

The Insolvency Act 1986

Statement of administrator's proposals

2.17B

Name of Company
City Lofts Group Limited

Company number
04483285

In the
The High Court of Justice, Companies Court,
Chancery Division, Strand, London, WC2A 2LL
[full name of court]

Court case number
5495/2008

(a) Insert full name(s)
and address(es) of
administrator(s)

I / We (a) Margaret Elizabeth Mills, Angela Swarbrick and Charles Graham John King
Ernst & Young LLP, 1 More London Place, London, SE1 2AF and 1 Bridgewater Place, Water Lane,
Leeds, LS11 5QR

*Delete as applicable attach a copy of ~~my~~ our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b)

27/8/08

Signed

A Swarbrick

Joint / Administrator(s)

Dated

26/8/08

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.

Luke Hoare	
Ernst & Young LLP, 1 More London Place, London, SE1 2AF	
	Tel 0207 951 1024
DX Number	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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28/08/2008

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COMPANIES HOUSE

THURSDAY

**City Lofts Group Limited
(In Administration)**

**Administrators' Statement of Proposals
Pursuant to Paragraph 49 of Schedule B1 to the
Insolvency Act 1986**

26 August 2008

Abbreviations

Allsop	Allsop LLP
CLD	City Loft Developments Limited
CLG	City Lofts Group Limited
HBOS	HBOS
Joint Administrators	M E Mills, A Swarbrick and C G J King
LARA	Lara JV Luxemburg Sarl
LPA	Law of Property Act 1925
SPV	Special Purpose Vehicles established as subsidiaries of CLD in connection with property/land developments
the Banks	Denotes secured financial lenders to the SPV companies including, HBOS, Abbey National Treasury Services Plc, Northern Rock Plc, Hypo Real Estate Bank International AG and Lehman Brothers
the Company	City Lofts Group Limited
the Founders	S Wright, R Mansoori Dara and A Brooks
the Group	City Lofts Group Limited and City Loft Developments Limited and their subsidiary companies
the Rules	The Insolvency Rules 1986
Victoria Mills	Victoria Mills Development Limited (a 50% joint venture with New East Village Properties Limited)
Vivacity	Vivacity Residential Management Limited

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Introduction

M E Mills, A Swarbrick and C G J King were appointed as Joint Administrators of CLG on 4 July 2008 following an application by the directors

Under provisions of the Insolvency Act 1986, the Joint Administrators are required to send to the creditors a statement of their proposals for achieving the purpose of the Administration. The remainder of this document and its appendices include the matters required to be disclosed by paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986, and together constitute the Joint Administrators' statement of proposals to creditors.

Certain statutory information relating to CLG and the appointment of the Joint Administrators is provided at Appendix A.

Creditors meeting

A meeting of the creditors of CLG has been called for 10am, on 12 September 2008 at the former offices of CLG, 8th Floor, The Exchange, Station Parade, Harrogate, North Yorkshire, HG1 1TS to enable the creditors to consider and vote on the proposals. Formal notices of the meeting are enclosed.

Creditors of CLG will only be permitted to vote provided that details of their relevant claims are received **not later than 12 noon** on 11 September 2008, being one business day before the meeting, in accordance with Rule 2.38(1) of the Insolvency Rules 1986. A Notice of Claim form is enclosed.

A Proxy Form for voting purposes is enclosed. Please note that completed proxy forms for the Company should be lodged with the Administrators at Ernst & Young LLP, 1 More London Place, London, SE1 2AF, England for the attention of Luke Hoare and must be received before the start of the meeting. Faxed copies will be accepted and should be sent to 0207 951 9997.



A Swarbrick
Joint Administrator

Background and circumstances giving rise to the appointment

Background

The Group was established in 1997 as a specialist in residential property development operating across the United Kingdom. The Group focuses on high-end residential apartments situated on brownfield sites located in city or regional centres. In addition, the Group also offered an in-house residential management business through its wholly owned subsidiary Vivacity.

CLG is the ultimate Group holding company. CLG itself was incorporated on 11 July 2002 and prior to February 2007 was listed on the AIM stock exchange as City Lofts Group Plc. CLG was subsequently delisted on 26 February 2007. LARA acquired a 24% equity stake in CLG which represents the single largest shareholding.

As Group holding company, the assets of CLG principally comprise equity interests in subsidiary companies, intergroup receivables owed by other Group companies and the benefit of certain loans made, capable of repayment. CLG holds minority equity stakes in certain overseas companies engaged in property projects in France, Spain, Italy, Hong Kong and Luxemburg. It is also the 100% holding company of Vivacity, City Flats Limited and CLD. CLD in turn, is the intermediate holding company of the majority of the Group's subsidiary SPVs, through which the various land and property developments are operated. A group corporate structure is provided at Appendix B.

In order to meet Group working capital requirements, in January 2007 LARA, as principal shareholder, provided CLG with a convertible mezzanine facility secured by way of share charges over CLG subsidiary companies Ecocentrogen Limited, Vantage Intelligent Building UK Ltd, Vivacity Residential Management Limited, CLD and City Flats Limited. A balance of £39.9m was drawn down by CLG and remains outstanding as a debt due to LARA under this facility. The LARA facility was utilized to refinance the bank facilities, provide loans to help finance certain minority interest operations, and general Group working capital requirements.

The underlying property developments and land agreements held by the various SPVs were funded by five banks being: HBOS Plc, Abbey National Treasury Services Plc, Northern Rock Plc, Lehman Brothers and Hypo Real Estate Bank International AG (together 'the Banks'). Total indebtedness owed to the Banks at the date of appointment was approximately £150m.

The Banks' facilities are each secured through a combination of fixed, floating and share charge security against specific SPVs. In addition CLD, as intermediate holding company, is subject to fixed and floating charge security in respect of HBOS indebtedness, and has entered into subordination agreements in respect of the Hypo/Lehman facilities.

The assets of CLG are not subject to any financial security arrangements other than (i) share charges in favour of LARA over certain CLG equity

interests and (ii) guarantees in respect of approximately £21m owed by Victoria Mills to Abbey National Treasury Services Plc, and 5% of acquisition costs in respect of Hypo Real Estate Bank International AG and Lehman Brothers drawn facilities at Half Tide Dock Ltd, City Lofts (Sheffield) Ltd, Bay Pointe Limited, City Lofts (Southampton) Ltd and City Lofts (St Vincent Street) Limited (together 'the Lehman/Hypo SPVs')

The consolidated financial results of the Group can be summarised as follows

Period ended	Turnover £000	Gross profit £000	Gross profit %	Directors' remuneration £000	Net profit after tax £000
04/07/08	201	201	100%	379	(6,258)
31/12/07	2,845	2,845	100%	1,141	(2,393)
31/12/06	67,150	15,694	23.4%	1,205	3,169
31/12/05*	1,612	313	19.4%	827	(2,878)
31/03/05	57,129	15,206	26.6%	876	3,762

**Note that the period to 31 December 2005 covers a period of nine months only due to a change in the Financial Year End*

Circumstances giving rise to the appointment of the Administrators

By early 2008, the Group experienced a slowdown in the buy-to-let market, its primary customer base. During this time the Group began to face mounting financial pressure, primarily due to high debt levels and the working capital constraints of a very early stage portfolio with a limited number of completed developments.

In April 2008, faced with a deteriorating property market, mounting creditor pressure and lack of investor interest. The Group with its advisors, considered a marketing process, aiming to secure a capital injection of c £25m, for a majority ownership position in its equity, to fund its working capital and development programme.

Throughout, the Group remained in close communication with LARA, who was supportive of the proposed restructuring plan. LARA provided further financial support to the Group (in addition to the convertible facility already provided) in the form of additional working capital facilities and bridging loans to Group companies.

In order to allow for a period of time in which to identify a new equity investor and stabilise creditor pressure, the Group approached the Banks with a request for additional financing and a formal standstill, during which time the Banks were asked not to enforce their respective security positions. Whilst this request was declined, the Banks did allow

the Group time to provide further information and to seek a solution whilst bank facilities in respect of SPV developments continued to be operated. Notwithstanding the absence of further Bank funding, LARA provided an unsecured working capital facility of £1.3m to CLG to assist the Group through the process.

Whilst an investor marketing process was being established, the Group faced pressure from the Group's creditors, and in particular a major creditor who proceeded to issue a statutory demand against CLD. It also became clear during this period that given market conditions, a marketing process would require an extended time frame and funding.

The Group again approached its key stakeholders to request financial support for the marketing process to be undertaken. The stakeholders having considered their individual exposure and strategies, and understanding that a major creditor had served a statutory demand, reached the conclusion that they could not provide any additional funds and began to consider their own individual strategies to secure their assets.

On 27 June 2008, a major Group creditor proceeded to file a winding up petition against CLD.

