

The Insolvency Act 1986

**Administrator's progress report**

Name of Company

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

Company number

05466039

In the  
High Court of Justice, Chancery Division, Leeds  
District RegistryCourt case number  
2143 of 2009(a) Insert full  
name(s) and  
address(es) of  
administrator(s)I/We (a)  
Ian Brown  
Deloitte LLP  
1 City Square  
Leeds  
LS1 2ALDaniel Francis Butters  
Deloitte LLP  
1 City Square  
Leeds  
LS1 2AL

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

From

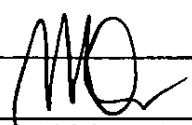
To

(b) Insert date

(b) 3 February 2010

(b) 2 August 2010

Signed

  
Joint / Administrator(s)

Dated

26 August 2010.

FRIDAY



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\*AENDAN30\*  
03/09/2010  
COMPANIES HOUSE

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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 progress report to creditors dated 2 March 2010.

Given the information previously provided to creditors, we have not included detailed background information in respect of the Companies and have focussed on progress of the administrations 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 of 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 effect 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:

<b>Proposal</b>	<b>Current status</b>
1	The Administrators continue to manage the affairs of the Companies which includes, dealing with the leasehold properties and dealing with the crystallisation of a £2.1m capital gains tax liability.
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 Administrators obtained an extension of the Administration by 6 months to 2 February 2011 by approval from the secured creditors for all the Companies.

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 August 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 can confirm that a capital gains tax liability of £2.1m has accrued on the sale of business (see 3.2). Accordingly, the remaining floating charge realisations of c £900k will be paid to HMRC as there are insufficient funds to settle the liability in full.

The floating charge realisation of £3,020.71 in Empire Realisations (6) Limited and the £61,596.85 in Belle Bidco Limited will be distributed to the Bank as floating charge holder, there are no unsecured creditors of Belle Bidco Limited.

Due to the capital gains tax liability there are insufficient funds for the distribution of a dividend to unsecured creditors and therefore a detailed Estimated Outcome Statement is not deemed necessary.

In this section, we have summarised the main asset realisations 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**

There will be no dividend to unsecured creditors due to the CGT liability of £2.1m that has crystallised.

## **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:

	<b>£m</b>
<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>
	<b><u>16.6</u></b>

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 anticipate further distributions of £100k to Bank subject to the final costs of the Administration.

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. However, Inflexion released its security at the start of the Administrations.

## 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. No calculations of this claim have been quantified as there are insufficient funds available to pay a dividend 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

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.

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 has crystallised a capital gain which will rank as an expense of the Administration in Empire Realisations (4) Limited. HMRC have agreed after any remaining costs have been paid as an expense of the Administration, the balance of floating charge funds will be paid across to HMRC.

There are no unsecured creditors of Belle Bidco Limited and accordingly a Prescribed Part cannot be distributed. Realisations in the other Companies are insufficient to create a Prescribed Part.

## 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 Administrators sought to extend the period of the Administration by 6 months to 2 February 2011 and approval was gained from the secured creditor.

### **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 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	31 0	96 4	81 9	209 3	64,529	308
Creditors	-	10 5	9 0	19 5	4,378	225
Reporting & Investigations	3 0	31 5	-	34 5	10,237 5	297
Other Specific Matters	0 3	70 6	1 5	72 4	26,281	363
Trading	-	1 0	3 0	4 0	700 0	175
Asset Realisations	-	8 3	-	8 3	3,169 0	384
<b>TOTAL</b>	<b>34 3</b>	<b>218 2</b>	<b>95 4</b>	<b>347 9</b>	<b>109,295</b>	<b>314</b>
<b>TIME COST</b>	<b>21,342</b>	<b>70,150</b>	<b>17,803</b>	<b>109,295</b>		

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 2<sup>nd</sup> February 2010 were as follows:

<b>Nature of disbursement (£)</b>	<b>03/08/09 to 02/08/10</b>	<b>03/02/10 to 02/08/10</b>
Mileage	29 27	0 00
Travel expenses incurred	55 10	0 00
Postage / Stationery	788 05	26 85
Insurance Costs	748 00	0 00
Legal Fees	6500 00	0 00
<b>Total</b>	<b><u>8,120.42</u></b>	<b><u>26.85</u></b>

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

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:

<b>Grade</b>	<b>Range £ per hour</b>	
	<b>2009 rates</b>	<b>2010 rates</b>
Partners	545 to 615	565 to 630
Managers/ Directors	295 to 525	310 to 535
Assistants/Support Staff	145 to 265	165 to 275

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 £8,609.53. All costs are reviewed and analysed before payment is approved.

