Administration Companies was for them to be placed into administration and subsequently, on 24 August 2010 made the direct appointment of administrators to the Administration Companies in accordance with paragraph 14 of Schedule B1 to the Insolvency Act 1986

4 Conduct of the Administration

Trading and financing of the administration

- 4 1 Upon my appointment I met with Savills and King Sturge (the Managing Agents) who managed the three centres prior to my appointment. I have now appointed them to continue to manage the Assets subsequent to my appointment.
- 4 2 The Managing Agents have continued to manage the centres on a day to day basis and have been responsible for demanding, and collecting rent and service charge from the tenants at each of the centres. The current rent roll for the Group is c £14.8m per annum which includes the rent roll for Cardiff which we believe is beneficially owned by SN2LP.
- 4 3 In addition to the appointment of the Managing Agents, I have appointed London & Associated Properties plc to be the Asset Manager for the Joint Administrators. It will be the task of the Asset Manager to oversee the work of the Managing Agents and advise the Joint Administrators in respect of strategic decisions which will be taken in respect of the Assets.
- 4 4 GCW Chartered Surveyors have been appointed as national letting agents for the Assets. GCW will not only seek new tenants for the centres but will advise the Joint Administrators on lease renewals and rent reviews relating to existing tenants. GCW have appointed local agents to each of the centres to assist them in their task.
- 4 5 I can confirm that the Assets are fully insured.
- 4 6 My receipts and payments account for SRFL covering the period to 14 October 2010 is attached (Appendix B). None of the remaining Administration Companies have had any receipts or payments in the period.

Sale of the Assets

- 4 7 Franc-Warwick have been instructed to act as selling agents for the Assets.
- 4 8 Marketing of the Assets has now commenced although I do not expect to be in a position to consider any offers for the Assets until the end of November.
- 4 9 Once offers are received for the Assets, consideration will be given as to whether the properties should be sold or held for a period (say 2 to 3 years) until market conditions improve.

- 4 10 The beneficial and legal title of each Asset is split across a number of Group entities. To facilitate the sale of the portfolio, the beneficial and legal title of the Burnley and Harlow properties will be recombined in one of the nominee companies for that property. The consideration for the transfer of the property interests from SRFL will be satisfied by the assignment of the relevant proportion of the senior debt from SRFL to the appropriate nominee company.

5 Assets and liabilities

- 5 1 The directors have been requested to prepare a statement of affairs for the Administration Companies although I have yet to receive these.
- 5 2 I have been provided with draft statements of affairs by the directors in respect of which we have provided comments back to the directors but I have yet to receive the final signed versions of these documents. These will be filed at Companies House when received.
- 5 3 I have provided at Appendix C a summary of SRFL's financial position as detailed in the balance sheet prepared by SRFL's management as at 30 June 2010 and at the date of our appointment, 24 August 2010.
- 5 4 I have also detailed a list of the names and addresses of the creditors, the amount of their debts and details of any security held as taken from the draft statement of affairs provided to us by the directors.
- 5 5 For the remaining companies subject to administration, being SHNL, SH2NL, SBNL, SB2NL, SCNL and SC2NL, these were all dormant entities. At the date of the last statutory accounts each of these entities had called up share capital of £1 and an intercompany debt due to it of the same amount. It is my understanding that the financial position of these entities remained unchanged at the date of my appointment.
- 5 6 A calculation will have to be performed to ascertain the level of prescribed part of the company's net property under Section 176A of the Insolvency Act 1986, being the amount available for the satisfaction of unsecured liabilities.
- 5 7 Based on the directors' draft statements of affairs, the amount available would be c.£218,000. However, the amount ultimately available under the prescribed part (up to a maximum of £600,000) is critically dependent on whether rental receipts are caught by the fixed charge of the Senior Lenders. I am currently taking legal advice in respect of this issue.
- 5 8 The directors of SN2LP are not obliged to provide me with a statement of affairs. As indicated above, we understand that the principal asset of SN2LP is the centre at Cardiff.