On 1 July 2008, HBOS enforced its financial security and appointed Allsop as LPA receivers over the properties held by the SPVs to which it had provided funding, including City Lofts (Newport Road) Limited, City Lofts (Princes Dock) Limited, City Lofts (Salford Quay) Limited, City Lofts (Springfield Mill) Limited, Assessvalue Limited, City Lofts (Robert's Wharf) Limited and City Lofts (Brassington) Limited. The appointment of Allsop removed rental income provided from the Group's portfolio of residential apartments, increasing the financial strain on the rest of the Group.

The directors faced with these developments, concluded that there was insufficient time or funding to effect a successful restructuring solution and resolved to appoint administrators in respect of CLG and CLD.

On 4 July 2008 CLG entered administration. It was not possible for the directors to also make an application for the Administration of CLD outside of a court process on the same day due to the presence of a winding up petition. Following the Administration of CLG, the winding up petition presented at CLD was withdrawn and the directors proceeded to appoint administrators in respect of CLD on 7 July 2008. M E Mills, A Swarbrick and C G J King were appointed to act as Joint Administrators in respect of both CLD and CLG.

Purpose, conduct and end of the Administration

Purpose of the Administration

The following are the statutory objectives of an Administration pursuant to paragraph 3(1) of Schedule B1 to the Insolvency Act 1986:

- 1 Rescue of the Company as a going concern
- 2 Achieve a better result for the creditors as a whole than would be likely if the Company were wound up (without first being in Administration).
- 3 Realise the property in order to make a distribution to one or more secured or preferential creditors.

For the reasons outlined in this report, namely the previous unsuccessful attempts to identify an investor, the Joint Administrators concluded that it was not reasonably practicable to achieve the primary objective of rescuing the Company as a going concern. Therefore objective 2 above, achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up was identified as the appropriate layer of the single overarching purpose. The Joint Administrators' actions and subsequent proposals are formulated to this end.

Conduct of the Administration

Asset realisations

The assets of CLG comprise its equity interests in its subsidiary companies, intragroup receivables owed by other Group companies and loans made to third parties.

Equity interests

As illustrated by the corporate structure at Appendix B, CLG holds minority equity stakes in Vantage Intelligent Building HK Ltd, Vantage EBS Holding Sarl, Ecocentrogen Ltd, Italian Real Estate SA, Rafa Enterprises SA and Fara Enterprises SA (being the holding companies for a property development in Ibiza) and Eau Rouge Participations SA (a holding company for a French property development).

In addition, CLG is 100% shareholder of CLD, City Flats Limited and Vivacity Residential Management Limited. Vivacity Residential Management Limited entered Creditors Voluntary Liquidation on 14 August 2008 and M E Mills and P Brazzill of Ernst & Young LLP were appointed as Joint Liquidators.

Since the commencement of the Administration, the Joint Administrators have been reviewing information in respect of CLG's equity interests and considering the strategic options and prospects of recovery. The Joint Administrators shall continue to consider the

actions necessary to realise value from the equity interests for the benefit of CLG creditors

Intragroup receivables

The Group management accounts and the directors sworn Statement of Affairs indicate that CLG is owed approximately £48m from other Group companies as a result of providing funds to meet working capital development costs, and to service the secured indebtedness of the SPVs.

We have considered the financial position of the underlying SPVs from whom intragroup balances are owed. In most cases, these subsidiary companies themselves are insolvent or have little/no ability to repay debts due to either CLD or CLG.

The biggest intragroup receivable is owed by CLD of c.£22m who in turn is owed intragroup balances from its subsidiary SPVs. As discussed, the assets of CLD are secured by fixed and floating charge security in favour of HBOS. Total indebtedness owed to HBOS may be approximately £48m. In addition to the HBOS security, CLD has secured obligations to Lehman Brothers and Hypo Bank in respect of its subsidiaries' indebtedness. On this basis the Joint Administrators conclude that CLG is unlikely to recover any debts owed by CLD.

Certain intragroup balances owed directly to CLG from overseas equity interests and other direct subsidiaries may be recoverable and continue to be explored by the Joint Administrators.

Funding arrangement

In order to facilitate the Administration, LARA provided a loan facility to CLG and CLD upon which the Joint Administrators can draw funds from at their discretion to meet costs of the Administration. This facility is not available for distribution to the general body of creditors and can not be used to pay the Joint Administrators' remuneration. This facility is limited in recourse and must be repaid from the asset realisations of CLG and CLD.

Future conduct and end of the Administration

It is proposed that the Joint Administrators will continue to manage the affairs, business and property of CLG in order to achieve the purpose of the Administration, namely a better result for the Company's creditors as a whole than if the Company was wound up (without first being in Administration). This will include, inter alia:

1. To make any compromise or arrangement with creditors or persons claiming to be creditors.
2. To continue to review the tax affairs of the Company, with a view to recovering any tax assets.
3. To invite the creditors to consider establishing, and if thought fit, establish a Creditors' Committee to exercise the functions conferred on it under the Insolvency Act 1986.

- 4 To consult with the creditors' committee, if formed, at appropriate intervals concerning the conduct and conclusion of the Administration and the implementation and development of these proposals
- 5 To conclude matters in relation to any potential claims that the Company may have against any parties
- 6 To continue to monitor the situation concerning the Company's shareholdings to protect the value of these assets and to realise equity interests as the Joint Administrators deem appropriate.
- 7 If the Joint Administrators deem appropriate, to seek an extension, or further extensions, to the Administration Order from the Court as required, without recourse to creditors.
- 8 To deal with unsecured creditor claims as necessary
- 9 To finalise the Administration including the payment of Administration liabilities.
10. In order to conclude the affairs of CLD it may become necessary for CLG, as both shareholder and creditor to pass a resolution to commence a Creditors Voluntary Liquidation procedure in respect of CLD. This may become necessary as CLD itself, whilst in Administration, would be unable to commence a Creditors Voluntary Liquidation of its own accord should there be no prospect of a distribution to unsecured creditors
11. To seek to exit the Administration via Creditors' Voluntary Liquidation upon the filing in court by the Joint Administrators of a notice pursuant to paragraph 83 of Schedule B1 to the Insolvency Act 1986. It is proposed that the Liquidator(s) will be M E Mills, C King and P Brazzill of Ernst & Young LLP. * Or; should there be no funds to distribute to unsecured creditors, the Joint Administrators may petition to the Court for a compulsory winding up order or seek the dissolution of the Company

** In accordance with paragraph 83(7) of Schedule B1 to the Insolvency Act 1986 and Rule 2.117(3) of the Insolvency Rules, creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of these proposals and before the proposals are approved. It should be noted in this regard that the person must be authorised to act as an insolvency practitioner in order to be appointed as liquidator.*

Statement of Affairs

The Directors have submitted their Statement of Affairs as at 4 July 2008. A summary is attached in Appendix E.

We provide below, for information, an indication of the current position with regard to creditors' claims. The figures have been compiled by Company management and have not been subject to independent review or statutory audit.

Secured creditors

CLG's only secured creditor is LARA who hold share charges over the shares of Ecocentrogen Limited, Vantage Intelligent Building UK Ltd, Vivacity Residential Management Limited, CLD and City Flats Limited.

Preferential creditors

We currently estimate preferential creditors of £3,740 in respect of claims for employees' salaries, holiday pay and pension contributions.

Non-preferential creditors

The principle non-preferential creditors of CLG include:

- ▶ £550k Founders loan
- ▶ £43.3m LARA loan comprising of LARA convertible mezzanine facility and LARA working capital facility
- ▶ £25.4m guaranteed debt due to Abbey National Treasury Services Plc
- ▶ 5% acquisition costs guarantee in respect of Hypo Real Estate Bank International AG and Lehman Brothers
- ▶ £5.4m inter-group claims.

Creditor claims continue to be submitted. It is estimated that total non-preferential claims will be in the region of £76.3m per the Directors Statement of Affairs.

Prescribed part

The prescribed part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Insolvency Act 1986. The prescribed part applies to floating charges created on or after 15 September 2003.

There is no floating charge security in CLG. Consequently, section 176A of the Insolvency Act 1986 does not apply to this Administration and there is no prescribed part to be set aside for unsecured creditors.

Administrators' remuneration and disbursements

Remuneration

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Rules. Further information is given in the Association of Business Recovery Professionals' publication *A Creditors' Guide to Administrators' Fees*, a copy of which can be downloaded from the web site of Insolvency Practitioners Association at <http://www.insolvency-practitioners.org.uk> (Follow 'Technical', then 'Creditors' Guide to Fees', then 'Guides for England and Wales', 'Administration'.)

