

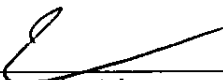
The Insolvency Act 1986

**Notice of move from administration
to creditors' voluntary liquidation**

Name of Company Kenmore Capital Portfolio Limited	Company number 05077105
In the High Court of Justice, London	Court case number

We Robert Caven of Grant Thornton UK LLP, 95 Bothwell Street, Glasgow G2 7JZ and Martin Ellis of Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU, having been appointed Joint Administrators of Kenmore Capital Portfolio Limited, c/o Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU, on 12 November 2009 by the Directors of the Company, hereby give notice that the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is proposed that Robert Caven of Grant Thornton UK LLP, 95 Bothwell Street, Glasgow G2 7JZ and Martin Ellis of Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU will be the Joint Liquidators of the company (IP No(s) 8784 and 8687)

We attach a copy of the final progress report

Signed 
Robert Caven - Joint Administrator

Dated 27/3/12

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 the public record.

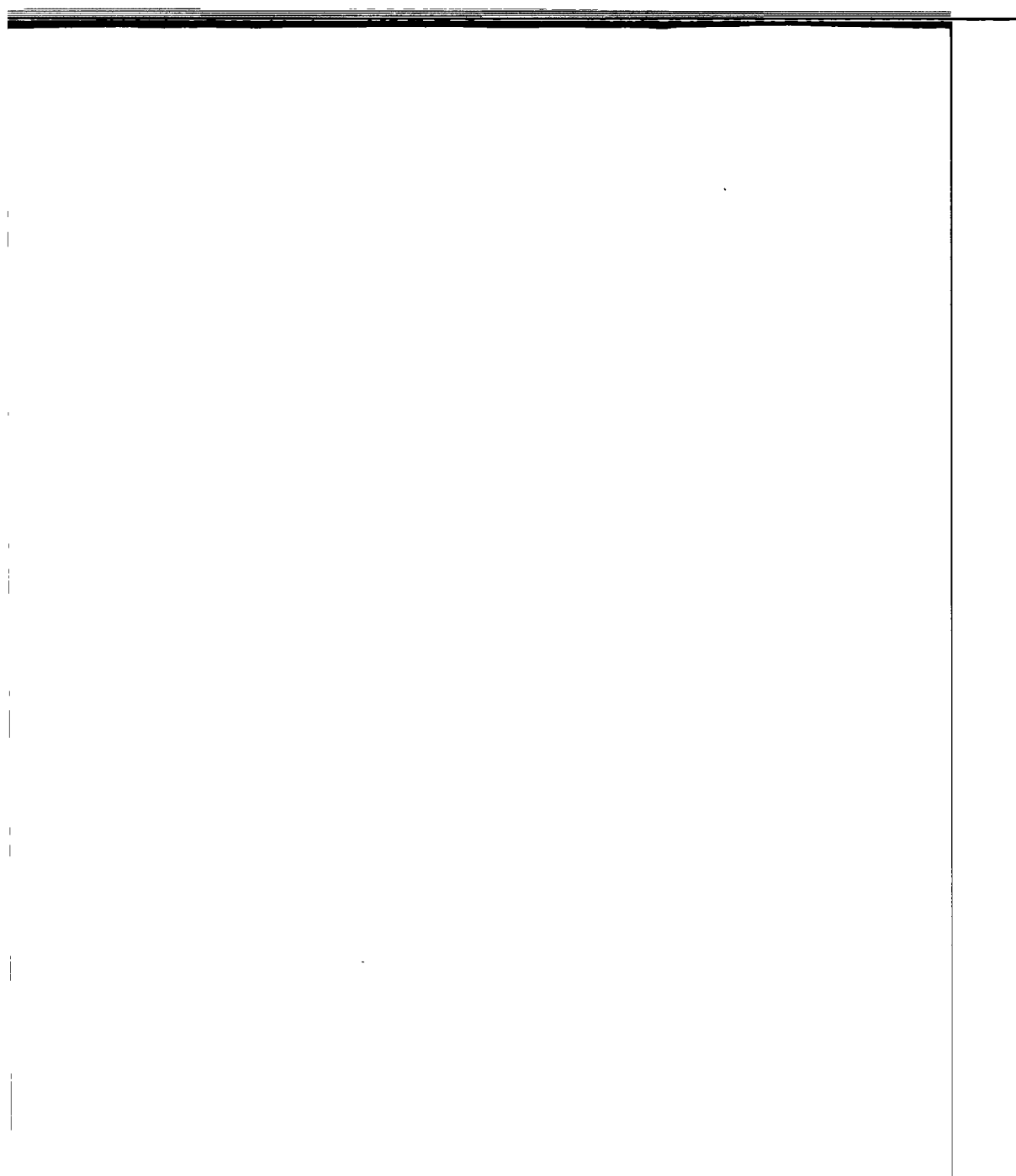
Karen Fraser	
Grant Thornton UK LLP, 95 Bothwell Street, Glasgow G2 7JZ	
	Tel 0141 223 0738
DX Number GW 232	DX Exchange Glasgow



