

The Insolvency Act 1986

Administrator's progress report

Name of Company Kenmore Capital Plymouth Limited	Company number 05556248
In the High Court of Justice, London [full name of court]	Court case number

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

I / We (a) ___ 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 _____

Joint Administrators of the above company attach a progress report for the period

(b) Insert dates

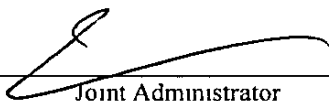
from

to

(b) 12 November 2010

(b) 11 May 2011

Signed


Joint Administrator

Dated

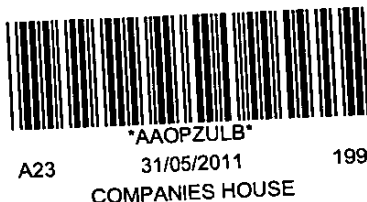
25/5/11

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.

	Tel
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 DA 33050 Cardiff



TUESDAY



Grant Thornton

Our Ref RXC/SWP/NMS/K91032/RR/7

To All Known Creditors

Recovery and Reorganisation

Grant Thornton UK LLP
95 Bothwell Street
Glasgow G2 7JZ

T +44 (0)141 223 0000
F +44 (0)141 223 0001
DX GW232 Glasgow
www.grant-thornton.co.uk

25 May 2011

Dear Sirs

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

1 Introduction

- 1 1 Following the appointment of Martin Ellis and I as Joint Administrators of the Company on 12 November 2009, I now report on progress of the Administration for the period ended 11 May 2011
- 1 2 This report contains the information required by Rule 2 47 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 05556248

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

3 Progress report

Trading strategy

- 3 1 As noted in the Joint Administrators' Progress Reports for the periods ended 11 May 2010 ("**the First Progress Report**") and 11 November 2011 ("**the Second Progress Report**"), we traded the business with a view to realising the various assets within the Kenmore Capital Fund together with the assets held by Kenmore Snowhill Limited (and subsidiaries) and MK Manchester Limited
- 3 2 As previously advised, the day-to-day trading/management of the Property is the responsibility of the Trustees of the BUT (as defined below)
- 3 3 All trading income and expenditure is accounted for through BUT (as defined below) and, accordingly, our receipts and payments account (per Appendix A) does not include any trading analysis

Disposal of the Company's assets

- 3 4 As noted in the previous progress reports, the Company owned 99% of the units in the Broadway Unit Trust ("**BUT**") which, in turn owned the freehold of a retail property, Broadway Shopping Centre ("**the Property**") Accordingly, the Company held a beneficial interest in the Property

Retail Portfolio

- 3 5 In the Second Progress Report we advised that, subsequent to contracts being exchanged in May 2010, we completed a sale of the retail assets owned by the various companies in Administration ("**the Retail Portfolio**") on 22 July 2010
- 3 6 The Property was sold as part of the Retail Portfolio
- 3 7 The Trustees of the BUT were included as a party to the sale and purchase agreement and the Property was sold directly to the buyer by the BUT
- 3 8 The sale proceeds were subsequently distributed to the Company by way of a distribution under the terms of the Trust Deed incorporating the BUT

Working Capital - BUT

- 3 9 In the Second Progress Report, we advised that the Trustees of the BUT intended to take steps to wind up the unit trust with a view to distributing the remaining funds/working capital of the BUT to the Company (in its capacity as unit holder)
- 3 10 We also noted that the Trustees required that certain of the funds be retained from the BUT's cash funds for a period of up to one year from completion of the sale of the Property, i.e. up to 21 July 2011 The purpose of the retention was to provide a form

of indemnity to the Trustees for any costs/liabilities of the BUT which had not been dealt with at the time of the sale of the Property

- 3 11 The winding up process will commence subsequent to 21 July 2011, by which point all working capital will have been distributed. We have so far received net funds of £563,078 by way of distribution of working capital
- 3 12 The quantum of the final distribution remains to be confirmed but it should be at least £300,000

Other Assets

- 3 13 There are no other assets of the Company available for realisation

Receipts and payments account

- 3 14 A summary of the Joint Administrators' receipts and payments for the period from 12 November 2010 to 11 May 2011 is attached at Appendix A
- 3 15 This shows net funds in hand at 11 May 2011 of £1,053,768

Objectives of Administration

- 3 16 On the basis of the current strategy, the Company will not be rescued as a going concern
- 3 17 In accordance with the terms of the Proposals, the Joint Administrators believe that the second objective of Administration will be achieved, 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 11 May 2011 total £45,621 representing 175 hours at an average rate of £261 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 11 May 2011
- 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 The Bank has confirmed its approval for the Administrators to draw a fee of £40,321 for the period ended 12 April 2011. We have drawn these fees in full
- 4 5 We propose to seek further fee approval for post 12 April 2011 time costs from the Bank at the appropriate time

- 4 6 No out of pocket expenses have been incurred in the period of Administration
- 4 7 We instructed Grant Thornton UK LLP to provide tax advice and, in the period of Administration (up to 11 May 2011), costs of £9,600 were paid to Grant Thornton UK LLP for this service. 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 8 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 funds (after costs) that are distributed to the Company by the Trustees of the BUT.
- 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 a distribution of £14.25 million to the Bank under the terms of its security.

