

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company

Empire Realisations (5) Limited (Formerly
Allington Communications Limited)

Company number

04354868

In the
High Court of Justice, Chancery Division
Leeds District Registry

(full name of court)

Court case number
2147 of 2009(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a)
Ian Brown
Deloitte LLP
1 City Square
Leeds
West Yorkshire
LS1 2ALDaniel Francis Butters
Deloitte LLP
1 City Square
Leeds
West Yorkshire
LS1 2AL

administrator(s) of the above company attach a progress report for the period

From

To

(b) Insert date

(b) 3 August 2009

(b) 2 February 2010

Signed

Joint / Administrator(s)

Dated

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

 Ian Brown
 Deloitte LLP
 1 City Square
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DX Number

 0113 243 9021
 DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



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02/03/2010

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COMPANIES HOUSE

TUESDAY

Belle Holdco Limited	2141 of 2009
Belle Bidco Limited	2146 of 2009
Empire Realisations (1) Limited (formerly Eurotel Holdings Limited)	2143 of 2009
Empire Realisations (2) Limited (formerly Neville Ward Holdings Limited)	2140 of 2009
Empire Realisations (3) Limited (formerly Northpoint Services Limited)	2150 of 2009
Empire Realisations (4) Limited (formerly Eurotel Limited)	2149 of 2009
Empire Realisations (5) Limited (formerly Allington Communications Limited)	2147 of 2009
Empire Realisations (6) Limited (formerly Service Direct Limited)	2148 of 2009
Empire Realisations (7) Limited (formerly Advance Telephone Systems Limited)	2142 of 2009
Empire Realisations (8) Limited (formerly Eurotel Corporate Services Limited)	2144 of 2009
Empire Realisations (9) Limited (formerly Digital Exchange Maintenance Services Limited)	2156 of 2009
Multilink Business Communications Limited	2145 of 2009

- All In Administration ("the Companies")

PROGRESS REPORT PRODUCED PURSUANT TO RULE 2.47 OF THE INSOLVENCY RULES 1986

2 March 2010

This report has been prepared for the sole purpose of advising the Creditors. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by Creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.

The Administrators act as agents of the Companies without personal liability

Ian Brown and Daniel Butters
Administrators of the Companies - In Administration
Deloitte LLP
1 City Square, Leeds LS1 2AL

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ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used:

"Act"	The Insolvency Act 1986 (as amended)
"Rules"	The Insolvency Rules 1986
"the Administrators"	Ian Brown and Daniel Butters of Deloitte LLP
"the Bank"	Lloyds TSB Bank plc
"Deloitte"	Deloitte LLP
"Inflexion"	Inflexion Private Equity
"the Group", "the Companies" or "the business"	Belle Holdco Group comprising all Companies set out in Appendix 2 of this document
"Holdco"	Belle Holdco Limited
"Bidco"	Belle Bidco Limited
"Eurotel"	Empire Realisations (4) Limited (formerly Eurotel Limited)
"EBIT"	Earnings before interest and tax
"AIM"	Alternative investment market
"RPO"	The Redundancy Payments Office
"ROT"	Retention of Title
"Prescribed Part"	The Prescribed Part of the company's net property subject to s176A of The Insolvency Act 1986
"QFCH"	Qualifying Floating Charge Holder
"EY"	Ernst & Young LLP
"Oakley"	Oakley Capital Corporate Finance
"Eversheds"	Eversheds LLP

1. INTRODUCTION

1.1. Introduction

This report has been prepared in accordance with Rule 2.47 of The Rules to provide creditors with an update on the progress of the Administration of the Companies since our first report to creditors dated 9 September 2009

Given the information previously provided to creditors in our first report to creditors, we have not included detailed background information in respect of the Companies and have focussed on progress of the administration since the first progress report

A schedule of statutory information in respect of the Companies is attached at Appendix 1.

1.2. Details of the appointment of the administrators

Ian Brown and Dan Butters of Deloitte were appointed Joint Administrators of the Companies by the High Court of Justice in the Leeds District Registry with effect from 3 August 2009, following the filing of a Notice Appointment of Administrators by the Directors of the Companies. The relevant court numbers are noted at the front of this report

For the purposes of Paragraph 100(2) of Schedule B1 of the Act, the Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally

2. THE ADMINISTRATORS' PROPOSALS

2.1. Introduction

From 15 September 2003, the Enterprise Act 2002 replaced the previous four purposes of administration with one overarching purpose split into a three part single objective.

