

2.17B

The Insolvency Act 1986

Statement of administrators' proposals

Name of Company

Albemarle Shoreham Airport Limited

Company number

06506097

In the

High Court of Justice, Chancery Division

(full name of court)

Court case number

005503 of 2016

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

I/We (a)**David Thurgood
Menzies LLP
Lynton House
7-12 Tavistock Square
London
WC1H 9LT****Simon Underwood
Menzies LLP
Lynton House
7-12 Tavistock Square
London
WC1H 9LT**

*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) 1 November 2016

Signed


Joint Administrators

Dated

01/11/2016**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 researchers of the public record

**David Thurgood
Menzies LLP
Lynton House
7-12 Tavistock Square
London
WC1H 9LT**

DX Number

020 7387 5868

DX Exchange



A5IZPQBL

A12

03/11/2016

#89

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

THURSDAY

**Albemarle Shoreham Airport Limited and Albemarle(Shoreham) LLP
(Both in Administration)
("the Companies")**

**Joint Administrators' Statement of Proposals
Pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986
and Rule 2.33 of the Insolvency Rules 1986**

**If you require any further information please contact:
Caroline Davenport – 020 7465 1956 or cdavenport@menzies.co.uk**

Names of Joint Administrators:	David Robert Thurgood & Simon James Underwood Menzies LLP Lynton House 7-12 Tavistock Square London WC1H 9LT
Date of appointment:	7 September 2016
Date of report:	1 November 2016
Date of initial creditors' meeting:	Not applicable
Appointed by:	Appointed by the qualifying floating charge holder in accordance with Paragraph 14 of Schedule B1 to the Insolvency Act 1986
Court Reference:	
Albemarle Shoreham Airport Limited Albemarle(Shoreham) LLP	High Court of Justice – 5503 of 2016 High Court of Justice – 5504 of 2016

David Robert Thurgood and Simon James Underwood, who act as insolvency practitioners, are licensed in the UK by the Insolvency Practitioners Association.

The affairs, business and property of the Companies are being managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability.

**Menzies LLP
Lynton House
7-12 Tavistock Square
London
WC1H 9LT**

CONTENTS

- 1 Introduction
- 2 Background and events leading to the Administration of the Companies
- 3 A summary of the Companies' financial accounts
- 4 Administration objectives
- 5 Progress of the Administrations to date
- 6 Statements of Affairs and creditor claims
- 7 Dividend prospects
- 8 Investigations
- 9 End of Administrations
- 10 Joint Administrators' remuneration, disbursements & costs
- 11 EC Regulation
- 12 Joint Administrators' Proposals
13. Approval of the Proposals
- 14 Other matters

APPENDICES

- I Statutory Information
- II Receipts and payments accounts for the period from 7 September 2016 to 31 October 2016
- III Estimated Statement of Affairs as at 7 September 2016
- IV Schedule of creditors
- V Joint Administrators' fee estimate
- VI Schedules of Joint Administrators' post-appointment time costs
- VII Proof of debt form

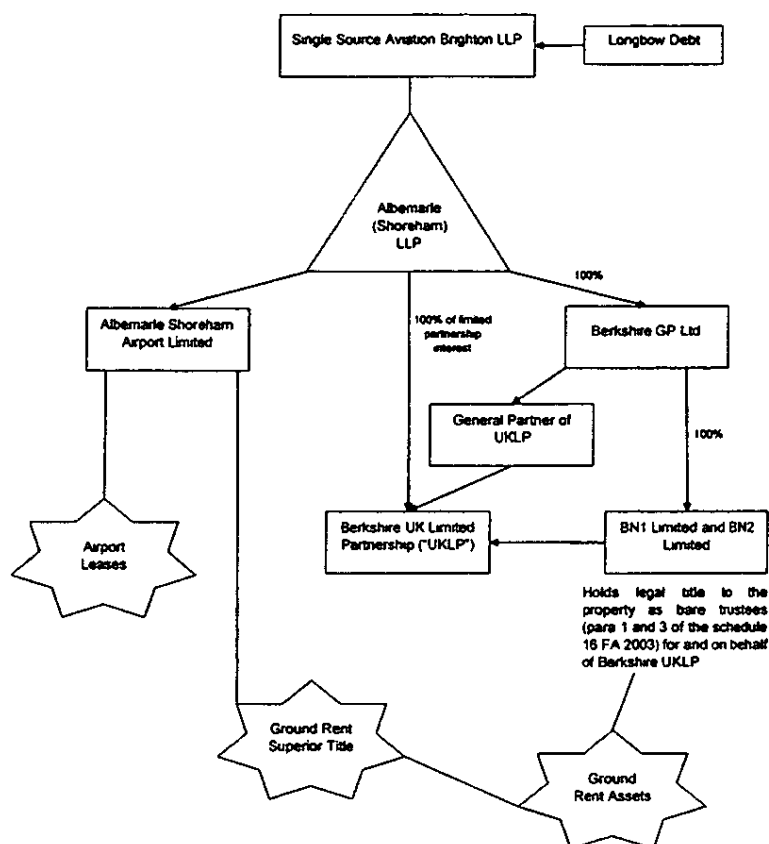
1. INTRODUCTION

- 1 1 I, David Thurgood, was appointed Joint Administrator of Albemarle Shoreham Airport Limited ("ASAL") and Albemarle(Shoreham) LLP ("AS LLP") ("the Companies"), together with Simon Underwood on 7 September 2016, following applications by a qualifying floating charge holder, Longbow Investment No 3 S A R L ("Longbow") pursuant to Paragraph 14 of Schedule B1 to the Insolvency Act 1986 ("the Act") The Companies are part of a larger group structure, whose holding company is Single Source Aviation Brighton LLP ("Single Source")
- 1 2 Simon Underwood and I were also appointed Joint Administrators of Berkshire GP Limited ("GP"), Berkshire Nominee 1 Limited ("Nom 1") and Berkshire Nominee 2 Limited ("Nom 2"), all related companies of ASAL and AS LLP, on the 7 September 2016
- 1 3 In accordance with Paragraph 100(2) of Schedule B1 of the Act, the functions of the Joint Administrators are being exercised by either of us This report sets out the Joint Administrators' statutory proposals relating to the Companies
- 1 4 A summary of the Companies' statutory information is attached at Appendix I