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30/03/2012 #344
COMPANIES HOUSE

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





Grant Thornton

Our Ref RXC/SWP/ST/K30291033/7

Recovery and Reorganisation

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27 March 2012

Dear Sirs

Kenmore Capital Portfolio Limited - In Administration ("the Company")

1 Introduction

- 1 1 Following the appointment of Martin Ellis and I, Robert Caven, as Joint Administrators of the Company on 12 November 2009, I am now in a position to provide a final progress report on the Administration
- 1 2 This report contains the information required by Rule 2.110 of the Insolvency Rules 1986 (including a receipts and payments account for the period of the report)
- 1 3 In accordance with Paragraph 100 (2) of Schedule B1 to the Insolvency Act 1986, the functions of the Joint Administrators are to be exercised by any or both of them

2 Statutory information

- 2 1 Martin Ellis and I were appointed Joint Administrators of the Company on 12 November 2009 by the Directors of the Company. Notice of Appointment was lodged at High Court, London ("the Court")
- 2 2 The Company's registered office was changed from 58 Davies Street, London W1K 5JF to c/o Grant Thornton UK LLP, 30 Finsbury Square, London EC2P 2YU. The registered number of the Company is 05077105

3 Progress report

Trading strategy

- 3 1 As noted previously we traded the business from the date of appointment with a view to realising the various assets within the Kenmore Capital Fund together with the assets held by MK Manchester Limited and Kenmore Snowhill Limited (and subsidiaries)
- 3 2 Per the attached receipts and payments account the Company generated a significant trading surplus of £2.15 million

Chartered Accountants

Member firm within Grant Thornton International Ltd

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No OC307742. Registered office: Grant Thornton House, Melton Street, Euston Square, London NW1 2EP. A list of members is available from our registered office.

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business.

A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address.



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Disposal of the Company's assets

Solstice Park, Amesbury

- 3 3 As previously advised, the Joint Administrators had commenced a programme of infrastructure works at Solstice Park. These works completed in December 2010 and the site was marketed for sale thereafter.
- 3 4 A sale of the above property was completed on 6 December 2011 in the sum of £8,225,000 (plus VAT).
- 3 5 The sum of £41,409.24 was retained by the purchaser. It is anticipated that the retention will be paid in full in the following six month period.

The Syndicate Nightclub, Blackpool

- 3 6 As advised in our previous report, a sale of the property was completed on 14 June 2011.

The Industrial & Office Portfolio

- 3 7 As previously advised, a sale of the industrial & office portfolio of assets ("the Industrial & Office Portfolio") completed on 26 August 2010. The Industrial & Office Portfolio included eight properties that were owned by the Company.
- 3 8 Some of the properties within the Industrial & Office Portfolio were sold on the basis that part of the consideration would be paid on the occurrence of any of a number of future events. A number of the Company's properties are subject to this provision and, accordingly, the sum of £631,600 has been deferred and will be received at a future date, although it is not possible to specify the exact date when this deferred consideration will be received.

The Retail Portfolio

- 3 9 A sale of the retail assets owned by the various companies in Administration ("the Retail Portfolio") completed on 22 July 2010. The Retail Portfolio included one property owned by the Company.
- 3 10 The sale and purchase agreement incorporated a mechanism for reconciliation of the service charge for each of the properties within the Retail Portfolio. This reconciliation process was finalised in the period to 11 May 2011.
- 3 11 We can advise that there are no further sums owed from the purchaser of the Retail Portfolio.

