

The Insolvency Act 1986

**Administrator's progress report**

Name of Company

Trostre Retail Limited

Company number

04339316

In the  
High Court of Justice, Chancery Division, Leeds  
District Registry  
(full name of court)Court case number  
24 of 2012(a) Insert full  
name(s) and  
address(es) of  
administrator(s)I/We (a)  
S Wilson  
Zolfo Cooper  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1ABC P Holder  
Zolfo Cooper  
10 Fleet Place  
London EC4M 7RBA C O'Keefe  
Zolfo Cooper  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB

administrators of the above company attach a progress report for the period

(b) Insert date

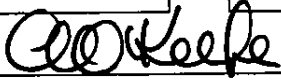
From

(b) 17 November 2012

To

(b) 7 May 2013

Signed

  
Joint Administrators

Dated

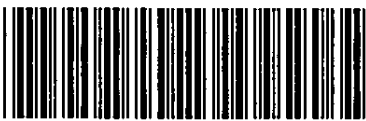
17 June 2013

**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  
formThe contact information that you give  
will be visible to searchers of the  
public registerJenna Carr  
Zolfo Cooper  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB

DX Number

+44 (0) 161 838 4500  
DX ExchangeWhen 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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19/06/2013

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COMPANIES HOUSE

**Joint Administrators’  
Progress Report  
for the period  
17 November 2012 to  
7 May 2013**

**Trostre Retail Limited  
In Administration**

17 May 2013

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## **1 Statutory information**

- 1 1 Simon Wilson, Anne O'Keefe and Peter Holder were appointed Joint Administrators of Trostre Retail Limited (the Company) on 9 January 2012 by the High Court of Justice. The application for the appointment was made by Aviva Commercial Finance Limited (formerly known as Norwich Union Mortgage Finance Limited), 2 Rougier Street, York, YO90 1UU (Aviva)
- 1.2 The Administration is being handled by Zolfo Cooper's Manchester office, situated at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
- 1 3 The Administration is registered in the High Court of Justice, Chancery Division, Leeds District Registry, under reference number 24 of 2012
- 1.4 The Administration was previously extended from 8 January 2013 to 8 July 2013 with the consent of the secured creditor, Aviva
- 1 5 The trading address of the Company was 78 Ashley Road, Hale, Altrincham, WA14 2UF.
- 1.6 The registered office of the Company has been changed to c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB and its registered number is 04339316
- 1 7 In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Joint Administrators are to be exercised by any or all of the Joint Administrators

## **2 Progress of the Administration**

- 2 1 This report should be read in conjunction with the Joint Administrators' previous progress reports, the most recent being dated 26 November 2012.
- 2.2 Attached at Appendix A is the Joint Administrators' Receipts and Payments Account for the period 17 November 2012 to 7 May 2013, together with a Cumulative Receipts and Payments Account for the period 9 January 2012 to 7 May 2013
- 2 3 With the exception of the Joint Administrators' remuneration detailed in section 5, legal fees in the sum of £5,900 and insurance premiums totalling £24,444, all costs to date have been paid
- 2 4 As a reminder, the Company's sole asset is a seven unit retail complex on Manchester Road, Bolton (the Complex). Six of the seven units are let and have generated rental income in the sum of £629,387 since the date of appointment. In addition, the tenants have contributed £27,143 to the insurance premiums under the terms of their leases
- 2 5 During the period, the Joint Administrators have continued to focus on attracting a new tenant to the vacant unit in order to improve the value of the Complex
- 2 6 Advertisements have been placed both nationally and locally to generate interest in the vacant unit, as well as advertising boards being used on site. In addition, the Joint Administrators' agent, Riddell tps Limited (Riddell), have issued a brochure to all relevant parties in their internal database and the vacant unit is advertised on Cheetham & Mortimor's (a specialist retail property consultant) website.
- 2 7 Two expressions of interest have recently been received, which are currently being explored.

- 2.8 As previously advised one tenant was negotiating with a third party in respect of an assignment of their lease. This assignment completed on 14 January 2013 and the lease was also extended, strengthening the tenant covenant base for the Complex and value.
- 2.9 The Joint Administrators have also been negotiating with an existing tenant in respect of extending its lease that would make the Complex more attractive to a potential investor. The tenant has recently provided informal feedback on the condition which it would be willing to extend the lease. These conditions were not attractive to the Joint Administrators and negotiations ceased.

### **3 Assets still to be realised**

- 3.1 As detailed in section 2, a sale of the Complex has not yet been sought. It is anticipated that discrete marketing will commence at the end of May 2013 once the above matters have been resolved.
- 3.2 In order to allow sufficient time to market the Complex and complete a sale it will be necessary to further extend the Administration. This is discussed in section 7.

