

The Insolvency Act 1986

**Notice of move from
administration to dissolution****2.35B**

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)

We
(a) S Wilson
Zolfo Cooper
The Zenith Building
26 Spring Gardens
Manchester
M2 1AB

C P Holder
Zolfo Cooper
10 Fleet Place
London EC4M 7RB

A C O'Keefe
Zolfo Cooper
The Zenith Building
26 Spring Gardens
Manchester
M2 1AB

(b) Insert name and
address of the
registered office of
company

having been appointed administrators of (b) Trostre Retail Limited, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB

(c) Insert date of
appointment

on (c) 9 January 2012

(d) insert name of
applicant/
appointer

by (d) Aviva Commercial Finance Limited

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 Administrators

Dated

27.5.14

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

Jenna Carr
Zolfo Cooper
The Zenith Building
26 Spring Gardens
Manchester
M2 1AB

Tel Number +44 (0) 161 838 4500

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



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COMPANIES HOUSE

Administrators' Final Progress Report for the period 8 November 2013 to 7 May 2014

Trostre Retail Limited
In Administration

23 May 2014

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1 Why this report has been prepared

- 1.1 As you will be aware Anne O'Keefe, Simon Wilson and Peter Holder (the Administrators) were appointed on 9 January 2012.
- 1.2 Under UK insolvency legislation, the Administrators are required to provide a Progress Report covering the period of six months commencing on the date on which the Company entered into Administration and every subsequent period of six months or earlier if the Administration has been finalised.
- 1.3 All matters in the Administration have now been finalised and the purpose of this report is to provide a final update on the progress of the Administration, including details of assets realised during the period, details regarding the Administrators' fees and the outcome for each class of creditor. For details of the exit route please see section 7. This report should be read in conjunction with all previous reports
- 1.4 Details of the Administrators' fees and costs incurred are detailed at Appendices C to E.
- 1.5 More information relating to the Administration process, Administrators' fees and creditors' rights can be found on Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>), log-in details to access this information can be found within the covering letter you have received.
- 1.6 If you require a hard copy of this report or have any queries in relation to the contents of this report or the Administration generally, please contact Sophie Loughnane on 0161 838 4578 or by email creditorreports@zolfocooper.eu or at Zolfo Cooper's office at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB

2 Summary of information for creditors

Dividend distributions

Description	Estimated debt £	Actual level of return £
Secured creditor	14,209,232	8,667,766
Preferential creditors	-	N/A
Unsecured creditors	7,932,962	-

Notes:

The estimated debt has been taken from the directors' Statement of Affairs

The Company had no employees and therefore there are no preferential creditors.

There were insufficient floating charge realisations to enable a distribution to the unsecured creditors. For further information please refer to section 6 of this report

3 Administrators' proposals

- 3.1 As a reminder, the administrator of a company must perform his functions with a view to achieving one of the following objectives.

Objective 1: rescuing the company as a going concern;

Objective 2: 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), or

Objective 3: realising property in order to make a distribution to one or more secured or preferential creditors

- 3.2 In this case the Administrators achieved the second statutory objective following a sale the Company's sole asset, a seven unit retail complex on Manchester Road, Bolton (the Complex), on 24 December 2013. Further details are provided in section 4.

4 Progress of the Administration

- 4 1 Attached at Appendix B is the Administrators' Receipts and Payments Account for the Period, together with a Cumulative Account for the period since appointment.