In the event that a Creditors' Committee is not formed, the Joint Administrators propose that their remuneration be fixed on the basis of time properly given by them and their staff in dealing with matters arising in the Administration

Attached as Appendix C is a detailed analysis of time spent, and charge out rates, for each grade of staff for the various areas of work carried out to 15 August 2008, as required by the Association of Business Recovery Professionals' *Statement of Insolvency Practice No. 9*

Other matters

Receipts and Payments

The Administrators' Receipts and Payments for the period from 4 July 2008 to 18 August 2008 is attached at Appendix D.

To date total receipts stand at £210,594, being cash at the date of appointment

Total payments stand at £29,456, predominantly comprising the cost of salaries for the month of July 2008, which totalled £18,786

Appendix A Statutory information

Company information

Company name.	City Lofts Group Limited
Registered office address	1 Bridgewater Place Water Lane Leeds, LS11 5QR
Registered number	04483285
Trading name (s)	City Lofts
Trading address (es)	8th Floor The Exchange Station Parade Harrogate North Yorkshire HG1 1TS

Details of the Administrators and of their appointment

Administrators	M E Mills, A Swarbrick and C G J King
Date of appointment	4 July 2008
By whom appointed:	The appointment was made by the Directors of the Company under the provisions of paragraph 22 (2) of schedule B1 to the Act
Court details	The High Court of Justice, Chancery Division, Companies Court
Court reference	5495/2008
Division of the Administrators' responsibilities.	In relation to paragraph 100 (2) Schedule B1 to the Act. Any of the functions to be performed or powers exercisable by the Administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting severally

Statement concerning the EC Regulation

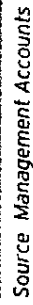
The EC Council Regulation on Insolvency Proceedings does apply to this administration and the proceedings are main proceedings. This means that this Administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union Member State.

Directors and Secretary and their shareholdings

Name	Director or Secretary	Date appointed	Date resigned	Current shareholding
Alan Keith Rouzel	Secretary	08/01/2003	n/a	Nil
Alastair Marshall Bell	Director	28/02/2007	n/a	Nil
Tony Brooks	Director	31/03/2003	n/a	9,362,252
Michael Bryn-Jones	Director	29/01/2008	n/a	Nil
Angus Alexander Dodd	Director	28/02/2007	n/a	Nil
Nigel Justin Kempner	Director	26/03/2007	n/a	Nil
Ross Mansooria-Dara	Director	31/03/2003	n/a	24,348
Harry Sihra	Director	22/04/2008	n/a	Nil
Stuart Wright	Director	08/01/2003	n/a	9,362,252

Source: Directors - Companies House 7 August 2008, Shareholdings - CLG share register as at 4 July 2008

Group structure



Appendix C Statement on Administrators' remuneration pursuant to Statement of Insolvency Practice No. 9

Charging and disbursement policy

Administrators' charging policy for fees

The Administrators have engaged a manager and other staff to work on the Administration. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the Companies' bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Administrators.

All time spent by staff working directly on case-related matters is charged to a time code established for the case. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is shown below, as are the current hourly rates used. The current hourly rates are higher than the average rates, since hourly rates have increased over the period covered by this fee request.

Consolidated time costs analysis 4 July 2008 to 15 August 2008

Classification of work function	Partner	Manager	Other senior professionals	Assistants & support staff	Total hours	Time Cost £	Average hourly rate £
Administration and planning	5	71	67	105	248	51,428	207
Investigations							
Realisation of assets	13	67	67	9	156	47,867	308
Trading	4	41	3	5	52	18,651	359
Creditors	2		32		33	6,740	202
Subsidiary matters	16	48	19	2	85	34,753	411
Total	39	227	188	120	674	150,208	278

Charge-out rates for the Administration team

Grade	Standard Rates for Restructuring 2007/2008	Standard Rates for VAT specialists 2007/2008
Partner	700	945
Director	635	790
Assistant Director	490	685
Senior Executive	360	580
Executive	265	430
Assistant Executive	205	-
Analyst	170	230
Business Trainee	145	-
Client Serving Associate	195	-

Administrators' charging policy for disbursements

Statement of Insolvency Practice No 9 (SIP 9), published by the Association of Business Recovery Professionals, divides disbursements into two categories:

Category 1 disbursements are defined as specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. It is our policy to disclose Category 1 disbursements but not to seek approval for their payment.

The Joint Administrators are prepared to provide such additional information as may reasonably be required to support the disbursements drawn

To date, the Joint Administrators Category 1 disbursements amount to £1,055

Type of Expense	Total Cost £
Accommodation	115
Travel	648
Sundry Costs	98
Food	194
TOTAL	1055

Category 2 disbursements are charges made by the Joint Administrators' firm that include elements of shared overhead costs. *SIP* 9 provides that such disbursements are subject to approval as if they were remuneration. The Joint Administrators do not intend to charge Category 2 disbursements in this case.

Appendix D Administrators' receipts and payments account for the period from 4 July 2008 to 18 August 2008

	Estimated to realise per Directors' Statement of Affairs	Fixed charge	Floating charge	Total
	£	£	£	£
Receipts				
Cash at Date of Appointment	261 268		210,594	210 594
			210,594	210 594
Payments				
Salaries			17 734	17,734
Employers NIC			1 051	1 051
Legal Fees			7,260	7,260
Statement of Affairs expenses			90	90
Public Notices		-	370	370
Specific Bond			1 600	1,600
VAT Receivable			1 351	1 351
			29 456	29 456
Cash balance as at 18 August 2008			181,138	181,138

Appendix E Directors' Statement of Affairs

Statement of affairs

Name of Company

City Lofts Group Limited

Company number

04483285

In the High Court of Justice, Chancery Division,
Companies Court, Royal Courts of Justice, Strand, London
WC2A 2LL

Court case number

5495 / 2008

(a) Insert name and
address of registered
office of the companyStatement as to the affairs of (a) City Lofts Group Limited1 Bridgewater Place, Water Lane, Leeds, LS11 5QR(b) Insert date on the (b) 4 July 2008, the date that the company entered administration

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs
of the above named company as at (b) 4 July 2008 the date that the company entered administration

Full name HARCHARANTJIT SINGH SINGHASigned Dated 22 August 2008

A – Summary of Assets

Assets	Book Value (£)	Estimated to Realise (£)
Assets subject to fixed charge:		
<i>Equity interests subject to share charges held by Lara JV Luxembourg SARL</i>		
Investment in EcoCentroGen Ltd	1,050,000	500,000
Investment in City Flats Ltd	200,000	-
Investment in City Loft Developments Ltd	1,050	-
Investment in Vivacity Residential Management Ltd	1	-
Total assets subject to fixed charge	1,251,051	500,000
Indebtedness of secured creditors (<i>secured by way of share charges held by Lara JV Luxembourg SARL</i>)		(43,276,333)
Estimated deficiency as regards secured creditors		(42,776,333)
Assets subject to floating charge:		
Uncharged assets		
<i>Intercompany balances receivable from group companies</i>		
Bay Pointe Ltd	1,871,472	-
City Lofts (Chatham) Ltd	1,422,583	-
City Lofts (Newport Road) Ltd	1,332,281	-
City Lofts (Princes Dock) Ltd	2,345,295	-
City Lofts (Gateshead) Ltd	1,255,600	-
City Lofts (Roberts Wharf) Ltd	1,166,063	-
City Lofts (St Vincent St) Ltd	1,952,424	-
City Lofts (Brassington) Ltd	4,005,301	-
Canalside Studios Ltd	16,366	13,911
City Loft Developments Ltd	22,303,138	-
Vivacity Residential Management Ltd	907,580	45,379
Victoria Works Development Ltd	1,728,495	-
Waterfront (Residential) Ltd	1,330,360	-
Other group companies (see Schedule A attached)	5,337,547	-
EcoCentroGen Ltd	393,165	-
Eau Rouge Participations	6,932	6,932
81 VH Holdings Sarl	155,133	155,133
Sub-total	47,529,734	221,355
<i>Other uncharged assets</i>		
Loan re Ibiza development	1,882,439	1,882,439
Plant and machinery	23,326	-
VAT balances	235,986	235,986
Cash at bank	261,268	261,268
Sub-total	2,403,019	2,379,693
Estimated total assets available for preferential creditors	49,932,753	2,601,048

Signature



Date

22 August 2008

A1 – Summary of Liabilities

		Estimated to realise (£)
Estimated total assets available for preferential creditors (carried from page A)	£	2,601,048
Liabilities		
Preferential creditors -	£	
• Employees – Arrears of Pay	(1,000)	
• Employees – Holiday Pay	(2,740)	
		(3,740)
Estimated deficiency/surplus as regards preferential creditors	£	2,597,308
Estimated prescribed part of net property where applicable (to carry forward)	£	-
Estimated total assets available for floating charge holders	£	2,597,308
Debts secured by floating charges	£	-
Estimated deficiency/surplus of assets after floating charges	£	2,597,308
Estimated prescribed part of net property where applicable (brought down)	£	-
Total assets available to unsecured creditors	£	2,597,308
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£	
• Loans – Lara JV Luxembourg SARL (<i>also secured by way of share charge</i>) <i>NOTE shortfall net after estimated realisable value of assets secured</i>	(42,776,333)	
• Loans – Other	(550,000)	
• Intercompany balances payable	(5,383,556)	
• Guarantees of SPV indebtedness	(25,360,244)	
• Other unsecured creditors	(2,181,995)	
		(76,252,128)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£	(73,654,820)
Shortfall to floating charge holders (brought down)	£	-
Estimated deficiency/surplus as regards creditors	£	(73,654,820)
Issued and called up capital	(55,300)	
		(55,300)
Estimated total deficiency/surplus as regards members	£	(73,710,120)