2. BACKGROUND AND EVENTS LEADING TO THE ADMINISTRATION OF THE COMPANIES

- 2 1 Founded in 1910 Shoreham Airport, (now known as Brighton City Airport) is the oldest licenced airfield in the UK, with around 50,000 to 60,000 aircraft movements annually The combined "Shoreham Airport" site extends to approximately 242 acres and comprises three runways and a portfolio of property including a number of industrial units and two listed buildings
- 2 2 The airport is used for privately owned light aeroplanes, flying schools, and for light aircraft and helicopter maintenance and sales. In addition, a number of operators provide sightseeing and pleasure flights from the airport
- 2 3 In 2006, property company Erinaceous Group PLC ("Erinaceous"), entered into a 150 year "peppercorn" leasehold agreement for the Shoreham Airport site with Brighton & Hove City Council and Worthing Borough Council ("the Councils"), with the intention that the airport would then provide increased flight activity for the city on the nearby coast
- 2 4 In February 2007 a syndicate comprising approximately 80 members and 9 designated members, AS LLP, was established to buy from Erinaceous the income producing assets of the site, being the commercial offices and industrial units, which have registered title held by Nom 1 and Nom 2, part of the AS LLP group. Tenants of these units include a Centre of Vocational Excellence in aerospace and aviation and a number of aerospace and aviation commercial businesses, the largest of which provides integrated commercial pilot training Financing for the purchase was provided by Nationwide Building Society ("Nationwide"), who was granted registered charges over the land and buildings
- 2 5 During 2008 Erinaceous was placed into administration and AS LLP bought the remaining airport land and operations from the administrators to be run by ASAL. Following the purchase, the long leasehold agreement with the Councils was varied in 2009 to refer to ASAL as the tenant and included a deferred consideration payment due by ASAL of £1 million
- 2 6 The investment of AS LLP was managed by a committee of nine designated members who engaged Egan Property Asset Management Limited ("EPAM") as property managers of the whole site and Richard Belfield as airport manager. The committee saw a great deal of potential for planning opportunities at the site, however these opportunities took a considerable amount of time to progress
- 2 7 From 2010, Nationwide began calling for repayment of their loan, to the point where the investors became concerned Nationwide may call in their debt and take control of the assets. At the same time the investors likewise having invested in the assets for five years and seeing little return, also began to advise that they wished to exit The designated members of AS LLP, entered into discussions with a number of banks during 2011-2013, including Longbow, with no successful outcome

- 2 8 In 2014, with both Nationwide and the investors pushing to be paid out, the designated members re-approached Longbow on the basis of paying out Nationwide in full, and the investors approximately 50p in the pound. The transaction was completed in June 2014, on an initial drawing of £15.081 million, for which Longbow took security over the land and property at Shoreham Airport site.
- 2 9 In order to pay out Nationwide and the investors, Single Source as a corporate designated member of AS LLP was formed. Certain investors chose to leave their investment in the group and invested in the new parent, Single Source. It is understood this amount totals approximately £700,000.
- 2 10 The running of the airport had proved financially unsuccessful to date, so at the same time as completing the refinancing with Longbow, the designated members also looked at subcontracting the operations and management of the airport to a third party. In August 2013 ASAL entered into a 30 year lease agreement with Brighton City Airport Limited ("BCAL") to operate and run the airport, with terms including a 50% profit share to ASAL, subject to conditions. The lease agreement included the terminal building, municipal hangar, parking areas and operational land.
- 2 11 The designated members continued their attempts to develop and improve the site, including obtaining a government grant to refurbish the listed terminal building and municipal hangar during 2015. Unfortunately this was later withdrawn, resulting in additional funding of £200,000 being sought from Longbow to complete these refurbishments.
- 2 12 In August 2015, a jet fighter taking part in the annual Shoreham Air Show crashed just outside the airport killing 11 people. This led to the airport site being closed for six weeks and understandably had a significant impact on the income generated by BCAL over the following 12 months, resulting in no profit share being received by ASAL.
- 2 13 In addition to the BCAL profit share not being collectable, the site was also suffering from a loss of several major tenants occupying the commercial units, reducing overall income for the group. This was combined with the ongoing interest charges due to Longbow.
- 2 14 With Longbow aware the group was struggling to keep up with the repayment terms, in 2015 Longbow brought in their own staff to assist with managing and overseeing site development. However, implementation and turnaround of the site was still slow moving, and in August 2016 Longbow instructed Menzies LLP to provide advice on the enforcement of its security and look at the options available to Longbow following the group's on-going breach of its obligations under the facility.
- 2 15 On 1 September 2016, a Notice of Intention to Appoint Administrators was filed at Court by Longbow and on 7 September 2016, a Notice of Appointment was filed by Longbow confirming the appointment of Simon Underwood and myself as Joint Administrators of ASAL, AS LLP and Nom 1, Nom 2 and Berkshire GP Limited.
- 2 16 An outline of the group structure is overleaf.



3. A SUMMARY OF THE COMPANIES' FINANCIAL ACCOUNTS

3 1 Extracts from the Companies' financial statements can be found below.

ASAL

Profit & Loss Summary			
Period Ended	Mar-16 Management £	Aug-15 Statutory	Aug-14 Statutory
Turnover	102,429	166,272	1,114,113
Cost of Sales	-	(14,462)	(279,040)
Gross Profit	102,429	151,810	835,073
Administrative Costs	(403,498)	(222,931)	(971,165)
	(301,069)	(71,121)	(136,092)
Other Expenses	-	(8,828)	(5,642)
	(301,069)	(79,949)	(141,734)

Balance Sheet Summary	Mar-16	Mar-15	Mar-14
Period Ended	Management	Statutory	Statutory
	£	£	£
Fixed Assets	4,100,000	4,124,979	4,207,632
Current Assets	117,495	255,393	839,436
	4,217,495	4,380,372	5,047,068
Current Liabilities	(1,612,869)	(1,474,678)	(2,061,425)
Net current assets	2,604,626	2,905,694	2,985,643
Share capital	2	2	2
Revaluation Reserve	4,099,999	4,099,999	4,099,999
Profit and Loss Account	(1,495,376)	(1,194,307)	(1,114,358)
Shareholders funds	2,604,626	2,905,694	2,974,541

AS LLP

Profit & Loss Summary	Mar-16	Aug-15	Aug-14
Period Ended	Management	Statutory	Statutory
	£		
Turnover	-	-	-
Gross Profit	-	-	-
Administrative Costs	-	-	(15,000)
Income from Shares in Group			
Undertakings	(425,861)	(1,159,146)	2,606,175
Written off Investments	-	-	(1,595,000)
Interest and other charges	-	-	(16,038)
Net Loss	(425,861)	(1,159,146)	980,137

Balance Sheet Summary	Mar-16	Mar-15	Mar-14
Period Ended	Statutory	Statutory	Statutory
	£	£	£
Fixed Assets	7,301,455	7,301,455	7,586,061
Current Assets	285,347	285,347	-
	7,586,802	7,586,802	7,586,061
Current Liabilities	(18,004)	(18,004)	(18,004)
Net current assets	7,568,798	7,568,798	7,568,057
Other Liabilities	(4,813,232)	(4,813,232)	(7,215,570)
Members' capital classified as Equity	1,030	1,030	1,030
Revaluation Reserve	2,754,536	2,754,536	2,754,536
Other Reserves Classified as Equity	-	-	(2,403,079)
Shareholders funds	2,755,566	2,755,566	352,487