Property

- 4.2 A valuation of the Complex obtained shortly after the Administrators' appointment, advised that the interest in the Complex and realisations achievable from a sale of it would be materially enhanced if occupancy levels were increased and leases renewed with existing tenants. The Administrators therefore instructed Riddell tps Limited to manage the Complex and assist with the implementation of this strategy.
- 4.3 By September 2013, six out of the seven units were occupied and 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.
- 4 4 Marketing of the Complex commenced at the beginning of October 2013 and a deadline of 31 October 2013 was set for offers to be received. A total of 18 parties expressed interest in the site and three formal offers were received.
- 4 5 The offers ranged from £7.96 million to £8.56 million and the Administrators requested best and final offers to be submitted from the top two bidders by close of business on 4 November 2013.
- 4 6 Pradera Brockton Retail LLP (Pradera) increased its offer from £8.56 million to £8.66 million, whilst the other party's offer remained at £8.50 million. The conditions of the sale and funding requirements were similar for both parties and therefore the higher offer from Pradera was accepted on 8 November 2013.
- 4 7 It was anticipated that contracts would be exchanged within ten working days on receipt of legal documents and completion five days thereafter, however, following further requests for information the sale was delayed for a number of weeks.
- 4.8 Pradera carried out due diligence investigations at the Complex and raised a concern regarding the roof on one of the units. Under the terms of the lease, the tenant in this unit was not responsible for any repairs to the roof and therefore any costs for the repairs would be the liability of Pradera, following completion of the sale. In addition, an area of the car park was deemed to be too small for the use of the Complex.
- 4.9 Pradera therefore reduced its offer to £8.31 million to take into account the estimated costs of rectifying the roof and costs to expand the car park at the rear of the Complex. The Administrators accepted the reduced price and the sale completed on 24 December 2013.

Rental income and contribution to costs

- 4 10 Rental income totalling £988,595 was generated during the period from the date of appointment to 24 December 2014.
- 4 11 Since the previous report, there have been a number of adjustments and repayments to the tenants and the final sum contributed to the insurance premiums under the terms of the tenants' leases is £39,281.

Sundry

- 4 12 Bank interest totalling £141 has been received during the period bringing the total to £339

5 Unrealised assets

- 5 1 All assets have been realised and the Receipts and Payments Account at Appendix A reflects the final position on both realisations achieved and payments discharged during the course of the Administration

6 Outcome for creditors

Secured creditor - Aviva Commercial Finance Limited (Aviva)

6.1 The Company granted the following charges to Aviva

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

6.2 At the date of appointment, Aviva was owed approximately £14.2 million (excluding interest and charges) under its security. Distributions totalling £8.67 million have been paid to Aviva, and Aviva has therefore suffered a shortfall.

Preferential creditors

6.3 The Company had no employees and therefore no preferential claims have been received.

Unsecured Creditors' Fund

6.4 Pursuant to section 176A of the Insolvency Act 1986, where there is a floating charge was created on or after 15 September 2003, the Administrators are required to create a fund from the Company's net property available for the benefit of unsecured creditors (Unsecured Creditors' Fund).

6.5 As the Company granted a floating charge to the secured creditor after 15 September 2003, the Administrators are required to create an Unsecured Creditors' Fund. The Administrators confirm that there are insufficient realisations to establish an Unsecured Creditors' Fund.

7 What happens next

Exit route

Dissolution of the Company

- 7.1 The Company has no property to permit a distribution to its unsecured creditors. The Administrators will therefore file a notice, together with their final progress report, at court and with the Registrar of Companies for dissolution of the Company. The 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

- 7.2 As approved by the secured creditor, the Administrators will be discharged from liability under paragraph 98 of schedule B1 of the Insolvency Act 1986 directly after their appointment as Administrators ceases to have effect.

Creditors' rights

- 7.3 Within 21 days of the receipt of the 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 Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 7.4 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 progress report, make an application to court on the grounds that the basis fixed for the Administrators' remuneration is inappropriate, or that the remuneration or the expenses incurred by the Administrators as set out in this progress report are excessive.

For and on behalf of
Trostre Retail Limited



Anne O'Keefe
Joint Administrator

Encs

Statutory information

Appendix A

Company information

Company name	Trostre Retail Limited
Registered number	04339316
Registered office	c/o Zolfo Cooper LLP, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	78 Ashley Road, Hale, Altrincham, WA14 2UF
Trading address	78 Ashley Road, Hale, Altrincham, WA14 2UF
Trading names	Trostre Retail Limited
Court details	High Court of Justice, Chancery Division, Leeds District Registry
Court reference	24 of 2012

Administrators' information

Name	Address	IP number	Name of authorising body
Anne O'Keefe	Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	8375	Insolvency Practitioners Association
Simon Wilson	Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	8963	Insolvency Practitioners Association
Peter Holder	Zolfo Cooper, 10 Fleet Place, London, EC4M 7RB	9093	Insolvency Practitioners Association

In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Administrators are to be exercised by any or all of the Administrators. All references to the Administrators should be read as the Joint Administrators.