## APPENDIX I - STATUTORY INFORMATION

Company Name	Empire Realisations (1) Limited	Empire Realisations (2) Limited	Empire Realisations (3) Limited	Empire Realisations (4) Limited
Previous Names	Devle Biscoe Limited			
Company Number	06399226	Mersey Biscoe Limited		
Incorporation Date	21 June 2007	06/06/03		
Registered Office	All companies - Devle LLP, 1 City Square, Leeds, LS1 2AL	21 May 2009		
Trading Address				
Authorized ordinary shares	All companies - Empire House, Midburn Hall Road, Halifax, HX1 1BP			
A	50,000 @ £0.10 each	149,577 @ £0.01 each	12,211 @ £1 each	100 @ £1 each
B	62,000	N/A	N/A	N/A
C	18,700	N/A	N/A	N/A
D	1,538	N/A	N/A	N/A
E	19,306	N/A	N/A	N/A
Beneficiaries	Infection 2008 Beyond Fund Limited Partnership, Infection Baito Limited Partnership	Bade Biscoe Limited	Emuel Holdings Limited	Mersey Ward Holdings Limited
Directors	Timothy Brannan, Nicholas John Williams	Neil Williams	Nicholas John Williams	Nicholas John Williams
Company Secretary	All companies - Nicholas John Williams			
Beneficiaries	All companies - Lloyd TSB Plc			
Auditors	All companies - Ernst & Young LLP			
Court References (High Court of Justice, Chancery Division, Leeds District Registry)				
Date of Appointment	2,141 of 2009	2,143 of 2009	2,140 of 2009	2,140 of 2009
Person who made the application	All companies - 3 August 2009			
Joint appointment provisions pursuant to paragraph 10(2) of Schedule B1 of IASB	All companies - The Administrators are authorised to carry out, pursuant to paragraph 10(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	Empire Realisations (11) Limited	Empire Realisations (12) Limited	Empire Realisations (13) Limited	Empire Realisations (14) Limited	Empire Realisations (15) Limited	Empire Realisations (16) Limited	Empire Realisations (17) Limited	Empire Realisations (18) Limited	Empire Realisations (19) Limited	Empire Realisations (20) Limited	Empire Realisations (21) Limited	Empire Realisations (22) Limited	Empire Realisations (23) Limited	Empire Realisations (24) Limited	Empire Realisations (25) Limited	Empire Realisations (26) Limited	Empire Realisations (27) Limited	Empire Realisations (28) Limited	Empire Realisations (29) Limited	Empire Realisations (30) Limited	Empire Realisations (31) Limited	Empire Realisations (32) Limited	Empire Realisations (33) Limited	Empire Realisations (34) Limited	Empire Realisations (35) Limited	Empire Realisations (36) Limited	Empire Realisations (37) Limited	Empire Realisations (38) Limited	Empire Realisations (39) Limited	Empire Realisations (40) Limited	Empire Realisations (41) Limited	Empire Realisations (42) Limited	Empire Realisations (43) Limited	Empire Realisations (44) Limited	Empire Realisations (45) Limited	Empire Realisations (46) Limited	Empire Realisations (47) Limited	Empire Realisations (48) Limited	Empire Realisations (49) Limited	Empire Realisations (50) Limited	Empire Realisations (51) Limited	Empire Realisations (52) Limited	Empire Realisations (53) Limited	Empire Realisations (54) Limited	Empire Realisations (55) Limited	Empire Realisations (56) Limited	Empire Realisations (57) Limited	Empire Realisations (58) Limited	Empire Realisations (59) Limited	Empire Realisations (60) Limited	Empire Realisations (61) Limited	Empire Realisations (62) Limited	Empire Realisations (63) Limited	Empire Realisations (64) Limited	Empire Realisations (65) Limited	Empire Realisations (66) Limited	Empire Realisations (67) Limited	Empire Realisations (68) Limited	Empire Realisations (69) Limited	Empire Realisations (70) Limited	Empire Realisations (71) Limited	Empire Realisations (72) Limited	Empire Realisations (73) Limited	Empire Realisations (74) Limited	Empire Realisations (75) Limited	Empire Realisations (76) Limited	Empire Realisations (77) Limited	Empire Realisations (78) Limited	Empire Realisations (79) Limited	Empire Realisations (80) Limited	Empire Realisations (81) Limited	Empire Realisations (82) Limited	Empire Realisations (83) Limited	Empire Realisations (84) Limited	Empire Realisations (85) Limited	Empire Realisations (86) Limited	Empire Realisations (87) Limited	Empire Realisations (88) Limited	Empire Realisations (89) Limited	Empire Realisations (90) Limited	Empire