It should be noted these accounts have not been verified for accuracy and therefore may not reflect the Companies' true trading position

4. ADMINISTRATION OBJECTIVE

- 4.1 In accordance with Paragraph 3(1) of Schedule B1 of the Act, the Administrators have a hierarchy of objectives as follows
- a) Rescuing the Company as a going concern, or
 - b) 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), or
 - c) Realising property in order to make a distribution to one or more secured or preferential creditors.
- 4.2 I am of the opinion that the third objective is achievable for the Companies for the reasons set out below
- 4.3 Given the quantum of the Companies liabilities and advice received from the secured creditor, that it was no longer willing to provide funding to the Companies in their current form, rescuing the Companies as a going concern, option a) was not achievable in this case
- 4.4 The intention of the Administrations is to complete a sale of the Companies assets, without being on a forced sale basis. The Joint Administrators, and the secured creditor who made the appointment, felt that if the Companies were placed into liquidation as opposed to administration, it may attract the negative stigma that sometimes accompanies the liquidation of a company, which could affect the likelihood and diminish the value of any future sale. In addition, the appointments of the Joint Administrators were made by Longbow, who had reached a point where they wanted an increased involvement in realising their security
- 4.5 The Joint Administrators are continuing to operate the business of ASAL, with the approval of the secured creditor, with the intention of developing the airport site as a whole in order to improve the asset and increase its overall value. It is hoped this will enable a sale of the land and property, without being on a forced sale basis. This is a medium term strategy and it is hoped that following the completion of a sale, the Joint Administrators will have carried out their actions in accordance with object c) namely realising property in order to make a distribution to the secured creditor
- 4.6 The insolvency legislation has set a 12 month maximum duration for administrations, unless the duration is extended by the Court or creditors. If I am unable to complete the Administrations within 12 months then I will either apply to Court, or seek creditor approval to extend the duration of the Administrations. At this stage it appears likely that an extension will be required

5. PROGRESS OF THE ADMINISTRATIONS TO DATE

- 5.1 Since the date of the Administrations on 7 September 2016, Simon Underwood, myself and other members of our staff, have met and attended meetings with the following
- The secured creditor – Longbow
 - The property management agents – EPAM
 - The managing agents of Brighton City Airport – BCAL
 - The proposed property development agent – Tavis House Properties Limited ("Tavis House")
 - The freehold landowners – Brighton & Hove City Council and Worthing Borough Council
 - Tenants of the leasehold properties
 - Solicitors engaged to deal with real estate issues, which has included the completion of a short term let of one of vacant industrial units
 - The Environmental Agency
 - The real estate agent for the site
- 5.2 The purpose of these meetings has been to advise the third parties on the Administration process, answer any queries they may have, to seek their opinion regarding the future strategy for the site and to agree terms, if necessary, for continuing to work with the Companies during the Administrations

5 3 I have also liaised with a third party who expressed an interest in purchasing the Companies' assets. However, after an initial meeting, the interested party advised they could not pursue this further as they were unable to source any funding.

5 4 In addition to the above I have carried out a number of statutory duties including

- Formally notifying all creditors of the appointments
- Writing to the Companies' pre-appointment bankers, Coutts & Co ("Coutts"), requesting the Companies' accounts be closed
- Liaising with the directors regarding various matters including preparation and submission of a Statement of Affairs for each of the Companies
- Instructing solicitors in relation to real estate issues
- Notifying HM Revenue & Customs ("HMRC") of the appointments
- Liaising with unsecured creditors regarding claims and enquiries
- Liaising with the Pension Protection Fund regarding the value of ASAL's pension debt
- Liaising with the Companies pre-appointment insurers
- Instructing my own insurers to review the Companies' trading site, conduct a health and safety survey and review the pre-appointment policies to establish their viability during the Administration period
- Drafting these proposals, and
- Addressing my statutory duties associated with the Administrations

The known assets of the Companies are as follows

ASAL

- Long term leasehold /Land and Property/ Management agreement with BCAL
- Cash at Bank
- Book Debts
- Stock

Long term leasehold /Land and property/ Management with BCAL

5 5 As mentioned above, on 18 November 2009 ASAL entered into a deed of variation for a long term commercial lease and airport lease with Brighton & Hove City Councils (two thirds owner) and Worthing Borough Council (one third owner), to occupy commercial land and airport land at Shoreham Airport. The original lease agreement was dated 30 June 2006 and for a period of 150 years. The long term leasehold site was shown in ASAL's management books and records to 16 March 2016 in the amount of £4.1 million and comprises land including terminal building, operational land, perimeter land and "aviation square".

5 6 On 1 August 2013, ASAL entered into an airport management services agreement and lease agreement with BCAL, which was replaced with an amended agreement dated 12 September 2014, for BCAL to operate and manage the airport. Terms of the agreement included a 50% profit share between ASAL and BCAL, subject to certain commercial terms.

5 7 It is the intention of the Joint Administrators to continue with the agreements in place with BCAL, whilst work is done to develop and improve the overall Shoreham Airport site, including new signage, landscaping, the refurbishment of hangars and increased occupancy of the overall site, with the aim of seeking a buyer for the site in the short to medium term.

Cash at Bank

5 8 ASAL operated a bank account with Coutts. Following my appointment, I requested the account be closed and the balance transferred to the Administration account. £11,452.57 has been received and no further funds are expected from this asset.

Book Debts

5 9 Based on the books and records of ASAL, there were outstanding book debts of circa £84,000 as at March 2016. This is made up of a VAT refund of £12,116 and an amount of £72,681 due from BCAL in relation to the management agreement. The VAT refund has since been received and the amount of £72,681 related to an old disputed debt, which was written off by ASAL prior to the Administration.

Stock

- 5 10 ASAL's management accounts to March 2016, shows stock with a value of £8,335, which relates to fuel on site. I am waiting to confirm the level of stock on site as at the date of appointment, and whether this will have any realisable value.

AS LLP

- Freehold and leasehold land
- Share Capital
- Inter-company loan

Freehold and leasehold land

- 5 11 AS LLP owns the freehold to part of the site known as "1 acre site", which is located to the north side of the plot, which had a book value of £150,000 in the management books and records as at March 2016.
- 5 12 AS LLP is noted on the title for long leasehold land for a number of other plots, which had a combined value of £1 545 million in the books and records as at March 2016.
- 5 13 All of the above sites will be included in the redevelopment of the Shoreham Airport site, with the intention that the land will be included in a sale of the overall site in the short to mid-term future.

Share Capital

- 5 14 AS LLP is the 100% owner of the limited partnership interest of Berkshire UK Industrial Properties Limited Partnership ("Berkshire UK"). The statutory accounts as at 31 March 2015, states the equity held in Berkshire UK by AS LLP in the amount of £5,606,451. It should be noted that the main assets listed in Berkshire UK accounts as at 31 March 2015 is Investment Property of £15 million, whose registered title is held by Berkshire Nominee 1 Limited and Berkshire Nominee 2 Limited (Both in Administration). Accordingly, it is not expected an amount will be realised from this asset.