Appointer's information

Name	Address	Position
Aviva Commercial Finance Limited	2 Rougier Street, York, YO90 1UU	Floating chargeholder

Extension of Administration

The Administration was extended from 9 January 2013 to 8 July 2013 with the consent of the secured creditor. A further extension to 8 July 2014 was approved with the consent of the court.

Receipts and Payments Account for the Period and a Cumulative Account for the period since appointment

Appendix B

Statement of Affairs	Period	Cumulative
£	£	£
Fixed charge assets		
Receipts		
10,000,000 The Complex	8,305,500	8,305,500
Contribution to insurance	(2,592)	39,281
Bank interest	140	337
Rent	54,054	988,595
	<u>8,357,102</u>	<u>9,333,713</u>
Payments		
Administrators' remuneration	41,685	120,685
Category 1 disbursements		
Specific penalty bond	-	30
Statutory advertising	-	77
Travel and subsistence	-	11
Stationery, postage and photocopying	-	43
Re-direction of mail	-	27
Telephone charges	-	46
Category 2 disbursements		
Internal printing and photocopying	-	121
Legal fees and disbursements	18,739	62,909
Service charge shortfall	13,739	13,739
Agents/valuers fees	86,370	168,700
Asset management Fees	1,000	21,000
Electricity charges	-	696
Sundry expenses	-	1,127
Rent incentive	218,470	218,470
Landlord costs	1,850	4,404
Bank charges	28	105
Maintenance costs	-	214
Insurance of assets	10,126	34,570
Energy performance certificates	-	2,430
Void service charge	(8,970)	16,543
	<u>(383,037)</u>	<u>(665,947)</u>
Distributions		
Fixed chargeholder - Avva	8,137,266	8,667,766
	<u>(8,137,266)</u>	<u>(8,667,766)</u>
Balance of fixed charge assets	<u>(163,201)</u>	<u>-</u>

**Receipts and Payments Account for the Period and
a Cumulative Account for the period since
appointment (continued)**
Appendix B

Statement of Affairs	Period	Cumulative
£	£	£
Floating charge assets		
Receipts		
Cash at bank	-	1,836
Bank interest	1	2
Rates refund	-	3,594
Utilities refund	-	250
Sundry items	-	620
	1	6,302
Payments		
Administrators remuneration	1,601	6,045
Category 1 disbursements		
Storage costs	47	47
Stationery, postage and photocopying	12	12
Telephone charges	5	5
Category 2 disbursements		
Internal printing and photocopying	151	151
Bank charges	19	42
	(1,835)	(6,302)
Balance of floating charge assets	(1,834)	-
Total balance	(165,035)	-

Time Analysis for the Period and details of time spent

Appendix C

The secured approved that the basis of the Administrators' remuneration be fixed by reference to the time properly spent by the Administrators and their staff on matters arising in the Administration

The Administrators' time costs for the Period are £25,505. This represents 113 hours at an average rate of £226 per hour. Included in this appendix is a Time Analysis for the Period which provides details of the costs incurred by activity and by staff grade

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Planning	1.0				1.0	360.00	360
Strategy and control	3.9		0.1	0.1	4.1	1,685.00	411
Statutory duties	0.1				0.1	39.00	390
Case administration			1.0	1.0	2.0	363.23	182
Accounting and treasury	0.5	1.0	3.5	11.2	16.2	2,364.00	146
Internal documentation	0.1		1.0		1.1	286.00	260
Realisation of assets - fixed charge							
Asset realisation strategy		5.0			5.0	1,600.00	320
Asset identification and valuation			0.7	1.6	2.3	354.00	154
Sale of assets	0.5	1.4	52.4		54.3	12,162.00	224
Asset accounting and administration	0.2	0.2	8.3	1.3	10.0	2,141.00	214
Realisation of assets - floating charge							
Recovery of assets				0.1	0.1	12.50	125
Asset accounting and administration	0.1			0.2	0.3	61.00	203
Creditors							
Reporting to creditors	1.2	0.5	4.8	1.3	7.8	1,957.00	251
Secured creditors		2.5	6.0		8.5	2,120.00	249
Totals	7.6	10.6	77.8	16.8	112.8	25,504.73	226