SRFL assets

- 5 9 The sale of the Assets will provide the principal repayment for the Senior Lenders. As these assets are currently being marketed, I consider that releasing estimates as to what they are likely to realise would be prejudicial to the interests of the creditors as information in this report will be publicly available and thus this information would be available to the bidders for the Assets.
- 5 10 As indicated above, we understand that the beneficial ownership of the property at Cardiff is owned by SN2LP, I am appointed as Joint Receiver of this entity. Ultimately, this is an asset of SRFL as it owns the units in Sapphire Unit Trust which in turn owns the shares in SN2LP. Therefore, any value realised from this asset will pass to the Senior Lenders through the cross guarantee structure that is in place or via SRFL as it owns the investment.
- 5 11 Whilst SRFL's balance sheet as at the date of appointment includes cash of £767,000, this amount had been set off against the debt due to the Senior Lenders on the day before our appointment in line with the powers in their facility documentation and debenture.
- 5 12 The only other assets attributable to SRFL were trade debtors, other debtors and prepayments. Whilst these had a gross value of c £1.8m, we consider that our recovery from these assets will be significantly less than this sum.

SRFL liabilities

Secured creditors

- 5 13 At the date of the appointment, the Senior Lenders were owed a total of c £169m under the Senior A loan and c £34.5m under the Senior B loan. In addition to these amounts, interest of c £2.5m (post set off detailed in paragraph 5.11) remained outstanding to the Senior Lenders.
- 5 14 This debt was guaranteed by all companies in the Group including the Administration Companies and SN2LP, the assets of which I have been appointed Joint Receiver over.
- 5 15 Bank of Scotland act as the security trustee for the Senior Lenders who are secured by way of fixed and floating charges in respect of all of the Administration Companies over which we have been appointed. These charges are dated 31 August 2005 and we have received independent legal advice that has confirmed the validity of these charges and our appointments under these charges.
- 5 16 I do not anticipate that the Senior Lenders will be repaid in full.
- 5 17 I understand that the Loan Stock provided by the Shareholders is also secured on the assets of the Group but that the security ranks behind that of the Senior Lenders. On the basis that I consider that the Senior Lenders will suffer a shortfall on their lending, I have taken no steps to confirm the validity of this security.

Preferential creditors

- 5 18 SRFL had no known preferential creditors at the date of appointment.

Unsecured creditors

- 5 19 The position as regards SRFL's unsecured creditors is currently unknown. A schedule summarising the position per the directors draft statement of affairs is detailed in Appendix C
- 5 20 It should be noted that this list of creditors includes the following:
- debts due to Savills Kings Sturge and Taylor Wessing. These debts have been extinguished subsequent to the Joint Administrators' appointment and are therefore no longer a liability of the Administration Companies
 - deferred income. Whilst we have not been provided with a analysis of this amount we consider that this debt would have been reduced to nil by 29 September 2010 when the next quarters rent demands were issued
 - accrued expenditure. We have been provided with no details as to who these amounts are owed to
- 5 21 The only amount available to the unsecured creditors will be the amount that's available under the prescribed part

6 Proposals for achieving the objective of the Administrations

- 6 1 In accordance with paragraph 3(1) of Schedule B1 of the Insolvency Act 1986, the Joint Administrators must perform their functions with the objective of either
- i Rescuing a company as a going concern,
 - ii Realising property in order to make a distribution to one or more of the secured or preferential creditors, or
 - iii Achieving a better result for the creditors of a company as a whole than would be likely if the Company were wound up (without first being in Administration)
- 6 2 The Joint Administrators will pursue the objective of realising assets for the benefit of secured and preferential creditors
- 6 3 Whilst the rescue of certain companies within the Group may be achieved through the actions of the Joint Administrators, this is not the primary aim of the administrations. A rescue of all of the Administration Companies is unlikely especially in respect of SRFL given the over-indebtedness of this entity
- 6 4 For any Administration Companies that are rescued, it will not be necessary for another exit route to be followed. Thus any administrations of entities that are sold will end by way of the Joint Administrators resigning their position
- 6 5 It is proposed that for the remaining administrations, these will end by way of either the Administration Companies being dissolved or being placed into a Company Voluntary Arrangement (CVA) or into liquidation. The exit route and timing for all of the Administration Companies will not necessary be the same

- 6 6 If any of the Administration Companies are placed into CVA or into liquidation it is proposed that the Joint Administrators in office at that date will be appointed supervisors to the CVA or liquidators, any act in the CVA or liquidation to be done by any one or more of the supervisors or liquidators respectively. However, creditors may nominate a different liquidator or liquidators if nomination to that effect is received before the approval of these proposals.