Receipts and payments account

- 3 12 A summary of the Joint Administrators' receipts and payments for the period from 12 November 2011 to 27 March 2012 is attached at Appendix A
- 3 13 This shows net funds in hand at 27 March 2012 of £979,800

Objectives of Administration

- 3 14 On the basis of the current strategy, the Company will not be rescued as a going concern
- 3 15 In accordance with the terms of the Proposals, the Joint Administrators will continue to pursue the second objective of Administration, i.e. achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration)

4 Administrators' time costs and remuneration

- 4 1 Time costs for the period from 12 November 2009 to 27 March 2012 total £598,565.58 representing 2,339.44 hours at an average rate of £256 per hour
- 4 2 Appendix B includes a time analysis which provides details of the activity costs incurred by staff grade for the period from 12 November 2009 to 27 March 2012
- 4 3 In accordance with Rule 2.106 of the Insolvency Rules 1986, the Administrators' remuneration requires the approval of the Bank in its capacity as secured creditor
- 4 4 With approval from the Bank, fees have been drawn in the sum of £516,064.30 for the period 12 November 2009 to 27 March 2012
- 4 5 In addition to Administrators' fees, we have incurred the following disbursements
- Category 1 disbursements out of pocket expenses of £1,395.29 were reimbursed in the period of Administration (up to 27 March 2012)
 - Category 2 disbursements we instructed Grant Thornton UK LLP to provide tax advice and, in the period of Administration (up to 27 March 2012), costs of £35,184.10 were paid to Grant Thornton UK LLP for this service
- 4 6 In accordance with Rule 2.106 of the Insolvency Rules 1986, these disbursements were approved by the Bank in its capacity as secured creditor
- 4 7 A copy of "A Creditors' Guide to Administrators' Remuneration" can be downloaded from the Insolvency Practitioners Association website (www.insolvency-practitioners.org.uk - navigate via "Technical" to "Creditors' Guide to Fees") Alternatively, I can supply this information by post on request

5 Estimated Recovery Prospects

General

- 5 1 We would draw your attention to the debt/security structure of the Group (and the Kenmore Capital Fund) as outlined in the Proposals
- 5 2 Appendix C includes an estimated outcome statement outlining the anticipated level of distribution to each class of creditor

Secured creditor

- 5 3 Under the terms of its security, the Bank is entitled to the net proceeds (after costs) of the property disposals
- 5 4 There are a number of cross guarantees in place and, given the extent of the Group's indebtedness to the Bank, there will be no surplus of secured assets available for distribution to the other creditors of the Company
- 5 5 At the date of this report we have made distributions totalling £54.1 million to the Bank under the terms of its various fixed and floating charges

Preferential creditors

- 5 6 The Company has no employees and no preferential creditors

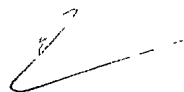
Unsecured creditors

- 5 7 The bond and floating charge granted to the Bank post-dates the commencement of the Enterprise Act 2002
- 5 8 Section 176A of the Insolvency Act 1986 provides that, in these circumstances, a Prescribed Part be set aside for payment to the unsecured creditors
- 5 9 On the basis of current estimates, we would expect the Prescribed Part to be £511,900. The Prescribed Part will be passed to the Joint Liquidators for distribution to the unsecured creditors
- 5 10 We do not anticipate any further funds being available for distribution to the unsecured creditors

6 Ending the Administration

- 6.1 In accordance with Paragraph 83 of Schedule B1 to the Insolvency Act 1986, the Company will move from Administration to Creditors' Voluntary Liquidation
- 6.2 Form 2.34B will be filed with Registrar of Companies and the Liquidation will take effect on the date that this form is received by the Registrar ("the Relevant Date")
- 6.3 The Joint Administrators will become the Joint Liquidators with effect from the Relevant Date
- 6.4 In accordance with Paragraph 98 of Schedule B1 to the Insolvency Act 1986, the Joint Administrators will be discharged from liability with effect from the Relevant Date

Yours faithfully
For and on behalf of
Kenmore Capital Portfolio Limited



Robert Caven
Joint Administrator

The business, affairs and property of the Company are being managed by the Joint Administrators who act as agents of the Company and without incurring personal liability

Appendix A: Receipts & payments account as at 27 March 2012
(1 of 3)