Signature



Date

22 August 2008

COMPANY CREDITORS

City Lofts Group Limited

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
<u>Preferential creditors</u>					
Employees - Arrears of pay	see attached Schedule B	1,000			
Employees - Holiday pay	see attached Schedule B	2,740			
	<i>Sub-total</i>	3,740			-
<u>Loans</u>					
Lara JV Luxembourg SARL	20, rue de la Poste, L-2346, Luxembourg	43,276,333	Charge over shares of City Loft Developments Ltd, Vantage Intelligent Building (UK) Ltd, Vivacity Residential Management Ltd, Eccocentrogen Ltd, and City Flats Ltd	24-Aug-07	590,758
Stuart Wright	Chadley House, Coxley Road, Wellesbourne, Warwickshire, CV35 9JL	183,333			
Anthony Brooks	Rossett Grange, 14 Rossett Green Lane, Harrogate, HG2 9LJ	183,333			
Rossano Mansoon-Dara	Apartment B52, The Memmo Centre, Forteville, 98000 Monaco	183,333			
	<i>Sub-total</i>	43,826,333			590,758
<u>Intercompany balances payable</u>					

COMPANY CREDITORS

City Lofts Group Limited

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
City Lofts (Church Street) Limited	109 Gloucester Place, London, W1U 6JW	5,899			
City Lofts (Drysedale Street) Limited	109 Gloucester Place, London, W1U 6JW	725,896			
City Lofts (Robert's Wharf) Limited	109 Gloucester Place, London, W1U 6JW	91,854			
City Lofts (Sheffield) Limited	109 Gloucester Place, London, W1U 6JW	1,947,792			
City Lofts (Southampton) Limited	109 Gloucester Place, London, W1U 6JW	761,749			
City Lofts (Salford Quay) Limited	109 Gloucester Place, London, W1U 6JW	95,098			
City Lofts (Half Tide Dock) Limited	109 Gloucester Place, London, W1U 6JW	1,340,758			
Canalside Studios Limited	109 Gloucester Place, London, W1U 6JW	8,699			
City Flats Limited	109 Gloucester Place, London, W1U 6JW	244,396			
Essecevale Limited	109 Gloucester Place, London, W1U 6JW	41,962			
Grandcorp Limited	109 Gloucester Place, London, W1U 6JW	617			
Victoria Works Development Limited	109 Gloucester Place, London, W1U 6JW	102,399			
Waterfront (Residential) Limited	109 Gloucester Place, London, W1U 6JW	16,437			
	<i>Sub-total</i>	5,383,556			

COMPANY CREDITORS

City Lofts Group Limited

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
<u>Guarantees of SPV indebtedness</u>					
Abbey National re Victoria Mills Development Ltd	2 Triton Square, Regents Place, London, NW1 3AN	25,360,244			
	Sub-total	25,360,244			-
<u>Other unsecured creditors</u>					
Able Counters	Unit 3, 25 Camwall Road, Harrogate, HG1 4PT	384			
Adams Mitchell	109 Gloucester Place, London, W1U 6JW	77,770			
APC (North Yorkshire) Limited	Unit 3, 25 Camwall Road, Harrogate, HG1 4PT	644			
Arden Partners Ltd	Arden House, Highfield Road, Edgbaston, B15 3DU	58,964			
Baker Tilly	Baker Tilly UK Audit LLP, 2 Whitehall Quays, Leeds, LS1 4HG	64,625			
Capita Registrars	The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU	1,932			
Coda plc	MethuenPark, Chippenham, Wiltshire, SN14 0GB	6,063			
Davidson Webber Plc	Royal House, Station Parade, Harrogate, HG1 1EP	588			
Harper Macleod LLP	The Ca'd'oro, 45 Gordon Street, Glasgow, G1 3PE	2,938			
ING Lease (UK) Limited	60 High Street, Redhill, Surrey, RH1 1NY	4,060			

COMPANY CREDITORS

City Lofts Group Limited

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
J C Rathbone Holdings Limited	14 Bruton Place, London, W1J 6LX	5,875			
R G C Jenkins & Co	26 Caxton Street, London, SW1 0RJ	1,481			
Mr J M Holt	Rushgreen Farm, Bucklow Gardens, Rushgreen Road, Lymm, Cheshire, WA13 9RN	21,394			
Knight Frank LLP	20 Hanover Square, London, W1S 1HZ	3,290			
Lawrence Graham	190 Strand, London, WC2R 1JN	19,603			
London Stock Exchange PLC	10 Paternoster Square, London, EC4M 7LS	2,268			
Mayer Brown	11 Pilgrim Street, London, EC4V 6RW	58,718			
Meltwater News	Mansfield House, 74 Belgrave Gate, Leicester, LE1 3GS	4,841			
Multiflight Ltd	South Side Aviation, Leeds Bradford International Airport, Leeds, LS19 7UG	33			
Prime City Properties Limited	1 Orchard Road, Shere, Surrey, GU5 9HU	27,454			
Prospect Plant Display	Botanic House, 4 Aston Mount, Bramley, Leeds, LS13 2BY	673			
Oxygen Insurance Brokers Limited	7th Floor, City Exchange, Albion Street, Leeds, LS1 5ES	74,206			
Stevens & Bolton LLP	The Billings, Guildford, Surrey, GU1 4YD	898			
TTA Public Relations	TTA Group, 7 Hereford Street, London, W1J 7RH	15,902			

COMPANY CREDITORS

City Lofts Group Limited

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
The Westmorland Gentlemans' Sporting Synd	CM Fell Esq, The Firs, Main Street, Aine, YO61 1RS	627			
Lazard & Company Ltd	50 Stratton Street, London, W1J 8LL	176,250			
Norton Rose	3 More London Riverside, London, SE1 2AQ	247,158			
Conran Limited, re GLD Licensing Agreement	22 Shad Thames, London, SE1 2YU	865,762			
Dooba Investments III Ltd (re Harrogate Office Lease)	c/o Commercial Estates Group Ltd, Central House, Beckwith Knowle, Otley Road, Harrogate, HG3 1WZ	113,656			
SCP Normand	Unknown	98			
Unidentified		17,110			
HMRC - Corporation Tax	19th Floor Euston Tower, Euston Road, London, NW1 3UH	56,210			
HMRC - PAYE	North Yorkshire Area, Swinson House 23 Piccadilly, York, YO1 9PG	13,097			
HMRC - National Insurance contributions	North Yorkshire Area, Swinson House, 23 Piccadilly, York, YO1 9PG	24,572			
Employees unsecured claims	see attached Schedule B	212,851			
	Sub-total	2,181,995			-
	TOTAL	76,755,868			590,758

COMPANY CREDITORS

City Lofts Group Limited

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
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Signature