- Firstly, to rescue a company as a going concern (in other words a restructuring which keeps the legal entity intact);
- Secondly, if the first purpose is not reasonably practicable (or the second purpose would clearly be better for creditors as a whole), then the administrator must perform his functions with the objective of achieving a better result for the creditors than would be obtained through an immediate liquidation of the Company. This would normally be by a sale of the business and assets as a going concern, and,
- Thirdly, if neither of the first two Parts of the purpose are reasonably practicable, the administrator must perform his functions with the objective of realising property in order to make distribution to secured and/or preferential creditors.

The Companies had significant secured and unsecured creditor liabilities and therefore a restructuring of these creditors would have been required to meet the first objective. It was apparent that there was insufficient ascribed value by third parties in order to affect a restructuring of the Companies' considerable debt and the Administrators concluded that the first option was not possible to achieve.

Accordingly, the purpose of the Administrations was to achieve a better result for creditors than would be obtained through an immediate liquidation of the Companies. The purpose of the Administrations has been achieved through a sale of the businesses and assets of the Companies as discussed in Section 3.1.

2.2. Administrators' Proposals

The Administrators' proposals are as follows:

1. the Administrators continue to manage the affairs and any remaining assets of the Companies and the settlement of all Administration expenses;
2. the Administrators continue with their enquiries into the conduct of the directors of the Companies and continue to assist any regulatory authorities with their investigation into the affairs of the Companies;
3. the Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against each of the Companies unless the Administrators conclude, in their reasonable opinion, that a Company will have no assets available for distribution;
4. the Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application;
5. that, in the event the creditors of each Company so determine, at meetings of creditors, a Creditors Committee be appointed in respect of each or any Company comprising of not more than five and not less than three creditors of that Company or Companies;
6. that, in respect of each Company, the Creditors' Committee, if one is appointed, shall be asked to agree that the Administrators' fees be fixed by reference to the time given in attending to matters arising in the Administrations and asked to agree the Administrators' expenses
7. that, if a Creditors' Committee is not appointed at a meeting of creditors, the creditors shall fix the Administrators' remuneration by reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Deloitte LLP at the time when the work is performed. And that the Administrators be authorised to draw their remuneration, plus VAT, from the Administration estate, together with disbursements incurred which relate specifically to the case.
8. that, if a Creditors' Committee is not appointed at a meeting of creditors, the creditors shall fix the Administrators' disbursements for mileage by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising during the Administration, calculated at the prevailing standard mileage rate used by Deloitte LLP at the time when mileage is incurred (presently up to 40p per mile), plus VAT where applicable. And that the Administrators be authorised to draw their disbursements for mileage from the Administration estate
9. that, if a Creditors' Committee is not appointed and no creditors' meeting is held, the secured and preferential creditors of each Company shall be asked to agree the Administrators' fees, in accordance with Rule 2.106(5A)(a), by reference to the time given in attending to matters arising in the Administration and that the Administrators' expenses for mileage be calculated by reference to mileage

properly incurred by the Administrators and their staff in attending to matters arising in the Administrations, at the prevailing standard mileage rate used by Deloitte LLP at the time when the mileage is incurred (presently up to 40p per mile);

- 10 that, following the realisation of assets and resolution of all matters in the Administrations, and as quickly and efficiently as is reasonably practicable, the Administrators implement the most cost effective steps to formally conclude the Administrations. This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Companies or alternatively, seeking to put each or any of the Companies into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors;
11. that, if each or any of the Companies were to be placed into CVL, the Administrators propose to be appointed Liquidators and any Creditors' Committees appointed will become Liquidation Committees pursuant to R4.174 of the Rules. As per paragraph 83(7) of Schedule B1 of the Act and R2 117 (3) of the Rules, the creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the proposals are approved by creditors. For the purposes of s231 of the Act the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.
- 12 in the absence of Creditors' Committees, the secured and preferential creditors of each Company agree that the Administrators be discharged from liability per paragraphs 98 and 99 of Schedule B1 of the Act immediately upon the Administrators' filing their final report to creditors and vacating office

2.3. Progress on and achievement of the approved proposals

We have summarised below the progress and current status in respect of each of the approved proposals:

Proposal	Current status
1	The Administrators continue to manage the affairs of the Companies which includes; dealing with the leasehold properties and finalising the potential capital gains tax liability of the Companies.
2	We have completed our duties in this regard.
3	This process is ongoing and at present we do not anticipate that there will be a dividend to unsecured creditors
4	A distribution of £12.4m has been made to the Bank under its fixed charge
5-7	We have received no requests to establish a Creditors' Committee in relation to any of the Companies.
8	Agreed
9	Agreed
10-12	The appropriate exit route has not been determined

Further information in respect of the realisation of assets, the status of liabilities and the estimated outcome for creditors is contained in the following sections of this report.

3. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT.

3.1. Introduction

Attached at Appendix 2 is a Receipts and Payments account covering the period from 3 August 2009 to 2 February 2010 for Empire Realisations (4) Limited, Empire Realisations (6) Limited and Belle Bidco Limited. There have been no receipts and payments in the period for the remainder of the companies

We anticipate that a capital gains tax liability is likely to accrue on the sale of business see 3.2.

Given the potential capital gains tax liability, it is not anticipated that a dividend will be made to unsecured creditors and therefore a detailed Estimated Outcome Statement is not deemed necessary

In this section, we have summarised the main asset realisations during the 6 month period and an estimation of those assets yet to be realised.

3.2 Asset Realisations

A sale of the business and assets of the Companies was completed immediately following our appointment on 3 August 2009 to Daisy Telecoms Limited (formerly Daisy Newco 1 Limited), a subsidiary of Daisy Group PLC, a company which is listed on AIM

The following assets were sold (with consideration excluding VAT shown in brackets):-

- The Business, Goodwill and Customer Contracts (£12,500k),
- The Book Debts (£900k)
- Plant and Machinery, Fixtures and Fittings (£50k);
- Right and title to Stock held by the Companies (£50k)

3.3 Estimate Future Realisations

The business and assets as stated above were sold on 3 August 2009 There are no further assets of the Business to realise

3.4 Estimated Outcome for creditors

It is not anticipated that there will be a dividend to unsecured creditors due to a potential CGT liability

4 DISTRIBUTION TO CREDITORS

4.1 Secured Creditors

The Companies' Bank debt at the date of the appointment of the Administrators, and as set out in the Statement of Affairs, can be summarised as follows:

	£m
<i>Senior A</i>	10.2
<i>Senior B</i>	4.0
<i>Senior C</i>	0.9
<i>Revolving Credit Facility</i>	<u>1.5</u>
	<u>16.6</u>

The bank debt for the Group sits within Bidco, however there are cross guarantees in place across all Group companies.

The secured creditor, Lloyds TSB Bank plc, has been paid £12.46m in respect of its indebtedness to date from the sale of the business and assets. We do not expect that any further funds will become available to the Bank

In addition, Inflexion holds fixed and floating charges over each of the Companies. At the date of appointment, Inflexion was owed c.£25m. Inflexion will not recover any funds in respect of this lending as its security ranks behind the Bank

4.2 Preferential creditors

We anticipate that the Bank will have preferential claims in the Administration of Eurotel only, in relation to subrogated wages claims due to wages advanced prior to the appointment of the Administrators. Calculations of this claim have not been quantified at this stage due to the uncertainty as to whether or not there will be any funds available to the preferential creditors of Eurotel. This claim has not been included in the Directors' Statements of Affairs and would reduce the amount available to the unsecured creditors under the Prescribed Part

This claim will total £224,000. This is based on an estimate of £800 per employee; however this is a broad estimate and will be quantified should it become apparent that a distribution to the preferential creditors is possible.

At this time we consider it unlikely that there will be any preferential dividend.

There are no other preferential claims outstanding.

4.3 The Prescribed Part

By virtue of Section 176A (2)(a) of the Act, the Administrators must make a Prescribed Part of the Company's net property available for the satisfaction of unsecured debts. Net property is the amount of the Company's property which would, but for this section, be available for the holders of floating charges created by the Company.

The value of the Prescribed Part cannot exceed £600,000 per company. It is not envisaged that the Prescribed Part for any of the Companies will exceed the maximum amount of £600,000 as illustrated below.

For a certain number of the Companies in Administration, it may be necessary to make an application to court to disapply the Prescribed Part under Section 176A(5) where the cost of making a Prescribed Part distribution is deemed to be disproportionate to the benefits.