### **4 Investigations**

- 4.1 The Joint Administrators conducted investigations into the conduct of the directors and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986, and Statement of Insolvency Practice 2 - Investigations by Office Holders in Administrations and Insolvent Liquidations. Based upon the outcome of the Joint Administrators' investigations, there were no matters identified that required further action.

### **5 Joint Administrators' remuneration**

- 5.1 Aviva approved that the basis of the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff on matters arising in the Administration.
- 5.2 The Joint Administrators' time costs for the period 17 November 2012 to 7 May 2013 are £23,048. This represents 94 hours at an average rate of £244 per hour. Attached at Appendix B is a Time Analysis for the period which provides details of the costs incurred by activity and by staff grade.
- 5.3 Principal areas of activity during the period are discussed in further detail below.
- **Administration and planning** - time has been incurred implementing and monitoring the case strategy, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here.
  - **Realisation of assets - fixed charge** - time has been incurred negotiating and finalising lease agreements and managing rent collections. Time has also been incurred complying with security and insurance requirements at the Complex.
  - **Creditors** - time has been incurred preparing statutory reports and reporting to Aviva.
- 5.4 A copy of 'A Creditors' Guide to Administrators' Fees' can be downloaded from Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>) - click on **Creditors' Guide to Fees** in the menu on the left side of the screen after logging in. If you would prefer this to be

sent to you in hard copy please contact Sophie Loughnane on 0161 838 4578 or by email [sloughnane@zolfocooper.eu](mailto:sloughnane@zolfocooper.eu) and she will forward a copy to you. Alternatively, postal requests should be sent to Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB

- 5 5 Attached at Appendix C is a Cumulative Time Analysis for the period 9 January 2012 to 7 May 2013 which provides details of the costs incurred by activity and by staff grade since the Joint Administrators' appointment
- 5 6 Approval of the Joint Administrators' remuneration has been sought from Aviva in accordance with rule 2 106 of the Insolvency Rules 1986 as amended.
- 5 7 To date, fees totalling £56,390 plus disbursements of £266 have been drawn on account
- 5 8 The Joint Administrators can confirm that the following category 2 disbursements have been drawn
- Photocopying - charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying
  - Printing - charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour
- 5 9 Information in relation to the Joint Administrators' policy on staffing, the use of sub-contractors, payment of disbursements and details of current charge-out rates by staff grade is provided at Appendix D.

## 6 Estimated outcome for creditors

### Secured creditor - Aviva Commercial Finance Limited (formerly Norwich Union Mortgage Finance Limited)

- 6 1 The Company granted the following charges to the secured creditor

Instrument	Date created
Deed of Assignment	1 July 2008
Legal Charge	1 July 2008
Deed of Assignment and Charge	29 December 2004
Supplemental Deed	29 December 2004
Legal Charge	24 June 2003
Deed of Legal Charge	28 March 2002
Deed of Assignment	28 March 2002

- 6 2 At the date of appointment Aviva was owed approximately £14.2 million (excluding interest and charges) under its security. To date, distributions totalling £305,500 have been paid to Aviva. It is estimated that Aviva will suffer a shortfall

### Preferential creditors

- 6 3 The Company had no employees, therefore no preferential claims are expected

## **Unsecured Creditors' Fund**

- 6.4 Pursuant to section 176A of the Insolvency Act 1986, where there is a floating charge which post-dates 15 September 2003, the Joint Administrators are required to create a fund from the Company's net property available for the benefit of unsecured creditors (Unsecured Creditors' Fund), commonly known as the 'prescribed part'.
- 6.5 As the Company granted a floating charge to Aviva after 15 September 2003, the Joint Administrators are required to create an Unsecured Creditors' Fund. Based on present information, the Joint Administrators estimate the value of the Company's net floating charge property to be nil and therefore the value of the Unsecured Creditors' Fund is estimated to be nil

## **7 Extending the Administration**

- 7.1 The Administration is due to automatically end on 8 July 2013. As it is unlikely the Complex will be sold by this date and it will not be possible to conclude all outstanding matters, it is necessary for the Joint Administrators to extend the Administration.
- 7.2 As the Administration has already been extended by consent of creditors, the Joint Administrators are seeking the approval of the court for a further extension to the Administration period of 12 months, in accordance with paragraph 76 of schedule B1 of the Insolvency Act 1986
- 7.3 Although it is hoped that a sale of the Complex will be achieved within a short period once marketing commences, the property market remains depressed and a prolonged campaign may be necessary to maximise realisations. If the extension is approved, the Administration will automatically end on 8 July 2014. If the Complex remains unsold at this date a further extension will be required