Realisations (91) Limited	Empire Realisations (92) Limited	Empire Realisations (93) Limited	Empire Realisations (94) Limited	Empire Realisations (95) Limited	Empire Realisations (96) Limited	Empire Realisations (97) Limited	Empire Realisations (98) Limited	Empire Realisations (99) Limited	Empire Realisations (100) Limited	Empire Realisations (101) Limited	Empire Realisations (102) Limited	Empire Realisations (103) Limited	Empire Realisations (104) Limited	Empire Realisations (105) Limited	Empire Realisations (106) Limited	Empire Realisations (107) Limited	Empire Realisations (108) Limited	Empire Realisations (109) Limited	Empire Realisations (110) Limited	Empire Realisations (111) Limited	Empire Realisations (112) Limited	Empire Realisations (113) Limited	Empire Realisations (114) Limited	Empire Realisations (115) Limited	Empire Realisations (116) Limited	Empire Realisations (117) Limited	Empire Realisations (118) Limited	Empire Realisations (119) Limited	Empire Realisations (120) Limited	Empire Realisations (121) Limited	Empire Realisations (122) Limited	Empire Realisations (123) Limited	Empire Realisations (124) Limited	Empire Realisations (125) Limited	Empire Realisations (126) Limited	Empire Realisations (127) Limited	Empire Realisations (128) Limited	Empire Realisations (129) Limited	Empire Realisations (130) Limited	Empire Realisations (131) Limited	Empire Realisations (132) Limited	Empire Realisations (133) Limited	Empire Realisations (134) Limited	Empire Realisations (135) Limited	Empire Realisations (136) Limited	Empire Realisations (137) Limited	Empire Realisations (138) Limited	Empire Realisations (139) Limited	Empire Realisations (140) Limited	Empire Realisations (141) Limited	Empire Realisations (142) Limited	Empire Realisations (143) Limited	Empire Realisations (144) Limited	Empire Realisations (145) Limited	Empire Realisations (146) Limited	Empire Realisations (147) Limited	Empire Realisations (148) Limited	Empire Realisations (149) Limited	Empire Realisations (150) Limited	Empire Realisations (151) Limited	Empire Realisations (152) Limited	Empire Realisations (153) Limited	Empire Realisations (154) Limited	Empire Realisations (155) Limited	Empire Realisations (156) Limited	Empire Realisations (157) Limited	Empire Realisations (158) Limited	Empire Realisations (159) Limited	Empire Realisations (160) Limited	Empire Realisations (161) Limited	Empire Realisations (162) Limited	Empire Realisations (163) Limited	Empire Realisations (164) Limited	Empire Realisations (165) Limited	Empire Realisations (166) Limited	Empire Realisations (167) Limited	Empire Realisations (168) Limited	Empire Realisations (169) Limited	Empire Realisations (170) Limited	Empire Realisations (171) Limited	Empire Realisations (172) Limited	Empire Realisations (173) Limited	Empire Realisations (174) Limited	Empire Realisations (175) Limited	Empire Realisations (176) Limited	Empire Realisations (177) Limited	Empire Realisations (178) Limited	Empire Realisations (179) Limited	Empire Realisations (180) Limited	Empire Realisations (181) Limited	Empire Realisations (182) Limited	Empire Realisations (183) Limited	Empire Realisations (184) Limited	Empire Realisations (185) Limited	Empire Realisations (186) Limited	Empire Realisations (187) Limited	Empire Realisations (188) Limited	Empire Realisations (189) Limited	Empire Realisations (190) Limited	Empire Realisations (191) Limited	Empire Realisations (192) Limited	Empire Realisations (193) Limited	Empire Realisations (194) Limited	Empire Realisations (195) Limited	Empire Realisations (196) Limited	Empire Realisations (197) Limited	Empire Realisations (198) Limited	Empire Realisations (199) Limited	Empire Realisations (200) Limited	Empire Realisations (201) Limited	Empire Realisations (202) Limited	Empire Realisations (203) Limited	Empire Realisations (204) Limited	Empire Realisations (205) Limited	Empire Realisations (206) Limited	Empire Realisations (207) Limited	Empire Realisations (208) Limited	Empire Realisations (209) Limited	Empire Realisations (210) Limited	Empire Realisations (211)
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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)