It is envisaged that there will be no funds available for distribution to the unsecured creditors of the Group, either by the Prescribed Part or otherwise. As the sale of the business included a payment of £12.5m for the goodwill of the Group, this will crystallise a capital gain which will rank as an expense of the Administration. We have instructed our Corporate Tax department to submit the outstanding returns and to liaise with HMRC in respect of any capital gain that may become due and payable in the Administration.

4.4 Unsecured Claims

The unsecured creditors' position as at 3 August 2009 per the Directors' Statements of Affairs (excluding any shortfall to floating charge holders) is summarised in the table below:

	£'000
Trade & Expense Creditors	2,893
HMRC - VAT	80
HMRC - PAYE/NIC	210
Crown Deferral	675
	<u>3,858</u>

These creditors all sit within Eurotel, which was the main trading entity of the Group. After discharging the costs of the Administration, there will not be sufficient realisations from floating charge assets to fully repay the Bank.

Accordingly, we do not expect any funds to be available to pay a dividend to the unsecured creditors of any of the Companies.

5 OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

5.1 Extensions to the initial appointment period

The initial 12 month period of the Administration has not yet expired. The Administrators will seek an extension of time to the Administration should this be deemed appropriate

5.2 Investigations

Enquiry into the conduct of the Directors of the Companies is complete, with returns submitted to the Department of Business, Innovation and Skills. Their contents are legally privileged.

5.3 Exit

Under the Enterprise Act 2002, all Administrations automatically come to an end after one year, unless an extension is granted by the court or with consent of the creditors.

Otherwise, and unless it is proposed that a company in Administration should be placed in Creditors' Voluntary Liquidation, the appointment of Administrators ceases on the following:

- An application to Court (in the event of a Court appointment),
- Filing a notice in Court and with the Registrar of Companies confirming that the purpose of Administration has been sufficiently achieved; and
- In the event that the company has no property the Administrator may notify the Registrar of Companies to that effect at which time the appointment of the Administrator ceases and three months following that date the company is deemed to be dissolved.

The exit route chosen in relation to the Companies will depend on the circumstances of the Administration and the approval of creditors.

5.4 SIP 13 – Transactions with connected parties

In accordance with the Statement of Insolvency Practice Number 13, we confirm that there have been no transactions with connected parties in the period.

5.5 EC Regulations

As stated in the Administration Order in respect of the Companies, Council Regulation (EU) No. 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

6 JOINT ADMINISTRATORS' FEES AND EXPENSES

6.1 Joint Administrators' Fees

There will be no funds available to the unsecured creditors other than by virtue of Section 176A(2)(a) of the Act, therefore, fixing of Administrators' remuneration will be approved in accordance with Rule 2.106(5A) of the Rules, which is outlined as follows

- Where the Administrators have made a statement under paragraph 52(1)(b) the Administrators' remuneration may be fixed by approval of
 - each secured creditor; or
 - if the Administrators intend to make a distribution to preferential creditors, with the approval of each secured creditor and 50% of preferential creditors who respond to an invitation to consider approval.

The Administrators have agreed with the Bank and Inflexion the basis of the remuneration in respect of fixed and floating charge realisations (which will be on the basis of time spent).

In line with paragraph 52(1)(b) of Schedule B1 of the Act outlined above there is no requirement for unsecured creditors to pass a resolution in respect of Administrators' remuneration.

The Administrators' time costs are summarised in the table below. A detailed analysis of the time spent by work function is attached at Appendix 4.

Classification of work function	Partners & Directors	Managers & Assistant Managers	Assistants & Support Staff	Total	Total	Average Rate
	Hours	Hours	Hours	Hours	£	£
Administration and Planning	23.0	32.9	68.2	124.1	37,583.8	303
Creditors	-	1.5	9.0	10.5	1,920.3	183
Reporting & Investigations	3.0	31.5	-	34.5	10,237.5	297
Other Specific Matters	0.2	35.8	-	36.0	12,985.5	361
Trading	-	-	3.0	3.0	435.0	145
Realisation of Assets	-	7.0	-	7.0	2,656.5	380
TOTAL	26.2	108.7	80.2	215.1	65,818.5	306
TIME COST	16,218	35,516	14,084	65,819		

The work has been categorised into the following task headings and sub categories:

- Administration and Planning includes such tasks as case planning and set-up, appointment notification, statutory reporting, compliance, cashiering, accounting and administrative functions,
- Realisation of Assets includes such tasks as identifying and securing assets, dealing with the sale of business, property issues, activities in relation to other fixed assets, stock, debtors, investments and any related legal issues;
- Investigation includes such tasks as reporting on the Directors' conduct, investigating antecedent transactions and any other investigations that may be deemed appropriate;
- Trading includes tasks such as planning, strategy, managing day one site visits and corresponding with suppliers and customers; and
- Creditors include such tasks as creditor set up, communication and meetings, reviewing and agreeing preferential and unsecured claims, retention of title issues, corresponding with secured creditors, reviewing and obtaining advice in relation to security granted to the Bank. Also, dealing with trade creditors; dealing with customer creditors, employee issues, and submitting documentation to HM Revenue & Customs
- Other matters include employee related issues, VAT and corporation tax issues

A creditors' Guide to Administrators' Fees is available on request, or may be obtained from the following website:-

[https://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007\(1\).pdf](https://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007(1).pdf)

6.2 Disbursements

The Administrators' direct disbursements in the six month period to 2nd February 2010 were as follows.

	Nature of Disbursement		Total
	Category 1	Category 2	
	(£)	(£)	
amount	55 10	29 27	84 37

Note that Deloitte policy is to seek approval of both Category 1 and 2 disbursements and therefore there is no need to distinguish between the two. Disclosure is required where we have incurred Category 2 expenses such as

mileage and internal copying. To date these disbursements have not yet been billed.

Mileage is calculated at the prevailing standard mileage rate of up to 40p used by Deloitte LLP at the time when the mileage is incurred.

6.3 Charge out rates

Our charge out rates for the staff involved in this assignment are as follows:

Grade	£ per hour
Partner	545 – 615
Managers	250 – 525
Administrators/Support staff	145 – 170

All partners and technical staff (including cashiers) assigned to the case record their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

6.4 Other professional costs

As previously advised Eversheds were instructed by the Administrators to advise on appropriate legal matters

The costs to date total £8,226.33. All costs are reviewed and analysed before payment is approved

APPENDIX 1 STATUTORY INFORMATION

Company Name	Belle Holston Limited	Empire Realisations (1) Limited	Empire Realisations (2) Limited	Empire Realisations (3) Limited	Empire Realisations (4) Limited
Previous Names					Empire Limited
Company Number	06289226	06289226	06289226	06289226	06289226
Incorporation Date	21 June 2007	27 May 2005	10 July 1994	10 March 2004	01 November 1991
Registered Office	All companies - Debitto LLP, 1 City Square, Leeds, LS1 2AL				
Trading Address					
Authorized ordinary shares	94,936 @ £0.01 each	145,577 @ £0.01 each	12,211 @ £1 each	1,000 @ £1 each	100 @ £1 each
A	94,936 @ £0.01 each	N/A	N/A	N/A	N/A
B	16,700	N/A	N/A	N/A	N/A
C	1,836	N/A	N/A	N/A	N/A
D	16,305	N/A	N/A	N/A	N/A
Shareholders	Inflation 2006 Buyout Fund Limited Partnership, Inflation Belle Limited Partnership	Belle Bidco Limited	Empire Holdings Limited	Empire Holdings Limited	Neville Ward Holdings Limited
Directors	Timothy Smithson, Nicholas John Williams	Timothy Smithson, Nicholas John Williams	Nicholas John Williams	Nicholas John Williams	Nicholas John Williams
Company Secretary	All companies - Nicholas John Williams				
Barriers	All companies - Lloyd TSB Plc				
Auditors	All companies - Ernst & Young LLP				
Court Reference (High Court of Justice, Chancery Division, Leeds District Registry)					
Date of Appointment	2,141 of 2009	2,143 of 2009	2,140 of 2009	2,150 of 2009	2,149 of 2009
Person who made the application	All companies - 3 August 2009				
Joint appointment provisions pursuant to paragraph 100(2) of Schedule B1 of IA68	All companies - The appointment was made by the Court on the application of the Directors of the Company, pursuant to paragraph 22 of Schedule B1 of the Insolvency Act 1986				
Joint appointment provisions pursuant to paragraph 100(2) of Schedule B1 of IA68	All companies - The Administrators are authorised to carry out, pursuant to paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 all functions duties and powers by any of them jointly or severally				