## **8 Ending the Administration**

- 8.1 As the Joint Administrators think that the Company has no property which might permit a distribution to its unsecured creditors, they will file a notice together with their final report at court and with the Registrar of Companies for the dissolution of the Company. The Joint Administrators will send copies of these documents to the Company and its creditors. The appointment will end following the registration of the notice by the Registrar of Companies.
- 8.2 The Joint Administrators will be discharged from liability under paragraph 98 of schedule B1 to the Insolvency Act 1986 directly after their appointment as Joint Administrators ceases to have effect.

## **9 Creditors' rights**


- 9.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report
- 9.2 Any secured creditor, or an unsecured creditor (with the agreement of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this report, make an

application to court on the grounds that the basis fixed for the Joint Administrators' remuneration is inappropriate, or that the remuneration charged or the expenses incurred by the Joint Administrators as set out in this report are excessive

## 10 Next report

- 10 1 This report has been prepared for court in support of the application to extend the Administration by 12 months. In the event that the request to extend the Administration is approved, a further report will be circulated to all creditors within one month of the next six month period ended 18 October 2013, or sooner if the Administration has been finalised

For and on behalf of  
Trostre Retail Limited



Simon Wilson  
Joint Administrator

Encs



**Receipts and Payments Account for the period  
17 November 2012 to 7 May 2013 and a Cumulative  
Account for the 9 January 2012 to 7 May 2013**

**Appendix A**

Statement of Affairs	Period	Cumulative
£	£	£
<b>Fixed charge assets</b>		
<b>Receipts</b>		
10,000,000 The Complex		-
430,580 Cash held by Aviva		-
Pre-appointment insurance refund	-	3,660
Insurance contributions	14,527	27,143
Bank interest	48	136
Rent	203,677	629,387
	<u>218,252</u>	<u>660,326</u>
<b>Payments</b>		
Joint Administrators' remuneration	13,390	51,946
<b>Category 1 disbursements</b>		
Statutory advertising		77
Redirection of mail	-	27
Insolvency bonds		30
Telephone		43
Travel and subsistence		11
<b>Category 2 disbursements</b>		
Copying and printing	-	78
Legal fees	29,595	43,420
Agents fees	12,339	80,330
Asset management fees	6,000	15,000
Electricity charges	-	696
Sundry expenses	1,127	1,127
Landlord costs	6,450	7,854
Bank charges	28	42
Energy performance certificates	-	1,350
Void service charge	2,650	14,913
	<u>(70,579)</u>	<u>(216,944)</u>
<b>Distributions</b>		
Distributed to fixed chargeholder	105,500	305,500
	<u>(105,500)</u>	<u>(305,500)</u>
<b>Balance of fixed charge assets</b>	<u>42,173</u>	<u>137,882</u>
<b>Floating charge assets</b>		
<b>Receipts</b>		
Pre-appointment refunds		4,444
<b>Payments</b>		
Joint Administrators' remuneration	-	(4,444)
<b>Balance of floating charge assets</b>	<u>-</u>	<u>-</u>
<b>Total balance</b>	<u>42,173</u>	<u>137,882</u>
<b>Represented by</b>		
Interest bearing account		150,904
VAT payable		(13,022)
		<u>137,882</u>

# Time Analysis for the period 17 November 2012 to 7 May 2013

## Appendix B

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Strategy and control	2.6	0.5	1.0		4.1	1,464.50	357
Statutory duties		0.6		0.9	1.5	298.50	199
Case administration	0.5	0.6	-	2.8	3.9	734.00	188
Accounting and treasury	0.6	0.7	-	15.2	16.5	1,919.50	116
Realisation of assets - fixed charge							
Asset realisation strategy	0.3	14.2	1.4		15.9	4,930.50	310
Asset identification and valuation		0.5	1.5	0.2	2.2	510.50	232
Sale of assets		2.6	4.9		7.5	1,898.50	253
Dealing with third party assets			0.4		0.4	88.00	220
Asset accounting and administration		0.7	8.1	1.6	10.4	2,229.50	214
Realisation of assets - floating charge							
Asset accounting and administration				0.4	0.4	46.00	115
Creditors							
Reporting to creditors	2.3	12.5	10.7		25.5	7,469.50	293
Secured creditors	0.6	0.5	4.6		5.7	1,389.50	244
Unsecured creditors			0.2	0.2	0.4	69.00	173
<b>Totals</b>	<b>6.9</b>	<b>33.4</b>	<b>32.8</b>	<b>21.3</b>	<b>94.4</b>	<b>23,047.50</b>	<b>244</b>