7 Administrators' remuneration and disbursements

- 7 1 Background information regarding the fees of Joint Administrators can be found at <http://www.insolvency-practitioners.org.uk> (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees'). Alternatively I will supply this information by post on request.
- 7 2 The Joint Administrators will request that their remuneration be calculated according to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration. The Joint Administrators will seek approval from the Senior Lenders in accordance with Paragraph 2 of Rule 2.106 of the Insolvency Act 1986.
- 7 3 The Joint Administrators will charge out of pocket expenses at cost. Mileage is charged at standard rates which comply with HM Revenue and Customs limits or AA recommended rates. VAT is added to disbursement charges as necessary.
- 7 4 Payments of the Joint Administrators' remuneration and disbursements are to be met from funds held in the administration in priority to the claims of creditors, and, after approval of the basis by the Senior Lenders, the Joint Administrators may draw sums on account.
- 7 5 In accordance with Statement of Insolvency Practice 9, I attach at Appendix D a summary of the Joint Administrators' time costs from 24 August 2010 to 1 October 2010 by grade of staff and by type of work. This includes time spent by the Joint Receivers and their staff in the same period.
- 7 6 Time costs for this period amounted to £158,308 representing 411 hours at an average of £385 per hour.
- 7 7 Disbursements of £2,392 have been incurred in the above period. Our disbursement policy is detailed at Appendix E, whilst the standard charge out rates for the Recovery and Reorganisation department at Grant Thornton UK LLP are detailed in Appendix F.

8 Meeting of creditors

- 8 1 A meeting of creditors has not been convened because, in accordance with paragraph 52(1) of Schedule B1 to the Insolvency Act 1986, I am of the opinion that none of the Administration Companies has sufficient property to enable a distribution to be made to unsecured creditors other than by virtue of Section 176A of the Insolvency Act 1986, the prescribed part.

- 8 2 The proposals contained in this statement will be deemed to have been approved by the creditors unless, within 8 business days of this statement being sent out, a meeting is requisitioned by creditors whose debts amount to at least 10% by value of the total debts of any of the Administration Companies
- 8 3 Should you have any queries in respect of the above, please contact Jon Deverick on 0207 728 2499

Yours faithfully
for and on behalf of
Sapphire Retail Fund Limited
Sapphire (Harlow) Nominee Limited
Sapphire (Harlow) (No 2) Nominee Limited
Sapphire (Burnley) Nominee Limited
Sapphire (Burnley) (No 2) Nominee Limited
Sapphire (Cardiff) Nominee Limited
Sapphire (Cardiff) (No 2) Nominee Limited



Malcolm Shierson
Joint Administrator

The affairs, business and property of Sapphire Retail Fund Limited & certain of its Subsidiaries are being managed by Malcolm Shierson, Daniel Smith, and Martin Ellis, appointed as Joint Administrators on 24 August 2010

Sapphire Retail Fund Limited & certain of its Subsidiaries
The Companies Statutory Detail

	SRFL	SHNL	SH2NL
Registered number	04300462	04126028	04222547
Date of incorporation	08/10/2001	15/12/2000	23/05/2001
Registered office	30 Finsbury Square London EC2P 2YU	30 Finsbury Square London EC2P 2YU	30 Finsbury Square London EC2P 2YU
Authorised share capital	500,000 ordinary shares of £1	1 ordinary shares of £1	1 ordinary shares of £1
Issued share capital	500,000 ordinary shares of £1	1 ordinary shares of £1	1 ordinary shares of £1
Secretary at date of appointment & shareholdings	E L Services Limited (Nil)	E L Services Limited (Nil)	E L Services Limited (Nil)
Directors at date of appointment & shareholdings	Stephane A J Nahum (Nil) Malcolm R Turner (Nil) Alistair J N Hewitt (Nil) Patrick C O'Driscoll Nil)	Stephane A J Nahum (Nil) Malcolm R Turner (Nil)	Stephane A J Nahum (Nil) Malcolm R Turner (Nil)
	SBNL	SB2NL	SCNL
Registered number	04139738	04208919	04126131
Date of incorporation	11/01/2001	01/05/2001	15/12/2000
Registered office	30 Finsbury Square London EC2P 2YU	30 Finsbury Square London EC2P 2YU	30 Finsbury Square London EC2P 2YU
Authorised share capital	1 ordinary shares of £1	1 ordinary shares of £1	1 ordinary shares of £1
Issued share capital	1 ordinary shares of £1	1 ordinary shares of £1	1 ordinary shares of £1
Secretary at date of appointment & shareholdings	E L Services Limited (Nil)	E L Services Limited (Nil)	E L Services Limited (Nil)
Directors at date of appointment & shareholdings	Stephane A J Nahum (Nil) Malcolm R Turner (Nil)	Stephane A J Nahum (Nil) Malcolm R Turner (Nil)	Stephane A J Nahum (Nil) Malcolm R Turner (Nil)
	SC2NL		
Registered number	04208925		
Date of incorporation	01/05/2001		
Registered office	30 Finsbury Square London EC2P 2YU		
Authorised share capital	1 ordinary shares of £1		
Issued share capital	1 ordinary shares of £1		
Secretary at date of appointment & shareholdings	E L Services Limited (Nil)		
Directors at date of appointment & shareholdings	Stephane A J Nahum (Nil) Malcolm R Turner (Nil)		