Company Name	Empire Realisations (5) Limited	Empire Realisations (6) Limited	Empire Realisations (7) Limited	Empire Realisations (8) Limited	Empire Realisations (9) Limited	Empire Realisations (10) Limited
Previous Names						Empire Realisations (10) Limited
Company Number	04354868	04354868	04354868	04354868	04354868	04354868
Incorporation Date	17 January 2002	30 June 1999	10 July 1994	10 July 1989	10 November 1992	07 September 1991
Registered Office	All companies - Debitto LLP, 1 City Square, Leeds LS1 2AL					
Trading Address						
Authorized ordinary shares	25,775 @ £1 each	359,824 @ £1 each	10,000 @ £1 each	20,000 @ £1 each	100 @ £1 each	1,000 @ £1 each
Shareholders	Empire Limited	Atkinson Communications Limited	Service Direct (UK) Limited	Service Direct (UK) Limited	Empire Limited	Empire Limited
Directors	Nicholas John Williams	Nicholas John Williams	Nicholas John Williams	Nicholas John Williams	Nicholas John Williams	Nicholas John Williams
Company Secretary	All companies - Nicholas John Williams					
Barriers	All companies - Lloyd TSB Plc					
Auditors	All companies - Ernst & Young LLP					
Court Reference (High Court of Justice, Chancery Division, Leeds District Registry)						
Date of Appointment	2,147 of 2009	2,148 of 2009	2,142 of 2009	2,144 of 2009	2,156 of 2009	2,146 of 2009
Person who made the application	All companies - 3 August 2009					
Joint appointment provisions pursuant to paragraph 100(2) of Schedule B1 of IA68	All companies - The appointment was made by the Court on the application of the Directors of the Company, pursuant to paragraph 22 of Schedule B1 of the Insolvency Act 1986					
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APPENDIX 2

Schedule of Companies in Administration

Belle Holdco Limited

Belle Bidco Limited

Multilink Business Communications Limited

Empire Realisations (1) Limited (formerly Eurotel Holdings Limited)

Empire Realisations (2) Limited (formerly Neville Ward Holdings Limited)

Empire Realisations (3) Limited (formerly Northpoint Services Limited)

Empire Realisations (4) Limited (formerly Eurotel Limited)

Empire Realisations (5) Limited (formerly Allington Communications Limited)

Empire Realisations (6) Limited (formerly Service Direct (UK) Limited)

Empire Realisations (7) Limited (formerly Advance Telephone Systems Limited)

Empire Realisations (8) Limited (formerly Eurotel Corporate Services Limited)

Empire Realisations (9) Limited (formerly Digital Exchange Maintenance Services Limited)

Appendix 3

Empire Realisations (4) Limited (Formerly Eurotel Limited) (In Administration)			
Joint Administrators' Abstract Of Receipts And Payments 3 August 2009 to 2 February 2010			
	Fixed Charge £	Floating Charge £	Total £
RECEIPTS			
	0.00	0.00	0.00
PAYMENTS			
Bank Charges	80 00		80.00
Debit Interest	0 61		0.61
Bank Charges		81 50	81.50
	80.61	81.50	162.11
Balances in Hand	(80.61)	(81.50)	(162.11)
	0.00	0.00	0.00

APPENDIX 3

Empire Realisations (4) Limited (Formerly Eurotel Limited) (In Administration)			
Joint Administrators' Abstract Of Receipts And Payments 3 August 2009 to 2 February 2010			
	Fixed Charge £	Floating Charge £	Total £
RECEIPTS			
The Business & Goodwill	12,500,000.00		12,500,000.00
licence fee		8,484.14	8,484.14
Plant & Machinery		50,000.00	50,000.00
Stock		50,000 00	50,000.00
Book Debts		900,000.00	900,000 00
Other Debts		69.00	69 00
rates rebate		1,520.62	1,520 62
Bank Interest Gross		364.75	364 75
VAT Payable		3,192.98	3,192.98
	12,500,000.00	1,013,631.49	13,513,631.49
PAYMENTS			
Rent		26,135.88	26,135 88
Lloyds TSB Bank plc	12,460,000 00		12,460,000 00
Cash at Bank		160 00	160.00
Administrators' Fees		65,000.00	65,000.00
Administrators' Expenses		822.97	822 97
Legal Fees		5,222.13	5,222.13
Statutory Advertising		661.50	661.50
Bank Charges		200 00	200.00
VAT Receivable		13,933 98	13,933.98
receipt monies due to Newco		9,877.38	9,877.38
	12,460,000.00	122,013.84	12,582,013.84
Balances in Hand	40,000.00	891,617.65	931,617.65
	12,500,000.00	1,013,631.49	13,513,631.49