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 estimated realisations it is unlikely that there will be sufficient funds available for distribution to the unsecured creditors

6 Extension of Administration

- 6 1 The automatic end of the Administration period was 11 November 2010 and the Joint Administrators believed that it would not be possible to finalise the Administration in that time
- 6 2 As such, and as detailed in the Second Progress Report, the period of the Administration was extended for 12 months to 11 November 2011

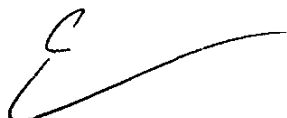
7 Ending the Administration

- 7 1 It is unlikely that there will be sufficient funds available to enable a distribution to unsecured creditors
- 7 2 In accordance with the Proposals, and assuming that there are indeed no funds available for distribution to the unsecured creditors, the Company will move from Administration to Dissolution at the relevant time

8 Next Report

- 8 1 The Joint Administrators are required to provide a progress report within one month of the end of the next accounting period (being 11 November 2011) or earlier if the Administration has been finalised

Yours faithfully
For and on behalf of
Kenmore Capital Plymouth Limited



Rob 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 11 May 2011

Joint Administrators' Abstract of Receipts & Payments		
	From 12/11/2010 To 11/05/2011	From 12/11/2009 To 11/05/2011
SECURED ASSETS		
Investments	NIL	15,000,000 00
JPUT Working Capital	714,889 88	563,077 59
Intellectual Property	NIL	8,321 92
Bank Interest	2,777 99	8,762 84
	<u>717,667 87</u>	<u>15,580,162 35</u>
COSTS OF REALISATION		
Administrators Fees	9,070 95	20,224 64
Legal Fees	4,097 40	52,695 94
Agents/Valuers Fees	9,132 33	93,912 33
Other Property Expenses	NIL	30,119 36
Insurance	2,588 58	2,588 58
Misc Fixed Payments	NIL	29,671 89
	<u>(24,889 26)</u>	<u>(229,212 74)</u>
SECURED CREDITORS		
Chargeholder (1)	1,000,000 00	14,250,000 00
	<u>(1,000,000 00)</u>	<u>(14,250,000 00)</u>
ASSET REALISATIONS		
Bank/ISA InterestGross	1,880 24	2,737 94
	<u>1,880 24</u>	<u>2,737 94</u>
COST OF REALISATIONS		
Specific Bond	NIL	36 00
Administrators Fees	9,465 68	20,096 55
Tax Advisory Fees	NIL	9,600 00
Legal Fees (1)	NIL	2,580 20
Professional Fees	3,341 46	3,341 46
Statutory Advertising	NIL	348 00
	<u>(12,807 14)</u>	<u>(36,002 21)</u>
	<u>(318,148 29)</u>	<u>1,067,685 34</u>
REPRESENTED BY		
Vat Receivable		2,955 97
Fixed Current Account		1,013,748 64
Floating Current Account		40,018 93
Fixed Ch Vat Receivable		7,672 74
Vat Control Account		3,289 06
		<u>1,067,685 34</u>

Appendix B: Time and cost analysis as at 11 May 2011

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 and from 1 July 2010 to 30 June 2011

Staff Category	Hourly Rate To 30 June 2011 (£)	Hourly Rate To 30 June 2010 (£)
Partner	425 - 525	410 - 510
Director	395 - 430	365 - 400
Associate Director	345	335
Manager	280 - 340	225 - 330
Assistant Manager	225	220
Executive	180 - 190	165 - 185
Administrator	125	110 - 125
Support Staff	87 - 112	85 - 110

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

	Partner			Manager			Executive			Administrator			Total		
	Hrs	£	Avg Hly	Hrs	£	Avg Hly	Hrs	£	Avg Hly	Hrs	£	Avg Hly	Hrs	£	Avg Hly
Administration and Planning	4	1 814	416 90	11	3 608	327 74	13	2 483	185 43	36	4 101	115 12	64	11 997	187 40
Creditors				7	2 453	340 69	1	110	220 00	3	268	106 48	10	2 851	274 09
Investigations	0	164	410 00	1	164	336 00	0	37	185 00	0	35	115 00	1	403	287 06
Realisation of Assets	22	9 113	416 48	40	13 578	341 54	18	3 320	189 04	1	58	115 00	80	26 068	327 12
Trading	1	465	427 95	3	1 072	335 00	14	2 682	197 43	1	83	117 86	19	4 302	222 78
Total	28	11 555	416 71	61	20 871	340 41	46	6 632	187 82	40	4 943	114 58	175	45 821	260 96

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 (1 of 2)

Estimated outcome statement - period of Administration

(£'000)		EtoR Total
Assets subject to security interest agreement		
	Return on investment in JPUT	15,563
	Penalty Interest	8
	Bank Interest	8
Total assets subject to security interest agreement		15,580
Less costs of realisation		
	Administrators' fees and outlays	(20)
	Legal fees and outlays - Burness	(53)
	Legal fees and outlays - Other	(9)
	Agents fees and outlays - Savills	(85)
	Other costs	(62)
	Funding of floating charge costs	(33)
Total assets available for distribution to SIA creditor		15,317
	Monies owed to Bank of Scotland plc	(15,317)
Surplus/(Deficit)		-

Appendix C: Estimated outcome statement (2 of 2)

(£'000)		EtoR Total
Assets subject to floating charge		
	Bank interest	3
Total assets subject to floating charge		3
Less costs of realisation		
	Administrators' fees and outlays	(20)
	Legal fees and outlays - Burness	(3)
	Legal fees and outlays - Other	(3)
	Agents fees and outlays - GT Tax	(10)
	Statutory costs	(0)
	Funding from SIA assets	33
Funds available for distribution to preferential creditors		-
	Monies owed to preferential creditors	-
Funds available for prescribed part		-
	Prescribed part	-
Funds available for distribution to floating charge holder		-
	Monies owed to Bank of Scotland plc	-
Surplus/(Deficit)		-