Sapphire Retail Fund Limited & certain of its Subsidiaries
Receipts and Payment account

Sapphire Retail Fund Limited
(In Administration)

Joint Administrators' Abstract Of Receipts And Payments
To 14 October 2010

RECEIPTS'	Total (£)
Rent	2,384,702 80
Vat Payable	224,384 65
	<hr/>
	2,609,087 45
 PAYMENTS	
Contribution to service charge arrears	200,000 00
Other service charge payments	83,681 41
Senior Lenders	2,100,000 00
Vat Receivable	457 52
	<hr/>
	2,384,138 93
 Balances in Hand	<hr/>
	224,948 52

Sapphire Retail Fund Limited & certain of its Subsidiaries
SRFL Net asset position as at 30 June 2010 & 24 August 2010

	As at 30 June 2010		As at 24 August 2010	
	£'000	£'000	£'000	£'000
ASSETS				
Land & Buildings				
Burnley		55,205		55,205
Cardiff (held by SRFL as an investment)		42,412		40,098
Harlow		40,994		41,024
		<u>138,611</u>		<u>136,327</u>
Other assets				
Trade debtors	930		223	
Other debtors	1,343		858	
Cash	<u>1,350</u>		<u>767</u>	
		3,623		1,848
Total Assets		<u>142,234</u>		<u>138,175</u>
LIABILITIES				
Bank facilities				
Senior A	(169,004)		(169,004)	
Senior B	(34,448)		(34,448)	
Less unamortised bank fees	100		8	
Unpaid loan interest	<u>(4,849)</u>		<u>(4,558)</u>	
		(208,201)		(208,002)
Shareholder loan stock				
Ubernor Ventures Limited	(9,025)		(9,025)	
Aldersgate Investments Limited	(9,026)		(9,026)	
Accrued Interest	<u>(8,144)</u>		<u>(8,561)</u>	
		(26,195)		(26,612)
Accruals				
Administration costs	(978)		(541)	
Rent Received in Advance	(900)		(854)	
Tenants' Deposits	(26)		(26)	
Sinking Fund	(40)		(204)	
Service Charge on Account (VAT only)	<u>(236)</u>		<u>-</u>	
		(2,180)		(1,625)
Other creditors				
VAT control	(468)		(411)	
Purchase Ledger control	<u>(621)</u>		<u>(280)</u>	
		(1,089)		(691)
NET ASSETS		<u><u>(95,431)</u></u>		<u><u>(98,755)</u></u>

Notes

The figures as at 30 June 2010 have been taken from the Management Accounts as at that date

The figures as at 24 August 2010 have been taken from the draft statement of affairs provided by Management