Inter-company loan

- 5 15 There is an inter-company loan shown in the account of AS LLP of £285,347 due from ASAL, it is understood this relates to funding provided by AS LLP. It is not expected this debt will be recovered.

6. STATEMENTS OF AFFAIRS AND CREDITOR CLAIMS

Statement of affairs

- 6 1 In accordance with Paragraph 47 of Schedule B1 to the Act I requested that the director provide a statement of the affairs for each of the Companies as at 7 September 2016. To date a full statement of affairs on a company by company basis has yet to be provided. Attached at Appendix III is the director's summary of the group assets and their book values.
- 6 2 I am continuing to liaise with the director in relation to receiving a completed statement of affairs for each of ASAL and AS LLP. However, I note this is likely to require further investigation and discussions with Longbow and the Companies' former accountants and solicitors in order to correctly record the assets and liabilities for each of the Companies.
- 6.3 Attached at Appendix IV is a schedule of creditors. I will deal with creditors' claims below in the order of priority prescribed by the legislation.

Secured Creditors

- 6 4 As mentioned previously, Longbow hold fixed and floating charges over the Companies in relation to £15.4 million mezzanine facility provided to Single Source, a corporate designated member of AS LLP on 16 June 2014.

- 6 5 There were additional drawdowns on the facility of £150,000, £200,000 and £125,000 between February 2015 and February 2016. The terms of the agreement include a 1.6% minimum return on the paid out debt. Including interest, charges and the minimum return percentage, the debt now claimed by Longbow totals £24,073,480. It should be noted that initial information provided by the director, showed debt due to Longbow of £17,694,472.
- 6 6 Longbow will be relying on its fixed and floating charges in order to recover the outstanding balance. It is not known at this stage whether Longbow will be repaid in full.
- 6 7 It should be noted that Companies House, lists an outstanding charge registered against ASAL in favour of Nationwide. It is understood Nationwide was paid out in full when the facility agreement was taken out with Longbow, however a notice of satisfaction of charge has yet to be lodged with Companies House.

Unsecured Preferential Creditors

- 6 8 Neither ASAL nor AS LLP had any employees at the date of the Administrations. ASAL previously employed staff who were transferred to BCAL pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") in August 2013. Accordingly, there are no unsecured preferential creditors of the Companies.

Prescribed part

- 6 9 There are provisions in the insolvency legislation that require the administrators to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the company gave a floating charge over its assets to a lender on or after 15 September 2003. This is known as the prescribed part of the Company's net property. A company's net property is that amount left after paying the preferential creditors, but before paying the lender who holds a floating charge. The administrators have to set aside:
- 50% of the first £10,000
 - 20% of the remaining net property up to a maximum of £600,000
- 6 10 The Companies provided floating charges to Longbow in June 2014. Given there is a qualified floating charge holder, the prescribed part provisions will apply.
- 6 11 At present I am unable to advise on the expected value of net property available in ASAL, as this will be dependent upon the level of rental income received and it is uncertain how long the Administration will continue.
- 6 12 There is not expected to be any prescribed part distribution available to creditors of AS LLP.

Unsecured Non-Preferential Creditors

- 6 13 The Companies' known creditors are shown at Appendix IV, which includes unsecured non-preferential creditors. Initial information provided by the director, stated just the debt due to Longbow of £17,694,472. To date I have received proof of debts for ASAL totalling £1,499,520, in addition to the Longbow claim of £24,073,480.
- 6 14 The Joint Administrators will adjudicate upon unsecured non-preferential creditor claims, if and when there are funds available to enable a prescribed part dividend to be paid.

7. DIVIDEND PROSPECTS

Secured Creditors

- 7.1 Based on expected realisations, there will be sufficient funds available to pay a distribution to the secured creditors of the Companies.

Unsecured Preferential Creditors

- 7 2 As mentioned above there are no unsecured preferential creditors of the Companies.

Unsecured Non-Preferential Creditors

- 7 3 Based on current information available, it is not expected there will be funds available to distribute a dividend to unsecured non-preferential creditors, other than by way of a prescribed part distribution

8. INVESTIGATIONS

- 8 1 The Joint Administrators are obliged to investigate the Companies financial affairs. I am required, within three months of my appointment, to submit a return on the conduct of all persons who have acted as either directors, de-facto directors, or shadow directors of the Companies during the period of three years ending on the date of the Administrations. To facilitate the preparation of these returns and my enquiries into the Companies' affairs, creditors are invited to provide any information or matters of concern to me.

9. END OF THE ADMINISTRATIONS

Exit route from Administration

- 9 1 A company can exit Administration by one of the following routes
- Compulsory Winding Up,
 - Creditors' Voluntary Liquidation,
 - Company Voluntary Arrangement;
 - Return of control to the directors,
 - Dissolution of the Company (i.e. striking off of the company at Companies House)
- 9 2 At this stage it is anticipated that a sale of the Companies assets will be sufficient to enable a distribution to be paid to the secured creditor. If realisations are sufficient to enable a distribution to be paid to unsecured non-preferential creditors, other than by way of a prescribed part distribution, then the Companies will exit the Administrations by being placed into Creditors Voluntary Liquidation.
- 9 3 However, should the recoveries be insufficient to make a distribution to the Companies' unsecured non-preferential creditors, other than by way of a prescribed part distribution, then the Companies will exit the Administrations by dissolution, in accordance with Paragraph 84 of Schedule B1 to the Act

Discharge from liability

- 9 4 The Joint Administrators propose to seek approval from creditors that they be discharged from liability immediately upon their appointment ceasing to have effect

10. JOINT ADMINISTRATORS' REMUNERATION, DISBURSEMENTS & COSTS

Joint Administrators' Remuneration

- 10 1 Agreement to the basis of the Joint Administrators' remuneration and certain disbursements is subject to specific approval. It is not part of these proposals
- 10 2 The Joint Administrators are entitled to receive remuneration for their services. Rule 2.106 of the Insolvency Rules 1986 ("Rules") permits remuneration to be fixed either
- as a percentage of the value of the property with which the Joint Administrators have to deal,
 - by reference to the time properly given by the insolvency practitioners (as Administrators) and his staff in attending to matters as set out in the fees estimate, or
 - as a set amount