Appendix 3

Empire Realisations (4) Limited (Formerly Eurotel Limited) (In Administration)			
Joint Administrators' Abstract Of Receipts And Payments 3 August 2009 to 2 February 2010			
	Fixed Charge £	Floating Charge £	Total £
RECEIPTS			
Insurance Refund		3,020.71	3020.71
	0.00	0.00	0.00
PAYMENTS			
	0.00	0.00	0.00
Balances in Hand	0.00	3,020.71	3,020.71
	0.00	3,020.71	3,020.71

NOTES TO THE RECEIPTS AND PAYMENTS ACCOUNT – Please note that the negative balance on the Belle Bidco R & P Account are bank charges incurred due to inactivity on the account. These charges are to be reversed and the accounts closed shortly.

Appendix 4

Joint Administrators' Time Costs Analysis - 3 August 2009 to 2 February 2010

Task Type	Task Level	Partner and Director		Manager and Assistant Managers		Other Professional and Support Staff		Total		Average Rate
		Hours	£	Hours	£	Hours	£	Hours	£	
Admin and Planning	Cashiers	-	-	2 6	1,131 0	41 2	7,941 5	43 8	9,073	207
	Closure	-	-	1 5	615 0	4 5	717 8	6 0	1,333	222
	Compliance	-	-	2 0	530 0	2 4	582 0	4 4	1,112	253
	Progress Reporting	7 0	4,305 0	20 5	6,554 5	20 1	2,972 5	47 6	13,832	291
	Fees	-	-	4 5	1,707 8	-	-	4 5	1,708	380
	Immediate Actions	-	-	1 5	569 3	-	-	1 5	569	380
	Meetings	16 0	9,855 0	0 3	102 5	-	-	16 3	9,958	613
	Other Admin & Plannu	-	-	-	-	-	-	-	-	-
	Pre-Appointment	-	-	-	-	-	-	-	-	-
Admin and Planning Total		23 0	14,160	32 9	11,210	68 2	12,214	124 1	37,584	303
Creditors	Distributions	-	-	-	-	-	-	-	-	-
	Employees	-	-	-	-	-	-	-	-	-
	Preferential	-	-	-	-	-	-	-	-	-
	Retention of Title	-	-	-	-	-	-	-	-	-
	Secured	-	-	-	-	-	-	-	-	-
	Shareholders	-	-	-	-	-	-	-	-	-
	Unsecured	-	-	1 5	484 8	9 0	1,435 5	10 5	1,920	183
Creditors Total		-	-	1 5	485	9 0	1,436	10 5	1,920	183
Reporting & Investigations	D' Return	3 0	1,890 0	31 5	8,347 5	-	-	34 5	10,238	297
	Investigations	-	-	-	-	-	-	-	-	-
	Litigation	-	-	-	-	-	-	-	-	-
Investigation Total		3 0	1,890	31 5	8,348	-	-	34 5	10,238	297
Other Specific Matters	Other	-	-	-	-	-	-	-	-	-
	Pensions	-	-	-	-	-	-	-	-	-
	Tax & VAT	0 2	168 0	35 8	12,817 5	-	-	36 0	12,986	361
Other Specific Matters Total		0 2	168	35 8	12,818	-	-	36 0	12,986	361
Trading	Closure of Trading	-	-	-	-	3 0	435 0	3 0	435	145
	Day 1 Control	-	-	-	-	-	-	-	-	-
	Ongoing Trading	-	-	-	-	-	-	-	-	-
Trading Total		-	-	-	-	3 0	435	3 0	435	145
Asset Realisation	Book Debts	-	-	1 5	569 3	-	-	1 5	569	380
	Fixtures and Fittings	-	-	-	-	-	-	-	-	-
	Freehold Property	-	-	-	-	-	-	-	-	-
	Leasehold Property	-	-	0 5	189 8	-	-	0 5	190	380
	Motor Vehicles	-	-	-	-	-	-	-	-	-
	Other Assets	-	-	5 0	1,897 5	-	-	5 0	1,898	380
	Plant & Equipment	-	-	-	-	-	-	-	-	-
	Sale of Business	-	-	-	-	-	-	-	-	-
	Third Party Assets	-	-	-	-	-	-	-	-	-
Asset Realisation Total		-	-	7 0	2,657	-	-	7 0	2,657	380
Grand Total		26 2	16,218	108 7	35,516	80 2	14,084	215 1	65,819	306