Sapphire Retail Fund Limited & certain of its Subsidiaries

Unsecured creditors as at 24 August 2010

Name	Address (with postcode)	Amount of Debt (£)
Braiser Freeth	The Edward Hyde Building, 38 Clarendon Road, WD17 1HZ	4,700
Frogbox Marketing	The Forum, 227 London Road, RH15 9QU	3,551
Hutchinson 3G UK	Star House, 20 Grenfell Road, Maidenhead, SL6 1EH	4,700
R&M Fund Management	4th Floor, Millbank Tower, 21-24 Millbank, SW1P 4QP	188,063
Jones Lang Laselle	22 Hanover Square, London, W1A 2BN	1,634
King Sturge	30 Warwick Street, London, W1B 5NH	15,518
Savills (lease related)	25 Finsbury Circus, EC2M 7EE	5,191
Savills (voids)	As above	18,364
State Street Global Services	PO Box 87, 22 Grenville Street, St Helier, Jersey, JE4 8PX	7,875
Taylor Wessing	Carmelite, 50 Victoria Embankment, EC4Y 0DX	28,597
Savills (Sinking Fund)	As above	40,064
Jones Land Laselle (Sinking Fund)	As above	27,580
Savills (Sinking Fund)	As above	137,205
HMRC VAT		411,049
Uberior Ventures Limited		13,306,227
Aldersgate Investments Limited		13,305,227
Deferred income		854,046
Rent deposits		26,211
Accrued expenses		541,644
		28,927,446

Notes

Management have not provided details of any security on their draft statement of affairs. We understand that the claims of Uberior Ventures Limited and Aldersgate Investments Limited are both secured and that this security ranks behind the claims of the Senior Lenders.

The draft statement of affairs provided by management excludes any creditors relating to the day to day running of the shopping centres. To the extent that these have not been paid subsequent to our appointment, we have provided this report to these creditors.

Sapphire Retail Fund Limited & certain of its Subsidiaries

SIP 9 work in progress analysis for the period to 1 October 2010

	Partner			Associate Director			Executive			Administrator			Total		
	Hrs	£	Ave (£)	Hrs	£		Hrs	£		Hrs	£		Hrs	£	
Administration and Planning	19	10,112	535	27	10,976	405	23	6,129	265	35	2,188	63	104	29,404	283
Creditors	19	9,898	535	40	16,322	405	9	2,340	260	12	1,488	129	79	30,047	379
Hiatus period	0	0	n/a	0	0	n/a	0	0	n/a	0	0	n/a	0	0	n/a
Investigations	9	4,976	535	30	12,029	405	0	0	n/a	0	0	0	39	17,004	432
Realisation of Assets	29	15,435	535	57	23,247	405	4	996	259	2	120	60	92	39,798	432
Trading	37	19,528	535	54	21,992	405	1	260	260	5	276	60	96	42,055	436
Total	112	59,947	535	209	84,564	405	37	9,725	263	53	4,072	76	411	158,308	385

Administration & Planning

Includes, case planning, statutory returns, maintenance of bank accounts and estate records, matters relating to tax, general correspondence, legal advice, meetings

Creditors

Includes, correspondence with secured and unsecured creditors

Investigations

Includes, dealing with investigations and reports on directors

Realisation of Assets

Includes, dealing with sale of the business and the assets of the Company, dealing with Solicitors

Trading

Includes, corresponding with managing agents, utility suppliers and tenants

Sapphire Retail Fund Limited & certain of its Subsidiaries

Basis of Administrator's remuneration

Introduction

The following information is provided in connection with the Joint Administrators' remuneration and disbursements in accordance with SIP 9

An overview of the case

Please refer to the main body of the report

Explanation of Grant Thornton UK LLP charging and disbursement recovery policies

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown at Appendix F Support staff (i.e. secretaries, cashiers and filing clerks) are charged to the case for the time they work on it

Category 1 disbursements

Out of pocket expenses are charged at cost Mileage is charged at standard rates which comply with HM Revenue and Customs limits or AA recommended rates

Narrative description of work carried out

Please refer to the main body of the report

Category 1 disbursements

Category 1 disbursements for the period to 1 October 2010	£
Travel	1,562 50
Mail redirection	623 92
Mileage	189 00
Other	17 02
Total	2,392.44

Supporting ocumentation

The following documentation is attached as required by SIP 9

- a schedule of charge-out rates which have applied during the reporting period at Appendix F

Sapphire Retail Fund Limited & certain of its Subsidiaries
GRANT THORNTON charge out rate

From 24 August 2010 to 1 October 2010

Grade	Maximum Hourly Rate
Recovery Partner	535
Tax Partner	625
Director	440
Tax Director	550
Associate Director	405
Tax Associate Director	450
Manager	340
Assistant Manager	285
Senior 2	260
Senior 1	240
Administrator 2	195
Administrator 1	145
Secretary	135
Filing Clerk	135
Treasury	155