

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

From

To

(b) Insert date

(b) 8 May 2013

(b) 7 November 2013

Signed

  
Joint Administrators

Dated

28 November 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 form

The contact information that you give will be visible to searchers of the public record

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FRIDAY

# Joint Administrators' Progress Report for the period 8 May 2013 to 7 November 2013

Trostre Retail Limited  
In Administration

29 November 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 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 has been extended from 8 July 2013 to 8 July 2014 with the consent of the court.
- 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.

## 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 17 May 2013
- 2.2 Attached at Appendix A is the Joint Administrators' Receipts and Payments Account for the period 8 May 2013 to 7 November 2013, together with a Cumulative Receipts and Payments Account for the period 9 January 2012 to 7 November 2013
- 2.3 The analysis of the receipts and payments for the period excludes the following costs which have been incurred but not yet paid. All costs will be paid within the agreed period with each supplier.

Cost category	Supplier	Amount not yet paid £
Legal fees	DLA Piper LLP	13,742
Insurance	Willis Limited	19,686
Total		33,428

- 2.4 Please note that the insurance premium covers the period 19 June 2013 to 18 June 2014. If the Company's sole asset is sold prior to the cover end date, the premium will reduce accordingly
- 2.5 The Joint Administrators are continuing to pursue the second objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration). Progress to date in respect of this objective is discussed below.
- 2.6 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 £934,541 since the date of appointment. In addition, the tenants have contributed £41,874 to the insurance premiums under the terms of their leases.

- 2.7 In the period since the previous report, an offer to lease the remaining unit was received; however, upon review of the terms of the offer it was determined that this would not add any value to the Complex and it was therefore rejected.
- 2.8 A five week marketing campaign for the sale of the Complex commenced on 1 October 2013. There was a high level of competitive interest received in the Complex and a deadline of 31 October 2013 was set for all offers to be submitted. There were many expressions of interest and three offers were received.
- 2.9 Best and final offers were invited from the top two bidders by close of business on 4 November 2013. The Joint Administrators reviewed the offers received and on 8 November 2013, following a recommendation from the agent, an offer was accepted from the preferred bidder. In order to protect the commercial interests of the Company, details of the offer will be withheld until such time as the sale completes.
- 2.10 The Joint Administrators can, however, advise that exchange of contracts is due to take place on 5 December 2013, with completion of the sale scheduled for five working days thereafter. Full details of the sale will be provided in the next report.

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

- 3.1 As detailed in section 2, a sale of the Complex has not yet been achieved.

### **4 Joint Administrators' remuneration**

- 4.1 On 10 December 2012 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.
- 4.2 The Joint Administrators' time costs for the period 8 May 2013 to 7 November 2013 are £22,973. This represents 101 hours at an average rate of £227 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.
- 4.3 Principal areas of activity during the period are discussed in further detail below.
- **Administration and planning** - time has been incurred managing 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 been spent formulating a realisation strategy, managing the marketing process, liaising with interested parties, reviewing offers received and negotiating the terms of a sale. 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.
- 4.4 A copy of 'A Creditors' Guide to Administrations' which includes guidance on Administrators' fees can be downloaded from Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>). If you would prefer this to be sent to you in hard copy please contact Sophie Loughnane on 0161 838 4578 or [sloughnane@zolfocooper.eu](mailto:sloughnane@zolfocooper.eu)
- 4.5 Attached at Appendix C is a Cumulative Time Analysis for the period 9 January 2012 to 7 November 2013 which provides details of the costs incurred by activity and by staff grade since the Joint Administrators' appointment.

- 4 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.
- 4 7 To date, fees totalling £79,000 plus category 1 disbursements of £192 have been drawn on account. In addition, the Joint Administrators can confirm that the following category 2 disbursements have been taken totalling £164.
- 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.
- 4 8 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.

## 5 Estimated outcome for creditors

### Secured creditor - Aviva Commercial Finance Limited

- 5.1 The Company granted the following charges to the secured creditor.

Type of security	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

- 5.2 At the date of appointment, Aviva was owed approximately £14.2 million (excluding interest and charges) under its security. To date, distributions totalling £530,500 have been paid to Aviva. Aviva will suffer a shortfall.

### Preferential creditors

- 5.3 The Company had no employees, therefore no preferential claims are expected.

### Unsecured Creditors' Fund

- 5 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'.

- 5.5 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 also estimated to be nil.

## **6 Ending the Administration**

### **Dissolution of the Company**

- 6.1 The Company has no property to permit a distribution to its unsecured creditors. Therefore, following the sale of the Complex and finalisation of all costs, the Joint Administrators will file a notice, together with their final progress report, at court and with the Registrar of Companies for 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.

### **Discharge from liability**

- 6.2 The Joint Administrators will be discharged from liability under paragraph 98 of schedule B1 of the Insolvency Act 1986 directly after their appointment as Joint Administrators ceases to have effect.

## **7 Creditors' rights**

- 7.1 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.
- 7.2 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.

## 8 Next report

- 8.1 The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administration, or earlier if the Administration has been finalised.