- 10 3 In accordance with Rule 2 106 it is for the Creditors' Committee, if one is formed, to determine the basis on which the Administrators' remuneration is to be fixed
- 10 4 If there is no committee formed, then given a meeting of creditors is not being held as there are insufficient assets to pay a dividend to unsecured creditors, other than by way of the prescribed part, it will be for the secured creditors to approve the Joint Administrators remuneration and category two disbursements I will seek a resolution from the chargeholder for my remuneration to be calculated on a time costs basis I am required to provide an estimate of my fees, and will not be able to draw remuneration above the level set out in the estimate without further reference to the secured creditor
- 10 5 The total hours and total time costs anticipated to be spent in respect of each aspect of work, together with a description of the work to be undertaken, is attached at Appendix V I have also included the blended hourly rate for each activity This is the prospective average cost per hour for the category of work based upon the estimated time to be expended by each grade of staff at their specific charge-out rate.
- 10 6 My combined fee estimate for ASAL and AS LLP is £95,235 plus VAT Please note that this fee estimate is for the Administrations only and initially to the end of the first 12 months Should the Administrations be converted to liquidations, an additional fee estimate will be circulated to creditors
- 10 7 Combined time costs for the period 7 September 2016 to 18 October 2016 totals £63,757.55 representing 190 hours at an average charge out rate of £335 48 for ASAL and AS LLP A schedule of these time costs fees can be found at Appendix VI
- 10 8 A Creditors' guide to Administrators' fees is available via the following link

<https://www.menzies.co.uk/helping-you/business-recovery/fees-guide/>

Alternatively, it is available free of charge by contacting my office

- 10 9 Full details of the charge out rates currently charged is set out in Appendix V Time is charged in 6 minute units

Disbursements

- 10 10 In relation to disbursements, where my firm incurs a cost that is directly referable to this matter and payment is made to a third party, these costs will be reimbursed. Disbursements incurred to date are as follows.

ASAL

<u>Disbursement</u>	<u>Incurred to date</u> <u>£</u>	<u>Reimbursed to date</u> <u>£</u>	<u>Outstanding amount</u> <u>£</u>
Travel	75 20	0 00	75 20
Mileage	74 66	0 00	74 66
Subsistence	25 33	0 00	25 33
	<u>175 19</u>	<u>0 00</u>	<u>175 19</u>

AS LLP

No Disbursements have been incurred on AS LLP to date

Future Disbursements

- 10 11 I anticipate incurring the following disbursements

<u>ASAL</u>	<u>Amount</u>	<u>AS LLP</u>	<u>Amount</u>
Statutory Advertising	£182 00	Statutory Advertising	£182 00
Specific Bond	£1,200 00	Specific Bond	£20 00
Travel	£500 00		

- 10 12 No disbursements have or will be claimed which, while directly referable to this matter, did not involve a payment to a third party Neither will any cost be reimbursed which included an element of shared or allocated cost

Pre-administration costs

The only pre-appointment time costs incurred, were by Menzies LLP, who were engaged to act by Longbow on 1 September 2016 Details of their pre-appointment fees are shown in section 10 14 below

Professionals, sub-contractors and other expenses – pre-administration

- 10 13 Below is a breakdown of the pre-appointment professional fees incurred

Charged by	Brief description of services provided	Basis of Fee	Total cost £	Amount paid £	Amount unpaid £
Menzies LLP	Advice regarding security held and potential enforcement action	Fixed Fee basis plus disbursements	£8,000 plus VAT and disbursements	Nil	£9,600

- 10 14 Menzies LLP were engaged by Longbow on 1 September 2016 to advise Longbow in relation to their security held and enforcement options available to them, whilst understanding the group structure and the effect of any enforcement action Advice was given to Longbow of the advantages and disadvantages of placing the Companies into administration, and other potential exit strategies for Longbow
- 10 15 The payment of these costs as an expense of the Administrations is subject to approval under Rule 2 67A of the Rules (i e by the Creditors' Committee or in the absence of a committee by resolution of the secured creditors) and are not part of the proposals subject to approval under paragraph 53 of Schedule B1 of the Act

Professionals, sub-contractors and other expenses – post-administration

- 10 16 Please see below a breakdown of the post-appointment professional fees that have been or will be incurred

Charged by	Brief description of services to be provided	Basis of fee	Total estimate
Gowlings WLG (UK) LLP	Real estate advice and preparation of lease agreements	Time cost basis	£30,000 plus VAT and disbursements
Forsters LLP	Legal advice on the Companies asset structure and real estate	Time cost basis	£5,000 Plus VAT
Egan Property Asset Management Ltd	Property Management	Fixed Fee	£60,000 per annum
Tavis House Properties Limited	Development Management	Fixed Fee	£50,000 plus VAT and disbursements
Menzies LLP	The preparation of pre and post appointment tax returns (if any)	Time cost basis	£3,000 pre-appointment returns, £275 per return post appointment.

- 10 17 Gowlings WLG (UK) LLP has been engaged to provide legal advice, review and prepare documents including management agreements, lease agreements, heads of terms and title reports. These costs will be incurred on a time costs basis, and the estimate may increase depending on the number of new lease agreements required during the course of the Administrations.
- 10 18 Forsters LLP were engaged by the Companies, prior to the Administrations, and will continue to provide advice regarding the existing lease agreements and the group structure and debt position.
- 10 19 EPAM has been engaged to act as property managers on an annual fixed fee basis of £60,000 per year. EPAM services will include but not be limited to, assisting with collecting rents and service charges, maintaining the properties in accordance with the relevant terms, completing all necessary works and repairs and maintaining all necessary books and records.
- 10 20 Tavis House, are being engaged to assist with providing services to obtain planning and development consent and to provide project co-ordination. Terms are currently being finalised and are expected to include a fee of £50,000 plus VAT and disbursements.
- 10 21 Menzies LLP be authorised to deal with all matters of corporation tax. As regards the completion of pre-administration corporation tax affairs they will charge time costs, but these will not exceed £3,000. Post appointment returns will be charged at a fixed rate of £275 per return.

11. EC REGULATION

- 11 1 The EC Regulation on Insolvency Proceedings 2000 applies to the Administrations. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Companies are based in the United Kingdom.

12. JOINT ADMINISTRATORS' PROPOSALS

ASAL

- 12 1 In accordance with Paragraph 49 of Schedule B1 of the Act and in order to achieve the objective set out in Section 3 above, the following proposals are made to creditors.
 - a) The Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act as they, in their sole and absolute discretion, consider desirable or expedient in order to achieve the purpose of the Administration set out above.
 - b) The Joint Administrators will investigate the financial affairs of ASAL and, as appropriate, pursue any claims ASAL may have.
 - c) The Joint Administrators be authorised to agree the claims of all creditors, and the costs of doing so shall be met as a cost of the Administration as part of the Administrators' remuneration. Further, they shall be authorised to distribute funds to secured creditors and prescribed part funds to unsecured creditors as and when claims are agreed.
 - d) If having realised ASAL's assets the Joint Administrators are of the opinion that a distribution will be made to unsecured non-preferential creditors, other than by way of the prescribed part, it is proposed that the ASAL exit Administration by being placed into Creditors' Voluntary Liquidation. In these circumstances, it is proposed that the Joint Administrators be appointed Joint Liquidators. Pursuant to Section 231 of the Act any act required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of the persons for the time being holding office as Liquidator.
 - e) In accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 2.117A(2)(b) of the Rules, creditors may nominate a different person as the proposed Liquidators, provided the nomination is received by the Joint Administrators prior to the approval of the proposals. In the absence of such nomination, the Joint Administrators will be appointed Joint Liquidators.