EMPIRE REALISATIONS (4) LIMITED -JOINT ADMINISTRATORS' ABSTRACTS OF RECEIPTS AND PAYMENTS TO 2 AUGUST 2010					
RECEIPTS	Fixed Charge (£)		Floating Charge (£)		Total (£)
	As at 3 February 2010	Realised/(paid) in the period	As at 3 February 2010	Realised/(paid) in the period	
The business and goodwill	12,500,000 00	0 00	12,500,000 00		12,500,000 00
Licence fee			12,896 97	0 00	12,896 97
Plant & Machinery			50,000 00	0 00	50,000 00
Stock			50,000 00	0 00	50,000 00
Book Debts			900,000 00	0 00	900,000 00
Other Debts			69 00	0 00	69 00
VAT Refund			0 00	11,266 74	11,266 74
Rates Rebate			1,520 62	0 00	1,520 62
Bank Interest			364 75	1,038 18	1,402 93
Receipt monies due to Newco			22,595 15	(22,392 29)	202 86
VAT payable			3,192 98	0 00	3,192 98
	<b>12,500,000 00</b>	<b>0 00</b>	<b>1,040,639.47</b>	<b>(10,087.37)</b>	<b>1,030,552.10</b>
					<b>13,530,552.10</b>
PAYMENTS					
Rent			(26,135 88)	0 00	(26,135 88)
Lloyds TSB Bank plc					(12,460,000 00)
Cash at bank	(12,460,000 00)	0 00	(160 00)	0 00	(160 00)
Administrators' Fees			(65,000 00)	0 00	(65,000 00)
Administrators' Expenses			(822 97)	0 00	(822 97)
Legal Fees			(8,226 33)		(8,609 53)
Statutory advertising			(661 50)		(661 50)
Insurance of assets			0 00		(385 46)
Bank charges			(200 00)		(323 98)
VAT receivable			(14,459 72)		(14,526 78)
	<b>(12,460,000 00)</b>	<b>0 00</b>	<b>(115,556.40)</b>	<b>0 00</b>	<b>(12,576,626.10)</b>
Balances in hand	<b>40,000.00</b>	<b>0 00</b>	<b>924,973.07</b>	<b>(10,087.37)</b>	<b>953,926.00</b>
	<b>40,000.00</b>	<b>0 00</b>	<b>1,040,639.47</b>	<b>(10,087.37)</b>	<b>1,030,552.10</b>
					<b>13,530,552.10</b>

EMPIRE REALISATIONS (4) LIMITED -JOINT ADMINISTRATORS' ABSTRACTS OF RECEIPTS AND PAYMENTS TO 2 AUGUST 2010					
RECEIPTS	Fixed Charge (£)		Floating Charge (£)		Total (£)
	As at 3 February 2010	Realised/(paid) in the period	As at 3 February 2010	Realised/(paid) in the period	
	12,500,000 00	0 00	12,500,000 00	As at 2 August 2010	
The business and goodwill				12,896 97	12,500,000 00
Licence fee				0 00	12,896 97
Plant & Machinery				0 00	50,000 00
Stock				0 00	50,000 00
Book Debts				0 00	900,000 00
Other Debts				69 00	69 00
VAT Refund				11,266 74	11,266 74
Rates Rebate				0 00	1,520 62
Bank Interest				1,038 18	1,402 93
Receipt monies due to Newco				(22,392 29)	202 86
VAT payable				0 00	3,192 98
	<b>12,500,000 00</b>	<b>0 00</b>	<b>12,500,000 00</b>	<b>1,030,552.10</b>	<b>13,530,552.10</b>
<b>PAYMENTS</b>					
Rent				0 00	(26,135 88)
Lloyds TSB Bank plc					(12,460,000 00)
Cash at bank					(160 00)
Administrators' Fees					(65,000 00)
Administrators' Expenses					(822 97)
Legal Fees					(8,609 53)
Statutory advertising					(661 50)
Insurance of assets					(385 46)
Bank charges					(323 98)
VAT receivable					(14,526 78)
	<b>(12,460,000 00)</b>	<b>0 00</b>	<b>(12,460,000 00)</b>	<b>0 00</b>	<b>(12,576,626.10)</b>
Balances in hand	<b>40,000.00</b>	<b>0.00</b>	<b>40,000.00</b>	<b>(10,087.37)</b>	<b>953,926.00</b>
	<b>40,000.00</b>	<b>0.00</b>	<b>40,000.00</b>	<b>(10,087.37)</b>	<b>13,530,552.10</b>