Principal areas of activity during the period are discussed in further detail below

- Administration and planning - time has been incurred implementing the case strategy, complying with statutory duties and performing general administrative work. Time spent dealing with case closure matters and case related treasury and support time is also recorded here.
- Realisation of assets - fixed charge - time has been incurred managing the marketing process, negotiating with interested parties, reviewing offers received and finalising the sales process. Time has also been incurred complying with security and insurance requirements at the Complex.
- Creditors - time has been incurred preparing statutory and reporting the secured creditor.

Attached at Appendix D is a Cumulative Time Analysis which provides details of the activity costs incurred by staff grade since the Administrators' appointment.

Cumulative Time Analysis for the period since appointment

Appendix D

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Planning	1 0	2 0		0 2	3 2	1,013 00	317
Strategy and control	11 1	2 7	4 0	0 1	17 9	6 532 00	365
Statutory duties	0 3	1 9	3 3	10 4	15 9	2 673 00	168
Case administration	1 9	4 7	4 7	15 3	26 6	5,269 23	198
Accounting and treasury	2 8	4 8	9 5	75 7	92 8	11,947 00	129
Internal documentation	0 1	0 1	1 6	7 4	9 2	1,304 50	142
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	70 8	1 4		76 8	24,724 50	322
Asset identification and valuation		4 5	12 9	6 5	23 9	5 048 00	211
Sale of assets	1 5	12 6	67 9		82 0	19,563 00	239
Dealing with third party assets			0 4		0 4	88 00	220
Asset accounting and administration	0 2	2 5	20 6	5 6	28 9	6 166 50	213
Realisation of assets - debtors							
Debt collection				0 7	0 7	85 50	122
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 1	0 7	152 50	218
Asset accounting and administration	0 1			1 8	1 9	236 00	124
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	15 8	47 3	45 1	12 3	120 5	33 206 00	276
Secured creditors	3 0	7 5	12 8	0 1	23 4	6,477 00	277
Unsecured creditors		0 1	3 0	1 1	4 2	857 00	204
Totals	43 0	161 8	189 0	140 3	534 1	126 317 73	237

Administrators' fees

Appendix E

Administrators' fees

Approval of the Administrators' remuneration has been sought from the secured creditor in accordance with rule 2.106 of the Insolvency Rules 1986.

Fees in the sum of £126,740 plus disbursements of £570 have been drawn on account.

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.

Information in relation to the Administrators' policy on staffing, the use of sub-contractors, payment of disbursements and details of their current charge-out rates by staff grade is provided at Appendix F.

Additional information in relation to the Administrators' fees pursuant to Statement of Insolvency Practice 9

Appendix F

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 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 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 cashiers in relation to tasks such as recording transactions and dealing with bank accounts is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

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

1.2 Professional advisors

On this assignment the Administrators have used the professional advisors listed below. The 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

Additional information in relation to the Administrators' fees pursuant to Statement of Insolvency Practice 9 (continued)

Appendix F

The 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 Administrators and their staff will also be chargeable.

Category 2 disbursements do require prior approval by creditors before they are paid. Those incurred in this case have been drawn in accordance with the Administrators' proposals, which approved category 2 disbursements 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.

2 Charge-out rates

A schedule of Zolfo Cooper charge-out rates for this assignment effective from 1 April 2014 is detailed below, together with those applicable prior to that date. Time is charged by partners and case staff in units of six minutes.

Rates from 1 April 2014		Rates pre 1 April 2014	
Description	£	Description	£
Partner 1*	445	Partner 1*	445
Partner 2*	415	Partner 2*	415
Director	390	Director	360
Associate director	340	Associate director	320
Senior associate	280	Senior associate	280
Associate	250	Associate	240
Analyst	220	Analyst	220
Junior analyst	150	Junior analyst	125
Senior treasury associate	170	Senior treasury associate	170
Treasury associate	110	Treasury associate	110
Treasury analyst	85	Treasury analyst	85
Support	79	Support	79

*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