- f) If, having realised the assets of ASAL, the Administrators think that ASAL has no property which might permit a distribution to its unsecured non-preferential creditors, they will file a notice with the Registrar of Companies for the dissolution of ASAL
- g) The Joint Administrators be authorised to seek an extension to the Administration period if deemed necessary by them
- h) That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Act, in respect of any action by them as Administrators, immediately upon their appointment ceasing to have effect.

AS LLP

12 2 In accordance with Paragraph 49 of Schedule B1 of the Act and in order to achieve the objective set out in Section 3 above, the following proposals are made to creditors:

- a) The Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act as they, in their sole and absolute discretion, consider desirable or expedient in order to achieve the purpose of the Administration set out above
- b) The Joint Administrators will investigate the financial affairs of AS LLP and, as appropriate, pursue any claims AS LLP may have
- c) The Joint Administrators be authorised to agree the claims of all creditors, and the costs of doing so shall be met as a cost of the Administration as part of the Administrators' remuneration. Further, they shall be authorised to distribute funds to secured creditors and prescribed part funds to unsecured creditors as and when claims are agreed
- d) If having realised AS LLP's assets the Joint Administrators are of the opinion that a distribution will be made to unsecured non-preferential creditors, other than by way of the prescribed part, it is proposed that AS LLP exit Administration by being placed into Creditors' Voluntary Liquidation. In these circumstances, it is proposed that the Joint Administrators be appointed Joint Liquidators. Pursuant to Section 231 of the Act any act required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of the persons for the time being holding office as Liquidator
- e) In accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 2.117A(2)(b) of the Rules, creditors may nominate a different person as the proposed Liquidators, provided the nomination is received by the Joint Administrators prior to the approval of the proposals. In the absence of such nomination, the Joint Administrators will be appointed Joint Liquidators
- f) If, having realised the assets of AS LLP, the Administrators think that AS LLP has no property which might permit a distribution to its unsecured non-preferential creditors, they will file a notice with the Registrar of Companies for the dissolution of AS LLP
- g) The Joint Administrators be authorised to seek an extension to the Administration period if deemed necessary by them
- h) That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Act, in respect of any action by them as Administrators, immediately upon their appointment ceasing to have effect

13. APPROVAL OF PROPOSALS

13 1 The Joint Administrators are of the opinion that there will be insufficient funds available to enable a dividend to be paid to unsecured creditors of the Companies other than by way of a prescribed part distribution, as detailed above. Furthermore, as set out above, neither Paragraphs 3(1)(a) or (b) of Schedule B1 to the Act can be achieved. As a result, and in accordance with Paragraph 52(1) of Schedule B1, I am not required to hold an initial meeting to consider these proposals

- 13 2 In accordance with Paragraph 56 of Schedule B1 of the Act and Rule 2.37 of the Rules, any single creditor, or a group of creditors, whose debts amount to at least 10% of the total debts of each Company, may, within 8 business days of receiving these proposals, require the Administrators to summon a meeting of creditors to consider the matters raised by the proposals and resolutions. Notification of such a request should be on Form 2.21B, which is available by contacting my office.
- 13 3 This form should be returned by 10 November 2016. Please note that the cost of summoning and holding the meetings are to be paid by the creditor/s requesting the meeting. That cost is to be determined by the Joint Administrators. The meeting may resolve that the cost is payable as an expense of the Administration. If creditors do not require me to convene a meeting of creditors within that time period, then these proposals will be deemed to have been approved.

14. OTHER MATTERS

- 14 1 If any creditor has any information concerning the Companies' affairs that they would like to bring to my attention, then I would be pleased to hear from you.
- 14 2 If a creditor has any queries regarding the proposals or the conduct of the Administrations in general, please contact Caroline Davenport of my office.

Yours faithfully
For and on behalf of
Albemarle Shoreham Airport Limited and
Albemarle(Shoreham) LLP



David Thurgood
Joint Administrator

The affairs, business and property of the Companies are being managed by the Joint Administrators. The Joint Administrators act as agents of the Companies only and contract without any personal liability.

APPENDIX I

Statutory Information

STATUTORY INFORMATION – ALBEMARLE SHOREHAM AIRPORT LIMITED

Date of Incorporation 18 February 2008

Registered Number 06506097

Company Directors

<u>Name</u>	<u>From</u>	<u>To</u>
Geoffrey Egan	16/06/2014	Current
Geoffrey Egan	14/04/2008	22/02/2014
Albemarle(Shoreham) LLP	31/07/2013	Current
Mark Parsons	03/12/2010	13/09/2016
Richard Belfield	31/07/2013	16/06/2014

Shareholders

<u>Name</u>	<u>Type</u>	<u>Number Held</u>
Albemarle(Shoreham) LLP	Ordinary	2

Trading address

Shoreham Airport
Cecil Pashley Way
Shoreham-by-Sea, BN43 5FF

Registered Office

Current

C/o Menzies LLP
Lynton House
7-12 Tavistock Square
London, WC1H 9LT

Formerly

C/o Shelley Stock Hutter LLP
1st Floor, 7-10 Chandos Street
London, W1G 9DQ

Bankers

Coutts & Company

Secured Creditor

<u>Name of Creditor</u>	<u>Type of Security</u>	<u>Date Created</u>	<u>Date Registered</u>
Longbow Investment No 3 S A R L	Fixed & Floating Charges	16/06/2014	20/06/2014
Berkshire Nominee 1 Limited, Berkshire Nominee 2 Limited, Albemarle (Shoreham) LLP	Fixed & Floating Charge	23/10/2013	24/10/2013
Coutts & Company	Fixed & Floating Charge	26/09/2009	04/09/2009

STATUTORY INFORMATION – ALBEMARLE(SHOREHAM) LLP

Date of Incorporation 22 December 2006

Registered Number OC325054

LLP Designated Member

<u>Name</u>	<u>From</u>	<u>To</u>
Geoffrey Egan	16/06/2014	Current
Single Source Aviation Brighton LLP	16/06/2014	Current

Trading address Shoreham Airport
Cecil Pashley Way
Shoreham-by-Sea, BN43 5FF

Registered Office Current:

C/o Menzies LLP
Lynton House
7-12 Tavistock Square
London, WC1H 9LT

Formerly

C/o Shelley Stock Hutter LLP
1st Floor, 7-10 Chandos Street
London, W1G 9DQ

Bankers Coutts & Company

Secured Creditor

<u>Name of Creditor</u>	<u>Type of Security</u>	<u>Date Created</u>	<u>Date Registered</u>
Longbow Investment No 3 S A R L	Fixed & Floating Charges	16/06/2014	20/06/2014
Coutts & Company	Legal Charge	26/09/2009	04/09/2009
Nationwide Building Society	Deed of Charge	01/03/2007	06/03/2007