Date

22 August 2008

COMPANY SHAREHOLDERS

City Lofts Group Limited

Name of Shareholder	Address (with postcode)	No of Shares Held	Nominal Value	Detail of shares held
MR JOSHUA ACHENE	50 MARBLES WAY, TADWORTH, SURREY, KT20 5LG	200	£0 200	Ord Shares of 001p each
ACTIVE VALUE LIMITED	9 ST GEORGES ROAD, BICKLEY, KENT, BR1 2LB	11	£0 011	Ord Shares of 001p each
MRS VIRGINIA MARY AKRE THE ALCHEMISTS	THE COTTAGE, MINSKIP, YORK, NORTH YORKSHIRE, YO51 9HZ	5,507	£5 507	Ord Shares of 001p each
INVESTMENT CLUB	6 ARSENAL ROAD, ELTHAM, LONDON, SE9 1JS	163	£0 163	Ord Shares of 001p each
MR RICHARD BARRIE ALLNATT	3 DRAYCOT CERNE, CHIPPENHAM, WILTSHIRE, SN15 5LD	1,540	£1 540	Ord Shares of 001p each
MISS SUSAN CAROL ARMOUR	1 WATERLOO COURT, WEST BLETCHLEY, MILTON KEYNES, MK37UA	700	£0 700	Ord Shares of 001p each
EDITH ATKINSON	KIRKUP'S CORNER, EAST ROAD, LONG HORSLEY, MORPETH, NE65 8SY	4,000	£4 000	Ord Shares of 001p each
THE BANKS OF NEW YORK NOMINEES LIMITED	ONE PICCADILLY GARDENS, MANCHESTER, M1 1RN	4,000	£4 000	Ord Shares of 001p each
BARCLAYSHARE NOMINEES LIMITED	1 CHURCHILL PLACE, LONDON, E14 5HP	7,229	£7 229	Ord Shares of 001p each
BARRATT AND COOKE NOMINEES LIMITED				
N26837ED ACCT	5 OPIE STREET, NORWICH, NORFOLK, NR1 3DW	8,060	£8 060	Ord Shares of 001p each
MR HENRY BARRON 00906749 ACCT	8 BURLEIGH COURT, BURLINGTON ROAD, DUBLIN 4, IRELAND	7,000	£7 000	Ord Shares of 001p each
MR BRIAN ALBERT BEDFORD	30 WOODHALL CRESCENT, HORNCHURCH, ESSEX, RM11 3NW	1,079	£1 079	Ord Shares of 001p each
MR DAVID HOWARD BERRY	KILHAM HALL, SOUTH LODGE, KILHAM, DRIFFIELD, YO25 4SP	4,606	£4 606	Ord Shares of 001p each
ERIC BIELBY ESQ	NORTHLANDS, 234 HULL BRIDGE ROAD, BEVERLEY, HU17 9RT	1,500	£1 500	Ord Shares of 001p each

COMPANY SHAREHOLDERS

City Lofts Group Limited

Name of Shareholder	Address (with postcode)	No of Shares Held	Nominal Value	Detail of shares held
MR BRIAN BLAMPIED	HOLMHURST, LE BLANC MONDIN, LA RUE DES PRES, ST CLEMENTS, JERSEY C I, JE2 6PR	2,000	£2 000	Ord Shares of 001p each
BNY (OCS) NOMINEES LIMITED	ONE PICCADILLY GARDENS, MANCHESTER, M1 1RN	15,000	£15 000	Ord Shares of 001p each
MRS MAUREEN BOLAND	17 YEWDALE ROAD, HARROGATE, HG2 8NF	564	£0 564	Ord Shares of 001p each
MR ALAN BOOTH & MRS EILEEN BOOTH	3 CEDARLAND CRESCENT, NUTHALL, NOTTINGHAM, NOTTINGHAMSHIRE, NG16 1AG	5,000	£5 000	Ord Shares of 001p each
MR JOHN SCOTT BOULD 7	9 CASTLE WAY, WILLINGTON, DERBY, DE65 6BT	1,100	£1 100	Ord Shares of 001p each
MRS CHRISTINE BOULD	PINE TREE COTTAGE, LAVERTON, BROADWAY, GLOUCESTERSHIRE, WR12 7NA	1,100	£1 100	Ord Shares of 001p each
MR ROBERT BRADBURN	PO BOX 1025, COMMERCIAL UNION HOUSE, 39 PILGRIM STREET, NEWCASTLE UPON TYNE, NE99	400	£0 400	Ord Shares of 001p each
BREWIN NOMINEES LIMITED	11 WELLINGTON BUILDINGS, WELLINGTON WAY, LONDON, E3 4NA	551	£0 551	Ord Shares of 001p each
EDWARD BRIDGEMAN	ROSSETT GRANGE, 14 ROSSETT GREEN LANE, HARROGATE, HG2 9LJ	9,362,252	£9,362 252	Ord Shares of 001p each
MR ANTHONY BROOKS				
MRS MARGARET JEANNETTE HENDERSON CADZOW	2 HOMEBANK, EAST ORD, BERWICK UPON TWEED, TD15 2YX	10,000	£10 000	Ord Shares of 001p each
MR GARY JAMES CAINE & MR DAVID JOHN CAINE	43 DEVONSHIRE ROAD, SCUNTHORPE, NORTH LINCOLNSHIRE, DN17 1ER	1,750	£1 750	Ord Shares of 001p each
MRS ELIZABETH CAIRNES	14 WESTBOURNE CLOSE, SALISBURY, SP1 2RU	1,200	£1 200	Ord Shares of 001p each
MRS CHRISTINE ANNE COLLINS	30 FARMDOWN ROAD, BASWICH, STAFFORD, ST17 0AP	5,000	£5 000	Ord Shares of 001p each
CONRAN HOLDINGS LIMITED	22 SHAD THAMES, LONDON, SE1 2YU	1,607,328	£1,607 328	Ord Shares of 001p each

COMPANY SHAREHOLDERS

City Lofts Group Limited

Name of Shareholder	Address (with postcode)	No of Shares Held	Nominal Value	Detail of shares held
THE CONTINENTAL TRUST COMPANY LIMITED 060047 ACCT	PO BOX 829, FORUM HOUSE, GREVILLE STREET, ST HELIER, JERSEY, JE2 4UF	1,000,000	£1,000 000	Ord Shares of 001p each
JANE COOKE	NEWBRIDGE FARM, RYE ROAD, WITTERSHAM, TENTERDEN, KENT, TN30 7EX	500	£0 500	Ord Shares of 001p each
MR PATRICK COOKE	NEWBRIDGE FARM, RYE ROAD, WITTERSHAM, TENTERDEN, KENT, TN30 7EX	1,000	£1 000	Ord Shares of 001p each
MR DAVID GILMORE COURT & MISS GERALDINE IVISON	83 HIGH STREET, BROOM, BEDS, SG18 9NA	3,377	£3 377	Ord Shares of 001p each
MRS FRANCES PATRICIA MARY CRAVEN	GARDEN HOUSE, 30 SANDAL AVENUE, WAKEFIELD, WEST YORKSHIRE, WF2 7LR	2,000	£2 000	Ord Shares of 001p each
ROSSANO MANSOORI-DARA	APARTMENT B52, THE MEMMO CENTRE, FORTEVIELLE, 98000 MONACO	24,348	£24 348	Ord Shares of 001p each
DAVYCREST NOMINEES LIMITED 0032520 ACCT	DAVY HOUSE, 49 DAWSON STREET, DUBLIN 2, IRELAND	1,000	£1 000	Ord Shares of 001p each
THEODORE JOSEPH DENGEL	MAIN STREET, GREAT LONGSTONE, BAKEWELL, DERBYSHIRE, DE45 1TJ	1,688	£1 688	Ord Shares of 001p each
MR BRIAN JAMES DEVLIN	23 EASTON ROYAL, PEWSEY, WILTSHIRE, SN9 5LZ	2,500	£2 500	Ord Shares of 001p each
MRS PEGGY ANNE DICKSON	20 CROFT DRIVE WEST, CALDY, MERSEYSIDE, CH48	5,225	£5 225	Ord Shares of 001p each
MRS GILLIAN MARGUERITE DOE	NIXXEMMEX, 45 TRIQ BIRBAL, BLAZAN, BZN08, MALTA	1,500	£1 500	Ord Shares of 001p each
MR DHANJI DUNGAR	118 ALDRIDGE AVENUE, STANMORE, MIDDLESEX, HA7 1DD	500	£0 500	Ord Shares of 001p each
MISS LINDA DUTHIE	7 OAKLANDS WAY, WALLINGTON, SURREY, SM6 9RR	400	£0 400	Ord Shares of 001p each
MR PAUL DUVAL & MRS JUDITH DUVAL	60 HAGLANE COPSE, PENNINGTON, LYMINGTON, SO41 8DQ	215	£0 215	Ord Shares of 001p each