For and on behalf of  
Trostre Limited



Anne O'Keefe  
Joint Administrator

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

**Appendix A**

Statement of Affairs £	Period £	Cumulative £
<b>Fixed charge assets</b>		
<b>Receipts</b>		
10,000,000 The Complex	-	-
Contribution to insurance	11,071	41,874
Bank interest	62	198
Rent	305,153	934,541
	<u>316,286</u>	<u>976,613</u>
<b>Payments</b>		
Joint Administrators' fees	27,144	79,000
Category 1 disbursements		
Statutory advertising	-	77
Redirection of mail	-	27
Insolvency bonds	-	30
Telephone	-	45
Travel and subsistence	-	11
Stationery, postage and photocopying	-	2
Category 2 disbursements		
Internal printing and photocopying	-	164
Legal fees and disbursements	750	44,170
Agent's/valuer's fees	2,000	82,330
Asset management fees	5,000	20,000
Utilities	-	696
Sundry expenses	-	1,127
Landlord costs	-	7,854
Bank charges	35	77
Maintenance costs	214	214
Insurance of assets	24,444	24,444
Energy performance certificates	1,080	2,430
Void service charge	5,300	20,213
	<u>(65,967)</u>	<u>(282,911)</u>
<b>Distributions</b>		
Fixed chargeholder - Avva	225,000	530,500
	<u>(225,000)</u>	<u>(530,500)</u>
<b>Balance of fixed charge assets</b>	<u>25,319</u>	<u>163,202</u>

**Receipts and Payments Account for the period  
8 May 2013 to 7 November 2013 and a Cumulative  
Account for the period 9 January 2012 to  
7 November 2013 (cont'd)**

**Appendix A**

<b>Statement of Affairs £</b>	<b>Period £</b>	<b>Cumulative £</b>
<b>Floating charge assets</b>		
<b>Receipts</b>		
Cash at bank	-	1,836
Rates refund	-	3,594
Utilities refund	-	250
Sundry receipts	20	620
	<u>21</u>	<u>6,300</u>
<b>Payments</b>		
Joint Administrators' fees	-	4,444
Bank charges	23	23
	<u>(23)</u>	<u>(4,467)</u>
<b>Balance of floating charge assets</b>	<u>(2)</u>	<u>1,833</u>
<b>Total balance</b>	<u>25,316</u>	<u>165,035</u>
<b>Represented by:</b>		
Interest bearing accounts		200,403
VAT payable		(35,368)
		<u>165,035</u>

# Time Analysis for the period 8 May 2013 to 7 November 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		0.3	0.2		0.5	144.00	288
Strategy and control			1.6	0.5	2.1	441.00	210
Statutory duties		0.3	1.5	5.1	6.9	1,092.00	158
Case administration	1.0	1.4	2.9	20.7	26.0	3,424.50	132
Accounting and treasury			0.2		0.2	48.00	240
Internal documentation							
Realisation of assets - fixed charge							
Asset realisation strategy	3.6	13.8			17.4	5,975.50	343
Asset identification and valuation			10.2	1.0	11.2	2,383.00	213
Sale of assets		2.5	10.6		13.1	3,136.00	239
Asset accounting and administration		1.0	3.8	1.6	6.4	1,388.50	217
Realisation of assets - floating charge							
Recovery of assets			0.2	0.5	0.7	110.50	158
Asset accounting and administration			-	0.1	0.1	11.00	110
Creditors							
Reporting to creditors	0.4	6.8	3.7	0.2	11.1	3,251.00	293
Secured creditors	1.6	0.5	2.2	0.1	4.4	1,351.50	307
Unsecured creditors			0.9		0.9	216.00	240
<b>Totals</b>	<b>6.6</b>	<b>26.6</b>	<b>38.0</b>	<b>29.8</b>	<b>101.0</b>	<b>22,972.50</b>	<b>227</b>

# Cumulative Time Analysis for the period 9 January 2012 to 7 November 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		2.0		0.2	2.2	653.00	297
Strategy and control	7.1	2.4	3.9		13.4	4,706.00	351
Statutory duties	0.2	1.9	3.3	10.4	15.8	2,634.00	167
Case administration	1.9	4.7	3.0	14.3	23.9	4,731.00	198
Accounting and treasury	2.1	3.6	6.0	63.1	74.8	9,311.50	124
Internal documentation		0.1	0.6	7.4	8.1	1,018.50	126
Investigations							
Director conduct reports	0.5		0.9	1.6	3.0	613.50	205
Realisation of assets - fixed charge							
Asset realisation strategy	4.6	65.3	1.4		71.3	22,967.00	322
Asset identification and valuation		4.5	12.2	4.9	21.6	4,694.00	217
Sale of assets	1.0	11.2	15.5		27.7	7,401.00	267
Dealing with third party assets			0.4		0.4	88.00	220
Asset accounting and administration		2.3	12.3	4.3	18.9	4,025.50	213
Realisation of assets - floating charge							
Asset identification and valuation		0.1	0.3		0.4	100.50	251
Sale of assets		-		0.2	0.2	23.00	115
Recovery of assets			0.6	0.5	1.1	202.50	184
Asset accounting and administration				0.6	0.6	65.00	108
Trading							
Trading activities	-			0.5	0.5	57.50	115
Accounting and administration	0.1	0.2		0.7	1.0	180.50	181
Creditors							
Reporting to creditors	14.6	46.8	35.3	11.2	107.9	30,022.00	278
Secured creditors	3.0	5.0	6.8	0.1	14.9	4,357.00	292
Unsecured creditors		0.1	3.0	1.1	4.2	857.00	204
<b>Totals</b>	<b>35.1</b>	<b>150.2</b>	<b>105.5</b>	<b>121.1</b>	<b>411.9</b>	<b>98,708.00</b>	<b>240</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, an associate director or 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.

Name of professional advisor	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 agreed letting
Savills Commercial Limited (valuation and disposal advice)	Percentage of realisations

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