APPENDIX II

Receipts and Payments Account

Albemarle Shoreham Airport Limited
(In Administration)

Receipts and Payments Account

7 September 2016 to 31 October 2016

Receipts	Total (£)
Cash at Bank	11,452 57
Secured Creditor Advance	146,000 00
Rental Income	9,140 25
	<u>166,592 82</u>
 Payments	
Distribution to Secured creditor	100,000 00
Bank Charges	25 00
Statutory Advertising	153 00
	<u>100,178 00</u>
 Balance	<u><u>66,414 82</u></u>
 MADE UP AS FOLLOWS	
Interest bearing bank account	68,212 27
VAT Payable	(1,797 45)
	<u><u>66,414.82</u></u>

**Albemarle (Shoreham) LLP
(In Administration)**

Receipts and Payments Account

7 September 2016 to 31 October 2016

Receipts

Total (£)

NIL

Payments

NIL

Balance

NIL

* Prepared on a group basis
including single source aviation
brighton LLP

INSOLVENCY ACT 1986

ALBEMARLE(SHOREHAM) LLP *

DIRECTORS STATEMENT OF AFFAIRS AS AT 7 SEPTEMBER 2016

+ Information as at
31 March 2016, the latest
information available

A - Summary of Assets

Assets	Notes	Book Value £	Estimated to realise £
Assets subject to fixed charge:			
Land at Shoreham Airport including airport buildings		20,795,000	
Trade debtors / 361,722		361,722	
Other debtors (60,631 84,804)		145,435	
Cash / 16,355 +		16,355	
Stock / 8,335		8,335	
Assets subject to floating charge.			
Uncharged assets			
Estimated total assets available for preferential creditors	£		

Menzies Business Recovery
Albemarle Shoreham Airport Limited
B - Company Creditors

Key	Name	Address	£
CA00			
CB00	Brighton & Hove City Council	Head of Law, (Ref OA/EC718 155), Room 101, Hove Town Hall, Norton Road, Hove, Bn3 3BQ	0 00
CB01	Brighton City Airport Limited	Accounts Office, The Terminal Building, Shoreham-by-Sea, West Sussex, BN43 5FF	0 00
CC00	Citrus Pension Trustee Limited	Hartshead House, 2 Cutlers Gate, Sheffield, S4 7TL	0 00
CL00	Longbow Investment No 3 S A R L	2 Boulevard Konrad Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg	17,694,472 00
CT00	The Board of the Pension Protection Fund	In respect of the Albemarle Shoreham Airport Limited section of the Citrus Pension Pl, Renaissance, 12 Dingwall Road, Croydon, CR20 2NA	0 00
CW00	Adur & Worthing Councils	Worthing Town Hall, Chapel Road, Worthing, West Sussex, BN11 1HA	0 00
Totalling			17,694,472 00

Menzies Business Recovery
Albemarle(Shoreham) LLP
B - Company Creditors

Key	Name	Address	
CL00	Longbow Investment No.3 S A.R.L.	2 Boulevard Konrad Adenauer, L-1115 Luxembourg, Grand Duchy of Luxembourg	£ 17,694,472 00
Totalling			17,694,472.00

Albemarle Shoreham Airport Limited and Albemarle(Shoreham) LLP --Both In Administration

FEE ESTIMATE

Classification of work function	£		
	Total Hours	Blended Hourly Rate	Total Time Costs
Administration	92.00	258 42	23,775 00
Asset realisation	140 00	326 79	45,750 00
Creditors (claims and distribution)	65 00	272 31	17,700.00
Investigations	38.00	210.79	8,010 00
Estimated total hours	335 00		
Estimated average blended rate		284 28	
Estimated total cost			95,235 00

CURRENT CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS

	From 1 October 2016	To 30 September 2016
	£ per hour	£ per hour
Partner/Director	315-505	330-505
Manager	225-345	210-400
Senior	185-230	175-230
Administrator	85-180	80-170
Support Staff	105	54-75

Note 1 There may have been a number of promotions through the various grades during the period of the administration

Note 2 It is the policy of this firm to account for secretarial staff as an overhead cost Overhead costs are reflected in the charge out rates detailed

Note 3 The charge-out rate of the Insolvency Practitioners for this assignment are currently £465 and £375 per hour, and the administrator is £185 per hour

Note 4 Time is recorded in minimum units of 6 minutes

Albemarle Shoreham Airport Limited and Albemarle(Shoreham) LLP (Both In Administration)

Narrative to support fee estimate

A description of the work to be undertaken in the administrations of the estates is as follows

Formalities of Appointment and Statutory Compliance

Generally

There are certain aspects of the case that are required by statute and for its efficient conduct. They are not expected to provide a direct quantifiable benefit to creditors, however, without them, other aspects of the case which do provide a quantifiable benefit to creditors would be less efficient.

A considerable amount of time has been spent collating information to enable us to carry out our statutory duties. These duties include notifying our appointment to the registrar of Companies and all other relevant parties, as well as statutory advertising, the maintenance of physical case files, electronic case management information, the review of files, strategic case planning and the routine administration of the case. It includes the preparation of documentation and reports and dealing with correspondence. In addition to the above, time will be spent arranging bonding and filing our bordereau with our regulator.

Reporting

I have a statutory obligation to provide creditors with details of my proposals for the Administrations within 8 weeks of my appointment and, if necessary, convene a meeting of creditors. Costs will be incurred in producing this document, but as it is anticipated that there will be insufficient funds to enable a distribution to unsecured creditors, other than by way of the prescribed part, I will not incur costs in holding meetings of creditors.

I am also obliged to prepare a report every six months for circulation, to advise upon the progress made during that period. The preparation of statutory reports and the formalities of the appointments which include statutory notifications to the Registrar of Companies, HM Revenue & Customs, qualifying floating charge holders, banks and credit institutions, creditors, shareholders, employees and directors. I anticipate needing to send at least two six monthly reports and a report at the conclusion of the Administrations.

I anticipate that the cases will remain open for longer than one year, it will therefore be necessary to prepare a progress report for circulation to extend the Administrations and have factored this into the cost estimate accordingly.

The exit route of the Administrations is dependant on the level of realisations achieved for the sale of the Companies' assets. It is currently expected that the Companies will be dissolved once the administrations have been concluded.

Cashiering

I am obliged to keep a record of all transactions entered into. My cashiers will deal with the setting up of Administration bank accounts, lodging receipts, preparing and processing invoices for payments, reconciling bank accounts, and produce receipts and payments accounts, together with ensuring that statutory lodgements and tax lodgement obligations are met. It also includes specific penalty bonding.

The above aspects of the case are required by statute and for the efficient running of the case. They are not expected to provide a direct quantifiable benefit to creditors, however, without them, other aspects of the cases which do provide a quantifiable benefit to creditors would be less efficient.