COMPANY SHAREHOLDERS

City Lofts Group Limited

Name of Shareholder	Address (with postcode)	No of Shares Held	Nominal Value	Detail of shares held
MISS RIAN EDWARDS	SPAYNE LINDSAY & CO, 15 JOHN ADAM STREET, LONDON, WC2N 6LU	30	£0 030	Ord Shares of 001p each
MRS PATRICIA EKBERY	5 TAVISTOCK ROAD, WALLASEY, MERSEYSIDE, CH45 3JP	1,322	£1 322	Ord Shares of 001p each
E*TRADE SECURITIES LIMITED SIPP ACCT	42ND FLOOR, ONE CANADA SQUARE, CANARY WHARF, LONDON, E14 5AA	1,000	£1 000	Ord Shares of 001p each
E*TRADE SECURITIES LIMITED UNDESIGN ACCT	42ND FLOOR, ONE CANADA SQUARE, CANARY WHARF, LONDON, E14 5AA	1,000	£1 000	Ord Shares of 001p each
MR DAVID EVANS & MR DAVID WILLIAMS	CADER INVESTMENT CLUB, 47 FAENOL ISAF TYWYN, GWYEDD, LL36 0DW	1,265	£1 265	Ord Shares of 001p each
MR WILLIAM DAVID FAIRCLOUGH	16A THE BEECHES, SHAW, MELKSHAM, SN12 8EP	800	£0 800	Ord Shares of 001p each
MR JOHN CYRIL FELL	180 BROMLEY ROAD, BECKENHAM, KENT, BR3 6PG	5,000	£5 000	Ord Shares of 001p each
F H F (NOMINEES) LTD NOMINEE ACCT	28 PARK SQUARE WEST, LEEDS, LS1 2PQ	1,000	£1 000	Ord Shares of 001p each
FIRS INVESTMENTS LIMITED	P O BOX 829, FORNUM HOUSE, GREVILLE STREET, ST HELIER, JERSEY, JE4 0UE	6,587,904	£6,587 904	Ord Shares of 001p each
MISS ANGELA FLETCHER	HEIGHT BARN FARM, HARWOOD ROAD, TOTTINGTON, BURY, LANCASHIRE, BL8 3PR	12,500	£12 500	Ord Shares of 001p each
MR JACK FREEMAN	49 LYNTHURST GARDENS, PINNER, MIDDLESEX, HA5 3XD	1,100	£1 100	Ord Shares of 001p each
MRS FRANCES PATRICIA GEORGE	WHITEFRIARS, THE CLOSE, TOTTERIDGE, LONDON, N20 8PJ	14,000	£14 000	Ord Shares of 001p each
MRS JANET GIBBS	SHARLANDS, BLACKBOYS, UCKFIELD, EAST SUSSEX, TN22, 5HN	10,000	£10 000	Ord Shares of 001p each
GOLDMAN SACHS SECURITIES (NOMINEES) LIMITED ILSEG ACCT	PETERBOROUGH COURT, 133 FLEET STREET, LONDON, EC4A 2BB	4,330,400	£4,330 400	Ord Shares of 001p each

COMPANY SHAREHOLDERS

City Lofts Group Limited

Name of Shareholder	Address (with postcode)	No of Shares Held	Nominal Value	Detail of shares held
PHILIP ASHTON GREGORY ESQ LFJ ACCT	STANTON FORD HOUSE, CALVER ROAD, BASLOW, DERBYSHIRE, S32 3XF	1,100	£1 100	Ord Shares of 001p each
MR MARK HADCOCK	BANK TOP FARM, BISHOP THORNTON, HARROGATE, HG3 3JT	1,499,989	£1,499 989	Ord Shares of 001p each
MR MICHAEL MARK HADCOCK	BANK TOP FARM, BISHOP THORNTON, HARROGATE, NOTH YORKSHIRE, HG3 3JT	11	£0 011	Ord Shares of 001p each
MR PAUL HANCOCK	7 HOME FARM COURT, WORTLEY, SHEFFIELD, S35 7DT	854	£0 854	Ord Shares of 001p each
DAVID RICHARD HARRISON	6 BEECH HILL ROAD, GRASSCROFT, OLDHAM, LANCS, OL4 4DR	1,000	£1 000	Ord Shares of 001p each
MR JOHN HATHERLEY	FLAT 5, VICTORIA PLACE, ESHER PARK AVENUE, ESHER, SURREY, KT10 9PX	3,000	£3 000	Ord Shares of 001p each
IAN DUNCAN HAYES ESQ	20 WALLACE FIELDS, EWELL, SURREY, KT17 3AT	2,879	£2 879	Ord Shares of 001p each
ALEXANDER HENDERSON	20 CHAPEL STREET, MARYPORT, CUMBRIA, CA15 8QG	26	£0 026	Ord Shares of 001p each
JOHN HICKMAN ESQ	16 HENSHAW STREET, LONDON, SE17 1PD	2,000	£2 000	Ord Shares of 001p each
MR MICHAEL JAMES HOLMES	35 HILTON AVENUE, ANSDELT, LTHAM ST ANNES, LANCASHIRE, FY8 4AN	150	£0 150	Ord Shares of 001p each
HSDL NOMINEES LIMITED	TRINITY ROAD, HALIFAX, HX1 2RG	1,841	£1 841	Ord Shares of 001p each
HSDL NOMINEES LIMITED IWEB ACCT	TRINITY ROAD, HALIFAX, HX1 2RG	8	£0 008	Ord Shares of 001p each
HSDL NOMINEES LIMITED SBUILD ACCT	TRINITY ROAD, HALIFAX, HX1 2RG	1,425	£1 425	Ord Shares of 001p each
IDEALING NOMINEES LIMITED IDLNOM ACCT	114 MIDDLESEX STREET, LONDON, E1 7HY	500	£0 500	Ord Shares of 001p each

COMPANY SHAREHOLDERS

City Lofts Group Limited

Name of Shareholder	Address (with postcode)	No of Shares Held	Nominal Value	Detail of shares held
JAMES BREARLEY CREST NOMINEES LIMITED WALPOLE ACCT	PO BOX 34, WALPOLE HOUSE, UNIT 2, BURTON ROAD, BLACKPOOL, FY4 4WX	1,634	£1 634	Ord Shares of 001p each
JAMES HAY PERSONAL PENSION PLAN 30077 M METCALFE	SIPP DIVISION, DUNN'S HOUSE, ST PAUL'S ROAD, SALISBURY, SP2 7BF	10,000	£10 000	Ord Shares of 001p each
MR TOMAS JASKI	19A GROVEFIELDS AVENUE, FRIMLEY, CAMBERLEY, SURREY, GU16 8PA	8,771	£8 771	Ord Shares of 001p each
JIM NOMINEES LIMITED JARVIS ACCT	15/17 MOUNT EPHRAIM ROAD, TUNBRIDGE WELLS, KENT, TN1 1EN	7,847	£7 847	Ord Shares of 001p each
MR FAHIM KABANI	2 CEDAR COURT, SOMERSET ROAD, LONDON, SW19 5HU	917	£0 917	Ord Shares of 001p each
MS ABIGAIL GILLIAN KEMP	GREENBROW, WATEREND LANE, AYOT GREEN, HERTFORDSHIRE, AL6 9BB	800	£0 800	Ord Shares of 001p each
MR THOMAS HUGH FAIRBAIRN KIDMAN	36 LONDON ROAD, CIRENCESSTER, GLOUCESTERSHIRE, GL7 1AG	8,000	£8 000	Ord Shares of 001p each
MISS JANE KNAPTON	MARDON, CLAREMONT ROAD, SEAFORD, EAST SUSSEX, BN25 2PZ	800	£0 800	Ord Shares of 001p each
MR PETER CHARLES EDWARD KNIGHT	16A READING ROAD, CHINEHAM, BASINGSTOKE, HAMPSHIRE, RG24 8LN	2,490	£2 490	Ord Shares of 001p each
MR RAMESH KUMAR	9 SNIPE CLOSE, ERITH, KENT, DA8 2HD	500	£0 500	Ord Shares of 001p each
DR ELLIOT HUGH LANFORD	48 BROAD WALK, WINCHMORE HILL, LONDON, N21 3BY	3,000	£3 000	Ord Shares of 001p each
LARA JV LUXEMBOURG S A R L	20 RUE DE LA POSTE, L-2346 LUXEMBOURG	13,418,063	£13,418 063	Ord Shares of 001p each
ELIZABETH JOAN LIVINGSTONE	KNOCK-NA-GEARY, DROMORA ROAD, BANBRIDGE, COUNTY DOWN, BT32 4EA	500	£0 500	Ord Shares of 001p each
MR WILLIAM HARVEY LLOYD	11 QUEENSWAY, LYDD, ROMNEY MARSH, KENT, TN29 9DA	1,000	£1 000	Ord Shares of 001p each