	From 12/11/2011 To 27/03/2012	From 12/11/2009 To 27/03/2012
POST APPOINTMENT SALES		
Post Appointment Rental Income	NIL	3,238,402 94
Post Appointment Insurance Income	NIL	13,847 59
Miscellaneous Income	NIL	31,162 50
	NIL	3,283,413 03
TRADING EXPENDITURE		
Void costs	(614 81)	396,749 14
Rents	NIL	42,009 31
Rates	NIL	340 80
Heat & Light	NIL	6 36
Management Fees	NIL	35,246 20
Insurance	(4,731 12)	126,549 27
Professional Fees	NIL	135,655 01
IT costs	NIL	150 00
Repairs & Maintenance	NIL	10,919 53
Recharge of Management Overheads	NIL	367,006 55
Advertising	NIL	3,716 50
Sundry Trading Expenses	NIL	7,757 52
	5,345 93	(1,126,106 19)
TRADING SURPLUS/(DEFICIT)	5,345 93	2,157,306 84

**Appendix A: Receipts & payments account as at 27 March 2012
(2 of 3)**

	From 12/11/2011 To 27/03/2012	From 12/11/2009 To 27/03/2012
SECURED ASSETS		
Freehold Land & Property	8,225,000 00	57,933,421 00
Bank Interest	1,531 30	78,224 82
Penalty Interest from Buyer	NIL	1,109 59
	<u>8,226,531 30</u>	<u>58,012,755 41</u>
COSTS OF REALISATION		
Administrators Fees	NIL	341,886 02
Legal Fees	NIL	540,059 49
Agents/Valuers Fees	43,006 00	495,851 00
Professional Fees - Solstice	NIL	266,016 07
Construction Costs - Solstice	41,409 24	3,650,627 19
Legal Fees - Solstice	34,415 96	155,382 34
Capital Gains Tax	NIL	6,306 28
Misc Fixed Payments	NIL	22,602 74
	<u>(118,831 20)</u>	<u>(5,478,731 13)</u>
SECURED CREDITORS		
Chargeholder (1)	10,450,000 00	54,100,000 00
	<u>(10,450,000 00)</u>	<u>(54,100,000 00)</u>
ASSET REALISATIONS		
Returned Floats	NIL	16,672 36
Rates refund	121,474 63	368,923 54
Pre Appointment Insurance Income	NIL	19,363 05
Pre Appointment Rental Income	NIL	84,394 30
Insurance Refund	NIL	1,436 00
Debtor Contributions	NIL	701 50
Misc Receipts	26 00	26 00
Bank/ISA InterestGross	498 70	51,239 76
Misc Refunds	NIL	176,607 87
Trading Surplus/(Deficit)	5,345 93	2,157,306 84
	<u>127,345 26</u>	<u>2,896,671 22</u>
COST OF REALISATIONS		
Specific Bond	NIL	528 00
Administrators Fees	11,037 80	185,216 08
Administrators Expenses	NIL	1,395 29
Misc Float Payments	NIL	187 50
Tax Advisory Fees	1,500 00	35,184 10
Legal Fees - Burness	1,495 60	38,462 05
Legal Fees - Other	2 009 94	5,351 40
Professional Fees - Rates Review	NIL	64,400 00
Statutory Advertising	NIL	348 00
Liens	NIL	2 883 30
Bank Charges	NIL	25 00
	<u>(16 043 34)</u>	<u>(333 980 72)</u>
	<u>(2,230,997 98)</u>	<u>996,714 78</u>

Appendix A: Receipts & payments account as at 27 March 2012
(3 of 3)

REPRESENTED BY	
Fixed Current Account	79,116 02
Floating Current Account	900,684 47
Trade Debtors	41,409 24
Vat Receivable	19920 23
VAT Service Charge Reconciliation a/c	(42,141 78)
Trade Creditors	(2,273 40)
	<hr/>
	996,714 78

Appendix B: Time and cost analysis as at 27 March 2012

Charge Out Rates

Remuneration is charged on the basis of the time costs of the insolvency practitioner and his staff

We set out below our firm's current charge out rates for the periods from 1 July 2009 to 30 June 2010, 1 July 2010 to 30 June 2011 and 1 July 2011 to 30 June 2012

Staff Category	Ave Hourly Rate (£) from 01/07/2009 to 30/06/2010	Ave Hourly Rate (£) from 01/07/2010 to 30/06/2011	Ave Hourly Rate (£) from 01/07/2011 to 30/06/2012
Partner	400	425	425
Associate Director/Director	335	345	350 to 395
Assistant Manager/Manager	220	225	245 to 285
Administrator/Executive	125 to 185	115 to 190	120 to 195
Support staff	85 to 110	87 to 112	90 to 115

Work is allocated to staff members based upon their experience, grade and the complexity of the task involved