Asset Realisations

There is a direct benefit to creditors in identifying and selling assets. Net asset realisations provide financial benefit and their quantum directly contributes to the level of funds ultimately available for distribution to creditors.

In these particular matters property developments agents, property management agents and solicitors have all been engaged to assist with the development and realisation of the Companies' assets.

It is expected significant time will be spent in liaising with these parties, as well as corresponding with the landlord, lessee, adjacent land owner and interested parties who may be interested in purchasing the Companies' assets.

It is expected this work will include attending meeting at the Companies' premises, preparing reports, reviewing lease terms, reviewing and amendments to sale agreements and managing development costs.

In addition to the above, time has been spent in placing appropriate insurance over the Companies' assets, collating information from the Companies' records regarding the assets and ensuring the Companies' bank accounts were closed and the remaining funds secured.

Distributions of Money to Creditors

The time attributed to creditors is the time spent in dealing with creditor correspondence and queries and taking telephone calls from creditors. It also includes maintaining creditor information on the electronic case management files as well as the physical case files.

In particular, time will be spent liaising with the secured creditor, seeking approval for site development costs and reporting on the weekly action undertaken in the Administrations.

The Pension Protection Fund ("PPF") have a claim against ASAL in relation to future pension contributions and it is expected there will be an element of time spent liaising with the PPF.

If a creditors committee is formed (minimum of 3 creditors and a maximum of 5) it is envisaged that there will be additional time costs incurred in constituting the committee, convening meetings and reporting to the committee together with dealing with any correspondence or queries.

Based on the current assumptions, it is anticipated there will be insufficient funds available to enable dividends to be paid to unsecured non-preferential creditors.

It is anticipated that there will be a dividend payable to the secured creditor only. Therefore, the cost of making distributions to unsecured non-preferential creditors has not been included in this estimate. Should funds become available to enable a distribution to be paid further fee estimates will be provided.

Investigations

Company Books and Records

It is a statutory obligation of the officeholder to ensure that the books and records of the Companies are secured. Time will be spent in recovering and listing the records. A proportion of time will also be spent in reviewing the records to ensure that they are complete and in connection with the directors conduct report and any matters identified for further investigation.

Directors' conduct reports

It is a statutory requirement that the office holder prepares a report on the conduct of each person who was a director of the companies within the three years prior to the failure of the companies. The duty is to report the facts surrounding the Companies' demise and any attributing factors. These reports are confidential and are not able to be disclosed to stakeholders. The work undertaken includes the time spent in reviewing the companies' records and any concerns raised by creditors for both submitting this return and identifying any additional assets or transactions.

which may warrant further investigation to potentially recover further funds for the benefit of the estate

The directors' conduct report is a statutory requirement which is not necessarily going to produce a financial benefit to creditors. However, during the course of the enquiries made into the conduct of the Companies' officers and the causes of failure of the Companies, additional avenues of enquiry may be identified which may lead to a recovery for creditors. Should any potential recovery be identified, creditors will be advised and a further fee request sought.

Further investigation

Creditors are requested to advise the office holder if they are aware of any matters which should be reviewed. Should any potential recovery be identified, a further fee request will be sought from creditors. Creditors are encouraged to communicate any potential lines of enquiry which may lead to a recovery action because of the financial benefit to creditors which would be generated from a realisation.

Conversion of the Administration to Liquidation

This fee estimate is for the Administration periods only. Should there be sufficient assets available to enable a distribution to the unsecured non-preferential creditors, other than by way of a prescribed part dividend, then the most likely exit routes will be a Creditors' Voluntary Liquidation. In this event, I propose to circulate an additional fee estimate for the approval of creditors with my final administration report.

However, based on current information available it is not expected there will be sufficient funds to enable distributions to the Companies' unsecured non-preferential creditors, other than by way of the prescribed part, and accordingly, the exit route will be via dissolution, in accordance with Paragraph 84 of Schedule B1 to the Act.

This is not expected to produce any return to creditors, but is a statutory requirement.

Once the cases are ready for conversion or dissolution, a review of the files will be undertaken to ensure all matters have been dealt with. This is currently anticipated to occur within 18-24 months. As referred to above, a final administration report to creditors will be compiled and submitted to the Registrar of Companies and Court.

Where appropriate work will be done at case administrator level with oversight and more complex matters dealt with at manager, director or partner level as appropriate. Attached at Appendix 1 is a breakdown of the different grades of staff allocated to this case together with their respective charge-out rates. Specific tasks such as specific penalty bonding and cashing are allocated to specialist team members at semi senior administrator level.

Should creditors require further information about an insolvency process such as this, R3 has produced a useful website providing information for creditors which is available at <http://www.creditorinsolvencyguide.co.uk/>

APPENDIX VI

Schedule of Joint Administrators' post-appointment time costs

ALBEMARLE SHOREHAM AIRPORT LIMITED AND ALBEMARLE(SHOREHAM) LLP - BOTH IN ADMINISTRATION

Analysis of Time Costs
Period 07 September 2016 to 21 October 2016

	Partner	Director	Manager	Senior	Administrator	Cashier	Total Hours	Charge £	Average rate £
Administration and planning	32.80	53.80	0.10	18.50	7.60	-	112.80	39,095.00	346.59
Creditors	-	2.60	0.20	3.80	0.60	-	7.20	1,678.54	233.13
Investigations	-	-	-	0.80	-	-	0.80	140.00	175.00
Realisation of assets	-	49.88	-	8.30	-	-	58.18	19,483.18	334.88
Trading	-	7.67	-	-	-	-	7.67	2,758.33	359.63
Cashiering and Support	-	-	-	0.70	0.10	2.60	3.40	602.50	177.21
Hours	32.80	113.95	0.30	32.10	8.30	2.60	190.05		
Charge (£)	14,910.00	41,531.51	84.50	5,762.50	1,042.00	462.00		63,757.55	335.48

CHARGE OUT RATE OF INSOLVENCY TEAM MEMBERS

	From 1 October 2016	From 1 October 2015
Partner / Director	£ per hour 315-505	£ per hour 350-560
Manager	225-345	250-330
Senior	185-230	175-230
Administrator	85-180	100-170
Support Staff	105	54-75

PROOF OF DEBT - GENERAL FORM

**In the matter of Albemarle Shoreham Airport Limited -
In Administration
and in the matter of The Insolvency Act 1986**

Date of Administration Order. 7 September 2016

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
8	Particulars of how and when debt incurred	
9	Particulars of any security held, the value of the security, and the date it was given	£
10	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Date	
	Position with or relation to creditor	

PROOF OF DEBT - GENERAL FORM

**In the matter of Albemarle(Shoreham) LLP -
In Administration
and in the matter of The Insolvency Act 1986**

Date of Administration Order: 7 September 2016

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
8	Particulars of how and when debt incurred	
9	Particulars of any security held, the value of the security, and the date it was given	£
10	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Date	
	Position with or relation to creditor	