COMPANY SHAREHOLDERS

City Lofts Group Limited

Name of Shareholder	Address (with postcode)	No of Shares Held	Nominal Value	Detail of shares held
MR WILLIAM RAY LORD	THE OLD COACH HOUSE, CLAYTON HALL DRIVE, CLAYTON-LE MOORS, ACCRINGTON.	5,000	£5 000	Ord Shares of 001p each
MRS SUSAN LOWE	22 WEAVERSIDE, NANTWICH, CHESHIRE, CW5 7BD	1,688	£1 688	Ord Shares of 001p each
MR CHRISTOPHER STEPHEN LUCY	15 LANGHAM PLACE, CHISWICK, LONDON, W4 2QL	3,000	£3 000	Ord Shares of 001p each
MISS HELEN LARA LYMBURN	SOUTH WALLHOUSES FARM, CORBRIDGE, NORTHUMBERLAND, NE45 5PU	97	£0 097	Ord Shares of 001p each
KENNETH MCGLASHAN	134 HEMPSTEAD ROAD, WATFORD, HERTS, WD17 4LG	3,004	£3 004	Ord Shares of 001p each
MRS TRACEY ANN MCMAHON	63 GOVERNORS HILL, DOUGLAS, ISLE OF MAN, IM2 TAU	500	£0 500	Ord Shares of 001p each
MRS ANNE MILLER & MR STEWART ALLAN MILLER	144 GILBERSTOUN, EDINBURGH, EH15 2QZ	346	£0 346	Ord Shares of 001p each
EXORS OF ARTHUR JOHN JULIAN MOLD DECEASED & ANTHONY JOHN CARELESS & LESLEY ANN KEMP	C/O CARELESS AND KEMP SOLICITORS, OLD BANK CHAMBERS, 19 CHURCH STREET, VENTNOR, ISLE OF WIGHT, PO38 1SN	2,200	£2 200	Ord Shares of 001p each
MR NICHOLAS MOODY	MELLWOOD, JERVAULX, RIPPON, HG4 4PJ	1,500,000	£1,500 000	Ord Shares of 001p each
JAN MORET	20 MANOR PARK, ONCHAN, ISLE OF MAN, 1M3 2EP	3,000	£3 000	Ord Shares of 001p each
MR MELVIN MORRIS	17 HILL STREET, MAYFAIR, LONDON, W1J 5LJ	1,777,956	£1,777 956	Ord Shares of 001p each
MORSTAN NOMINEES LIMITED SEG ACCT	25 CABOT SQUARE, CANARY WHARF, LONDON, E14 4QA	816,335	£816 335	Ord Shares of 001p each
MR JOSEPH MOSS	SWIFNESS, MOCKERKIN, COCKERMOUTH, CUMBRIA, CA13 0ST	556	£0 556	Ord Shares of 001p each
NATEXIS BLEICHROEDER INC CLIENT ACCT	CITIGROUP CENTRE, CANADA SQUARE, CANARY WHARF, LONDON, E14 5LB	1,000	£1 000	Ord Shares of 001p each

COMPANY SHAREHOLDERS

City Lofts Group Limited

Name of Shareholder	Address (with postcode)	No of Shares Held	Nominal Value	Detail of shares held
MRS SHU-CHING NAUGHTON	16 HAREFIELDS, OXFORD, OXFORDSHIRE, OX2 8NS	1,000	£1 000	Ord Shares of 001p each
MRS SUSAN NICHOLLS	9 SOMERVILLE ROAD, PERRANPORTH, CORNWALL, TR6 6HD	2,000	£2 000	Ord Shares of 001p each
MR ANDREW LESLIE NICHOLSON	1 SHEEMORE CREST, KILKEEL, NEWRY, COUNTY DOWN, BT34 4FA	500	£0 500	Ord Shares of 001p each
MRS DIANA ELIZABETH NURTHEN	10 PEMBROKE AVENUE, MARGATE, KENT, CT9 5EA	100	£0 100	Ord Shares of 001p each
MR PAUL O'BYRNE	7 WINTON AVENUE, RATHGAR, DUBLIN 6, IRISH REPUBLIC	1,000	£1 000	Ord Shares of 001p each
MR MICHAEL O'CONNOR	54 HAYES HILL, HAYES, BROMLEY, KENT, BR2 7HW	5,000	£5 000	Ord Shares of 001p each
MR SHOMIT PANDIT	34 LONGFIELD AVENUE, MILL HILL, LONDON, NW7 2EG	32	£0 032	Ord Shares of 001p each
PERSHING INTERNATIONAL NOMINEES DSCLT ACCT	CAPSTAN HOUSE, ONE LOVE CRESCENT, EAST INDIA DOCK, LONDON, E14 2BH	15,000	£15 000	Ord Shares of 001p each
PERSHING NOMINEES LIMITED PUCLT ACCT	CAPSTAN HOUSE, ONE LOVE CRESCENT, EAST INDIA DOCK, LONDON, E14 2BH	2,500	£2 500	Ord Shares of 001p each
PERSHING NOMINEES LIMITED TMCLT ACCT	CAPSTAN HOUSE, ONE LOVE CRESCENT, EAST INDIA DOCK, LONDON, E14 2BH	18,000	£18 000	Ord Shares of 001p each
CLIFFORD GORDON PILLING ESQ	66 HOUGHTON TOWER, SOWERBY BRIDGE, HALIFAX, HX6 2QS	1,000	£1 000	Ord Shares of 001p each
PRODUCTIVE NOMINEES LIMITED 7294701 ACCT	1 CURZON STREET, LONDON, W1J5UB	5,000	£5 000	Ord Shares of 001p each
MR GORDON RATCLIFF	16 FERNSIDE PARK, TREMAR COOMBE, LISKEARD, CORNWALL, PL14 5HY	1,155	£1 155	Ord Shares of 001p each
RAVEN NOMINEES LIMITED 48721 ACCT	4TH FLOOR, 40 MARSH WALL, LONDON, E14 9TP	1,400	£1 400	Ord Shares of 001p each
RAVEN NOMINEES LIMITED 58767 ACCT	4TH FLOOR, 40 MARSH WALL, LONDON, E14 9TP	645	£0 645	Ord Shares of 001p each

COMPANY SHAREHOLDERS

City Lofts Group Limited

Name of Shareholder	Address (with postcode)	No of Shares Held	Nominal Value	Detail of shares held
RAVEN NOMINEES LIMITED 113675 ACCT	4TH FLOOR, 40 MARSH WALL, LONDON, E14 9TP	270	£0 270	Ord Shares of 001p each
RAVEN NOMINEES LIMITED 113774 ACCT	4TH FLOOR, 40 MARSH WALL, LONDON, E14 9TP	136	£0 136	Ord Shares of 001p each
R C GREIG NOMINEES LIMITED AK1 ACCT	155 ST VINCENT STREET, GLASGOW, G2 5NN	6,700	£6 700	Ord Shares of 001p each
REDMAYNE (NOMINEES) LIMITED IK2023C ACCT	84 ALBION STREET, LEEDS, LS1 6AG	1,000	£1 000	Ord Shares of 001p each
REDMAYNE (NOMINEES) LIMITED QD2054M ACCT	84 ALBION STREET, LEEDS, LS1 6AG	1,500	£1 500	Ord Shares of 001p each
REDMAYNE (NOMINEES) LIMITED Y12057L ACCT	84 ALBION STREET, LEEDS, LS1 6AG	3,350	£3 350	Ord Shares of 001p each
DANNY ROBERTS	12 DRAGON VIEW, HARROGATE, NORTH YORKSHIRE, HG1 4DG	500	£0 500	Ord Shares of 001p each
ROCK (NOMINEES) LIMITED 1300558 ACCT	25 LUKE STREET, LONDON, EC2A 4AR	3,415	£3 415	Ord Shares of 001p each
ROCK (NOMINEES) LIMITED 1310093 ACCT	25 LUKE STREET, LONDON, EC2A 4AR	3,400	£3 400	Ord Shares of 001p each
ROCK (NOMINEES) LIMITED 1318367 ACCT	25 LUKE STREET, LONDON, EC2A 4AR	5,000	£5 000	Ord Shares of 001p each
MR MICHAEL ROW	MARDON, CLAREMONT ROAD, SEAFORD, EAST SUSSEX, BN25 2PZ	800	£0 800	Ord Shares of 001p each
MISS SARAH ROW	MARDON, CLAREMONT ROAD, SEAFORD, EAST SUSSEX, BN25 2PZ	800	£0 800	Ord Shares of 001p each
MR THOMAS ROW	MARDON, CLAREMONT ROAD, SEAFORD, EAST SUSSEX, BN25 2PZ	800	£0 800	Ord Shares of 001p each
MR WILLIAM ROW	MARDON, CLAREMONT ROAD, SEAFORD, EAST SUSSEX, BN25 2PZ	800	£0 800	Ord Shares of 001p each
JOHN MICHAEL RUDDY ESQ	LONG ACRE, PATTINGHAM, WOLVERHAMPTON, WEST MIDLANDS, WV6 7AD	4,500	£4 500	Ord Shares of 001p each