## Cumulative Time Analysis for the period 9 January 2012 to 7 May 2013

## Appendix C

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Planning		20		02	22	653 00	297
Strategy and control	71	21	37		129	4,562 00	354
Statutory duties	02	19	17	99	137	2,193 00	160
Case administration	19	44	15	106	184	3,767 50	205
Accounting and treasury	11	22	31	420	484	5,841 00	121
Internal documentation		01	04	71	76	936 00	123
Investigations							
Director conduct reports	05		09	16	30	613 50	205
Realisation of assets fixed charge							
Asset realisation strategy	10	515	14	-	539	16,991 50	315
Asset identification and valuation		45	20	39	104	2,311 00	222
Sale of assets	10	87	49		146	4,265 00	292
Dealing with third party assets			04		04	88 00	220
Asset accounting and administration		13	85	28	126	2,651 50	210
Realisation of assets debtors							
Debt collection				02	02	23 00	115
Realisation of assets floating charge							
Asset identification and valuation		01	03		04	100 50	251
Sale of assets				02	02	23 00	115
Recovery of assets			04		04	92 00	230
Asset accounting and administration				05	05	54 00	108
Trading							
Trading activities				05	05	57 50	115
Accounting and administration	01	02		04	07	143 00	204
Creditors							
Reporting to creditors	142	385	316	103	946	26,243 00	277
Secured creditors	14	45	46		105	3,005 50	286
Unsecured creditors		01	21	11	33	641 00	194
<b>Totals</b>	<b>285</b>	<b>1221</b>	<b>675</b>	<b>913</b>	<b>3094</b>	<b>75,255 50</b>	<b>243</b>

## Additional information in relation to the Joint Administrators' remuneration pursuant to Statement of Insolvency Practice 9

## Appendix D

### 1 Policy

Detailed below is Zolfo Cooper's policy in relation to.

- staff allocation and the use of sub-contractors,
- professional advisors, and
- disbursements.

#### 1.1 Staff allocation and the use of sub-contractors

The Joint Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The case team will usually consist of a partner, a senior associate, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Joint Administrators' charge-out rate schedule below provides details of all grades of staff and their experience level.

With regard to support staff, time spent by treasury in relation to specific tasks on an assignment is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The Joint Administrators have not utilised the services of any sub-contractors in this case.

#### 1.2 Professional advisors

On this assignment the Joint Administrators have used the professional advisors listed below. The Joint Administrators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

Professional advisors	Basis of fee arrangement
DLA Piper UK LLP (legal advice)	Hourly rate and disbursements
Willis Limited (insurance)	Risk based premium
Riddell tps Limited (property management)	Fixed fee
Riddell tps Limited (letting agent)	Percentage of realisations
Savills Commercial Limited (valuation and disposal advice)	Hourly rate and disbursements

The Joint Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them.

### 1.3 Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Joint Administrators and their staff will also be chargeable.

Category 2 disbursements do require prior approval by creditors before they are paid. If they are incurred, they will be drawn in accordance with the resolution approved by creditors. Category 2 disbursements that may be incurred are as follows:

- Photocopying - charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying
- Printing - charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour
- Business mileage for staff travel - charged at the rate of 45 pence per mile

## 2 Charge-out rates

A schedule of Zolfo Cooper charge-out rates for this assignment effective from 1 April 2013 is detailed below, together with those applicable prior to that date. Time is charged by partners and case staff in units of six minutes.

Description	Rates from 1 April 2013	Description	Rates pre 1 April 2013
	£		£
Partner 1*	445	Partner 1*	445
Partner 2*	415	Partner 2*	395
Director	360	Director	340
Associate director*	320	Senior associate 1*	315
Senior associate	280	Senior associate 2*	265
Associate	240	Associate	230
Analyst	220	Analyst	220
Junior analyst	125	Junior analyst	115
Senior treasury associate	170	Senior treasury associate	155
Treasury associate	110	Treasury associate	105
Treasury analyst	85	Treasury analyst	80
Support	79	Support	75

**\*Key**

*Partner 1 - partners with three or more years' experience at partner level*

*Partner 2 - partners with fewer than three years' experience at partner level*

*Promotion from senior associate to associate director from 1 April 2013 is on the basis of performance and experience. Prior to that, the distinction from senior associate 2 to senior associate 1 was made for staff with two or more years' experience at senior associate level.*