**EMPIRE REALISATIONS (6) LIMITED -JOINT ADMINISTRATORS' ABSTRACTS OF RECEIPTS AND PAYMENTS TO 2 AUGUST 2010**

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### Appendix 3

BELLE BIDCO LIMITED -JOINT ADMINISTRATORS' ABSTRACTS OF RECEIPTS AND PAYMENTS TO 2 AUGUST 2010					
	Fixed Charge (£)		Floating Charge (£)		Total (£)
RECEIPTS	As at 3 February 2010	Realised/(paid) in the period	As at 2 August 2010	Realised/(paid) in the period	As at 2 August 2010
Lloyds payment for closing out of loan			61,900 00	0 00	61,900 00
	0.00	0.00	61,900.00	0.00	61,900.00
PAYMENTS					
Bank charges	(80 61)	0 00	(80 61)		(80 61)
Debit interest	( 61)	0 00	( 61)		( 61)
Bank charges			(81 50)	(141 65)	(223 15)
	(80 61)	0.00	(80.61)	(141.65)	(223.15)
	(80.61)	0.00	(80.61)	(141.65)	(223.15)
Balances in hand	0.00	0.00	61,818 50	61,676 85	61,595.63
	0.00	0.00	61,900.00	0 00	61,900.00
	0.00	0.00	61,900.00	0.00	61,900.00

**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 August 2010

Task Type	Task Level	Partner and Director Hours	Partner and Director £	Manager and Assistant Managers Hours	Manager and Assistant Managers £	Other Professional and Support Staff Hours	Other Professional and Support Staff £	Total Hours	Total £	Average Rate £
Admin and Planning	Cashiers	-	-	16 7	5,301 0	54 1	11,231 0	70 8	16,532	234
	Closure	-	-	1 5	615 0	4 5	717 8	6 0	1,333	222
	Compliance	-	-	14 9	4,447 0	3 2	786 0	18 1	5,233	289
	Progress Reporting	10 0	6,195 0	52 8	15,427 0	20 1	2,972 5	82 9	24,595	297
	Fees	-	-	5 8	2,220 3	-	-	5 8	2,220	386
	Immediate Actions	-	-	3 5	1,099 3	-	-	3 5	1,099	314
	Meetings	21 0	13,005 0	1 3	512 5	-	-	22 3	13,518	608
Admin and Planning Total		31 0	19,200	96 4	29,622	81 9	15,707	209 3	64,529	308
Creditors	Distributions	-	-	0 5	205 0	-	-	0 5	205	410
	Unsecured	-	-	10 0	2,737 3	9 0	1,435 5	19 0	4,173	220
Creditors Total		-	-	10 5	2,942	9 0	1,436	19 5	4,378	225
Reporting & Investigations	D' Return	3 0	1,890 0	31 5	8,347 5	-	-	34 5	10,238	297
Investigation Total		3 0	1,890	31 5	8,348	-	-	34 5	10,238	297
Other Specific Matters	Tax & VAT	0 3	252 0	70 6	25,804 3	1 5	225 0	72 4	26,281	363
Other Specific Matters Total		0 3	252	70 6	25,804	1 5	225	72 4	26,281	363
Trading	Closure of Trading	-	-	-	-	3 0	435 0	3 0	435	145
	Ongoing Trading	-	-	1 0	265 0	-	-	1 0	265	265
Trading Total		-	-	1 0	265	3 0	435	4 0	700	175
Asset Realisation	Book Debts	-	-	1 5	569 3	-	-	1 5	569	380
	Leasehold Property	-	-	0 5	189 8	-	-	0 5	190	380
	Other Assets	-	-	6 3	2,410 0	-	-	6 3	2,410	386
Asset Realisation Total		-	-	8 3	3,169	-	-	8 3	3,169	384
Grand Total		34 3	21,342	218 2	70,150	95 4	17,803	347 9	109,295	314