Summary of Time Costs Incurred

A summary of our time costs are set out below

Standard	Partner			Manager			Executive			Administrator			Total		
	Hrs	£	Avg Hourly Rate	Hrs	£	Avg Hourly Rate	Hrs	£	Avg Hourly Rate	Hrs	£	Avg Hourly Rate	Hrs	£	Avg Hourly Rate
Administration and Planning	940	3,652.25	405.56	60	20,218.05	336.92	4475	8,417.50	188.12	355.84	43,581.17	122.54	480.95	76,028.80	157.79
Creditors				22	65	7,762.25	343.59	17	25	3,223.75	188.88	35	11	1156	105.09
Investigations	40	94.00	410.98	70	234.90	335.57	20	37.00	185.00	30	1150	15.00	140	447.00	31.93
Realisation of Assets	9634	77,546.05	416.5	8316	280,780.58	337.87	205	41,07.00	200.52	78.30	8,838.50	125.63	1300.34	400,300.17	314.82
Trading	975	4,081.50	418.52	72	24,394.25	338.78	301	56,338.25	186.85	107.85	10,047.25	100.88	492.10	57,862.25	116.87
Total	20539	85,888.80	415.73	9473	333,488.63	351.88	54928	109,184.50	191.77	577.84	70,397.85	122.00	2339.44	588,583.58	251.88

The time costs are split into 5 standard categories. A guide as to what might be included in each category is as follows

Administration and planning this includes work such as case planning, case reviewing, administrative set-up, appointment notification, maintenance of records, statutory reporting and compliance

Investigations this includes work such as investigating directors' conduct and antecedent transactions

Realisation of assets. this includes work such as identifying, securing and insuring assets, administering retention of title claims, debt collection, property, business and asset sales for property covered by both fixed and floating charges

Trading this includes work such as managing operations, planning strategy, preparing and monitoring trading forecasts, accounting for trading and administering any landlord and employee issues

Creditors this includes work such as communication and meetings with creditors, reviewing and adjudicating on creditors preferential and ordinary unsecured claims, corresponding with secured creditors reviewing security documentation issues and preparing, recording, reviewing and adjudicating on employees' preferential and unsecured claims

Classification of Disbursements

Category 1 disbursements these generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and storage

Where Category 1 disbursements are paid by the insolvency practitioners' firm these are reimbursed as and when funds are available

Category 2 disbursements these comprise cost allocations which may arise on some Category 1 disbursements where supplied internally typically, items such as room hire and document storage. Also typically included will be routine or more specialist copying or printing, and allocated communication costs provided by the insolvency practitioners or their firm

Category 2 disbursements are paid as and when approval is obtained

Use of agents and subcontractors

Agents and subcontractors are utilised where there is the need for specialist knowledge. Only agents and subcontractors with the appropriate qualifications are employed. Where possible their fees and expenses are agreed in advance

Appendix C: Estimated Outcome Statement as at 27 March 2012

(£'000)	EtoR Total
Assets subject to fixed charge	
F'hld & L'hld Property	58,565 0
Penalty Interest - Retail	1 1
Bank Interest	78 2
Total assets subject to fixed charge	58,644 3
Less costs of realisation	
Administrators' fees and outlays	(361 9)
Legal fees and outlays	(765 4)
Agents fees and outlays	(500 8)
Development costs - Solstice Park (incl Top Up)	(3,916 7)
Other costs	(52 6)
Total assets available for distribution to secured creditor	53,046 9
Monies owed to Bank of Scotland plc	(53,046 9)
Surplus/(Deficit)	-
Assets subject to floating charge	
Freehold property - fixed charge surplus (if any)	-
Trade debtors	103 8
Inter company debtors	-
Miscellaneous refunds	584 3
Trading profit/(loss)	2,157 6
Bank interest	51 2
Total assets subject to floating charge	2,896 9
Less costs of realisation	
Administrators' fees and outlays	(180 5)
Legal fees and outlays	(52 9)
Agents fees and outlays	(105 1)
Statutory costs	(0 9)
Other costs	(13 1)
Funds available for distribution to preferential creditors	2,544 4
Monies owed to preferential creditors	-
Funds available for prescribed part	2,544 4
Prescribed part	(511 9)
Funds available for distribution to floating charge holder	2,032 5
Monies owed to Bank of Scotland plc	(2,032 5)
Surplus/(Deficit)	-