COMPANY SHAREHOLDERS

City Lofts Group Limited

Name of Shareholder	Address (with postcode)	No of Shares Held	Nominal Value	Detail of shares held
MR TREVOR JOHN SAUNDERS	BROOKSIDE, GUSSAGE ST MICHAEL, WIMBORNE, DORSET, BH21 5JE	6,142	£6 142	Ord Shares of 001p each
STEPHEN SAWYER	5 MAIN STREET, CARLTON, WAKEFIELD, WEST YORKSHIRE, WF3 3RW	197	£0 197	Ord Shares of 001p each
CHRISTOPHER WILLIAM HOPE SCARRATT	CHURCH VIEW, BRILLEY, WHITNEY ON WYE, HEREFORDSHIRE, HR3 6JF	1,734	£1 734	Ord Shares of 001p each
JUDITH SCARRATT	CHURCH VIEW, BRILLEY, WHITNEY ON WYE, HEREFORDSHIRE, HR3 6JF	862	£0 862	Ord Shares of 001p each
DR ROBERT SCHOFIELD	WILLOW COTTAGE, WOODHAM PARK WAY, WOODJAM, ADDLESTONE, SURREY, KT15 3SG	1,170	£1 170	Ord Shares of 001p each
MR JOHN STEPHEN SEAL	INGLENOK 15 BACK LANE, HAMBLETON, SELBY, NORTH YORKSHIRE, YO8 9JB	500	£0 500	Ord Shares of 001p each
ADAM JAMES SERFONTEIN ESQ	90 KENTON ROAD, GOSFORTH, NEWCASTLE UPON TYNE, NE3 4NP	4,000	£4 000	Ord Shares of 001p each
MR AMANULLAH SHAIKH	7 MEADOW CRESCENT, BRADDAN, ISLE OF MAN, IM2 1NG	2,500	£2 500	Ord Shares of 001p each
SHARE NOMINEES LTD	OXFORD HOUSE, OXFORD ROAD, AYLESBURY, BUCKS, HP21 8SZ	848,635	£848 635	Ord Shares of 001p each
MRS LINDA ANN SHERWOOD	15 FOX LEA, FINDON, WEST SUSSEX, BN14 0XB	2,912	£2 912	Ord Shares of 001p each
SINJUL NOMINEES LIMITED	ONE HANOVER STREET, LONDON, W1S 1AX	2,750,000	£2,750 000	Ord Shares of 001p each
MR DENNIS SKELTON	2 THE VALE, COLLINGHAM, WETHERBY, W YORKSHIRE, LS22 5JN	500	£0 500	Ord Shares of 001p each
MRS CORINA SLATTERY	8 BELLVILLE APARTMENTS, LONGFORD ROAD, MULLINGR, CO WESTMEATH	1,700	£1 700	Ord Shares of 001p each
MR BRIAN AUBREY SMITH	BLACKSMITH'S CORNER, THE STREET, LOWER LAYHAM, IPSWICH, SUFFOLK, IP7 5LZ	365	£0 365	Ord Shares of 001p each
DONALD SMITHERS FSG	153 COMPTONS LANE, HORSHAM, RH13 6BH	1,558	£1 558	Ord Shares of 001p each

COMPANY SHAREHOLDERS

City Lofts Group Limited

Name of Shareholder	Address (with postcode)	No of Shares Held	Nominal Value	Detail of shares held
MR DAVID ALBERT PATRICK SOWRY	SILENT WOMAN FARM, COLDHARBOR, WAREHAM, DORSET, BH20 7PA	15,000	£15 000	Ord Shares of 001p each
MR KEITH THOMAS STEER	10 KING FISHER COURT, TWYFORD, READING, RG10 0BD	800	£0 800	Ord Shares of 001p each
JOAN STELLMAN	35 KESTREL GROVE, BIRMINGHAM, WEST MIDLANDS, B30 1TQ	861	£0 861	Ord Shares of 001p each
MR PAUL DAVID STRIKE	EVERGREENS, HEATHER LANE, RAVENSTONE, COLEVILLE, LEICS, LE67 2AH	387	£0 387	Ord Shares of 001p each
DR GARETH OWEN THOMAS	10 THE COPPICE, MANCETTER, ATHERSTONE, WARWICKSHIRE, CV9 1RT	12,000	£12 000	Ord Shares of 001p each
LUCA THURLOW	4 LUBBOCK ROAD, CHISLEHURST, KENT, BR7 5JJ	1,796	£1 796	Ord Shares of 001p each
ROGER GRAEME TOPPING ESQ & MRS CONSTANCE MARY TOPPING	7 WOOLLASTON ROAD, LONDON, N4 1SD	500	£0 500	Ord Shares of 001p each
MICHAEL TURNER	ABBOTSHAM BARTON, BIDEFORD, DEVON, EX39 5AP	3,660	£3 660	Ord Shares of 001p each
MR ANTHONY WALES	7 KNOLL PARK, EAST ARDSLEY, WAKEFIELD, WEST YORKSHIRE, WF3 2AX	525	£0 525	Ord Shares of 001p each
MR GRAEME WALLIS & MR ALAN LOWE & MR PHILIP GEE	C/O THE TREASURER MR P GEE, WOODLAND VIEW, GRAGG VALE, HEBDEN BRIDGE, HX7 5TB	2,000	£2 000	Ord Shares of 001p each
MS JENNIFER WATSON	5A SIGDON ROAD, HACKNEY, LONDON, E8 1AP	307	£0 307	Ord Shares of 001p each
RONALD WEBSTER ESQ & MRS MURIEL WENDY WEBSTER	BRYN EITHIN, LLANEILIAN, AMLWCH, ANGLESEY, LL68 9NN	750	£0 750	Ord Shares of 001p each
MR WILLIAM GEORGE WEBSTER & MRS MARY JOHNSTON WEBSTER	TRI-DEUG, SEALBHACH, ROWAN CRESCENT, DORNOCH, SUTHERLAND, IV25 3QP	566	£0 566	Ord Shares of 001p each

COMPANY SHAREHOLDERS

City Lofts Group Limited

Name of Shareholder	Address (with postcode)	No of Shares Held	Nominal Value	Detail of shares held
MR MICHAEL JAMES WHEELER	17 SINDERHILL COURT, NORTHOWRAM, HALIFAX, WEST YORKSHIRE, HX3 7WB	100	£0 100	Ord Shares of 001p each
MR FRANK WHITE	14 LEIGHTON DRIVE, SHEFFIELD, S14 1ST	800	£0 800	Ord Shares of 001p each
ARTHUR ELLIS WILLIAMS	BRON DERW, 14 FFORDD PEN-Y-COED, TREFNANT, DENBICH, LL16 4YH	3,000	£3 000	Ord Shares of 001p each
MR NICHOLAS SIMON SCOTT WILSON	14 HORSA ROAD, BOURNEMOUTH, BH6 3AL	900	£0 900	Ord Shares of 001p each
MR STUART WRIGHT	CHADLEY HOUSE, COXLEY ROAD, WELLESBOURNE, WARWICKSHIRE, CV35 9JL	9,362,252	£9,362 252	Ord Shares of 001p each
STANLEY YEADON ESQ	36 CLECKHEATON ROAD, BRADFORD, WEST YORKSHIRE, BD6 1BE	1,149	£1 149	Ord Shares of 001p each
MR JOHN ALBERT YETMAN	WELTON HOUSE, LA GRAND ROUTE DE FALDOUET, ST MARTIN, JERSEY, JE3 6UD	15,000	£15 000	Ord Shares of 001p each
MR KAZIMIERZ APOLONIUSZ ZAGORSKI	13 WEYMOUTH ROAD, CHELMSFORD, ESSEX, CM1 6LP	3,400	£3 400	Ord Shares of 001p each
TOTALS		55,300,032	£55,300.03	

Signature

Date



22 August 2008

**Statement of Affairs
City Lofts Group Limited**

**Schedule A
Breakdown of Intercompany balances receivable - Other**

	£
Assessvalue Limited	243,735
City Lofts (Argus Building) Limited	162,513
City Lofts (Bay Pointe) Limited	3,476
City Lofts (Beta) Limited	9,213
City Lofts (Castlefield) Limited	317,289
City Lofts (Church Street) Limited	748
City Lofts Developments (Harrogate) Limited	2,801
City Lofts (Devco) Limited	101
City Lofts Development (Manchester) Limited	333
City Lofts (Harrogate House) Limited	249,595
City Lofts (High Street) Limited	160,097
City Lofts (Piccadilly) Limited	671,046
City Lofts (St Ann's Quay) Limited	623,533
City Lofts (Sheffield) Limited	58,860
City Lofts (Springfield Mill) Limited	665,140
City Lofts (Southampton) Limited	264,278
City Lofts (Salford Quay) Limited	981,485
City Lofts (Half Tide Dock) Limited	232,397
City Flats Limited	131,503
City Lofts Commercial Limited	58,275
City Lofts Group PLC	2,036
Essencevale Limited	454,888
Grandcorp Limited	457
Vivacity Rentals Limited	43,748
Total Other	5,337,547



22 Aug 2008

**Statement of Affairs
City Lofts Group Limited**

**Schedule B
Breakdown of Creditors (Employees)**

	£	£
Preferential creditors:		
<u>Arrears of pay</u>		
Mark Hadcock	385	
Harry Sihra	615	1,000
<u>Holiday pay:</u>		
Mark Hadcock	961	
Harry Sihra	1,779	2,740
Total employees' preferential claims		3,740
Employees' unsecured claims:		
<u>Pay in lieu of notice</u>		
Mark Hadcock	25,000	
Harry Sihra	185,000	210,000
<u>Redundancy</u>		
Mark Hadcock	2,640	
Harry Sihra	-	2,640
<u>Expenses</u>		
Mark Hadcock	-	
Harry Sihra	211	211
Total employees' unsecured claims		212,851



22 Aug 2008