Rule 2.47

Form 2.24B

2.24B

The Insolvency Act 1986

Joint Administrators' progress report

Name of Company	Company number:
Albemarle(Shoreham) LLP	OC325054

In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number: 5504 of 2016

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

~~I~~/We (a)
David Thurgood and Simon Underwood of

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

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

From	To
(b) 7 March 2017	(b) 6 September 2017

(b) Insert date

Signed _____ Joint / ~~Administrator(s)~~

Dated 4/10/17

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 pu[illegible]

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

Tel: 020 7387 5868

DX Number | DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at:-
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

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Albemarle Shoreham Airport Limited - High Court of Justice No. 5503 of 2016
Albemarle(Shoreham) LLP - High Court of Justice No. 5504 of 2016
(Both In Administration)

Joint Administrators' Six Monthly Progress Report
In accordance with the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016

Dated: 4 October 2017

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

Name of Joint Administrators:	Simon James Underwood & David Robert Thurgood Menzies LLP Lynton House 7-12 Tavistock Square London WC1H 9LT
Date of appointment:	7 September 2016
Report period to:	6 September 2017
Appointed by:	Appointed by the qualifying floating charge holder in accordance with Paragraph 14 of Schedule B1 to the Insolvency Act 1986.
Court reference:	High Court of Justice 5503 of 2016 High Court of Justice 5504 of 2016
Functions of Joint Administrators:	In accordance with Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 the functions of the Joint Administrators are being exercised by either of them.
Details of any extension to the initial period of appointment:	On 31 August 2017, the Administrations were extended by Court for a period of two years and three month until 6 December 2019.

Simon Underwood and David Thurgood, 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 only and contract without personal liability.

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GLOSSARY OF TERMS

Albemarle Shoreham Airport Limited	"ASAL"
Albemarle(Shoreham) LLP	"AS LLP"
Albemarle Shoreham Airport Limited & Albemarle(Shoreham) LLP	"the Companies"
Brighton City Airport Limited	"BCAL"
Berkshire Nominee 1 Limited	"Berk 1"
Berkshire Nominee 2 Limited	"Berk 2"
Egan Property Asset Management Limited	"EPAM"
Environment Agency	"EA"
Gowlings WLG (UK) LLP	"Gowlings'"
HM Revenue & Customs	"HMRC"
Longbow Investments No. 3 S.A.R.L.	"Longbow"
SDL Estates Management Limited, trading as SJ Higgins Property Consultants	"Higgins"
Single Source Aviation Brighton LLP	"Single Source"
Tavis House Properties Limited	"Tavis House"
TLT LLP	"TLT"
Southern Water Services Limited	"Southern Water"
The Insolvency Act 1986 (as amended)	"the Act"
The Insolvency (England and Wales) Rules 2016 (as amended)	"the Rules"
Schedule B1 of the Act	"the Schedule"

INTRODUCTION

1.1 In accordance with Rule 18.6 of the Rules, I now report on the progress made in the administration of the Companies during the six months ended 6 September 2017.

1.2 This report should be read in conjunction with the Joint Administrators' Statement of Proposals ("the Proposals") dated 1 November 2016, together with my previous progress report dated 4 April 2017. Copies of the Proposals, which were deemed to have been approved on 16 November 2016, are attached at Appendix V.

1.3 As advised in my previous reports the administrations were due to automatically end 12 months after the commencement unless extensions were agreed by either the relevant creditors or Court.

1.4 On 24 July 2017 I filed an application in Court to extend the duration of the Administrations due to a number of complex ongoing issues. These are mentioned in more detail below, but included seeking planning consent, liaising with the EA on the construction of a new sea wall, negotiating lease extensions and negotiating with the owner of an adjacent property on the construction of a new access road.

1.5 The Court duly made an Order extending the Administrations on 31 August 2017 for a period of two years and three months, until 6 December 2019.

2. COMPANY INFORMATION

2.1 A schedule of statutory information in respect of the Companies is attached at Appendix I.

2.2 The Companies form part of the "Shoreham Airport" group ("the Group"), which owns the Brighton City Airport site extending approximately 242 acres and comprises three runways and a portfolio of property, including a number of industrial units and two listed buildings. Included within the Group are Berk 1, Berk 2 and Berkshire GP Limited, which were also placed into administration on 7 September 2016 and Simon Underwood and I were appointed Joint Administrators on the same day. The Administrations of Berk 1, Berk 2 and Berkshire GP Limited were all also included on the Court order, extending their Administrations to 6 December 2019.

2.3 Creditors should please refer to the Proposals dated 1 November 2016 for a detailed history of the Companies, along with my previous progress report dated 4 April 2017.

3. PROGRESS TO DATE

3.1 The manner in which the affairs and property of the Companies have been managed since my last report and how they will continue to be managed are set out below. Attached at Appendix II are receipts and payments accounts for the period ended 6 September 2017.

Progress to Date

3.2 As mentioned in my proposals and previous report that were circulated to all known creditors, it is the intention of the Administrators to complete a sale of the Companies' assets, being the airport land and buildings, without being on a forced sale basis.

3.3 The Joint Administrators are continuing to operate the business of ASAL, with the approval of the secured creditor, Longbow with the intention of developing the airport site as a whole in order to improve the asset and increase its overall value for the benefit of creditors.

3.4 Longbow have long believed that there could be significant value enhancement by improving the current industrial estate and obtaining detailed planning permission for the development land at the North end of the airport's runway.

3.5 In order to achieve a successful sale of the site, property development agents Tavis House were engaged to provide a strategy report and oversee the development and rejuvenation of the site, which it is anticipated will require a total spend of approximately £3,000,000 to complete and can be split into three areas. The first is the joint development with New Monks Farm Limited (BHA Football Club) ("NMF") for the development of approximately 600 new houses, employment space and a new joint access road on land adjoining NMF and Shoreham Airport.

3.6 Tavis House commissioned a professional team of specialist advisors to assist with producing reports for the submission of our element of the planning application and also to assist with the ongoing development. Estimated costs were provided to the Administrators and secured creditor for approval and I have subsequently instructed solicitors to prepare letters of engagement for each of the specialist parties. A breakdown of the costs incurred and paid to these specialists, is attached at Appendix IV.

3.7 An outline planning application has been made, together with an application made by NMF to cover the land that NMF own which, is adjacent to its training ground and the airfield, and the expansion land at Shoreham Airport site. The applications were submitted in conjunction with one another as the plans provided a residential and commercial solution to the local councils. It also incorporates improving the current road junction, which has been under scrutiny with the Highways Agency for some time. The outline planning application was submitted in early July 2017 and formal registration of the application has now been received.

3.8 I am hopeful of obtaining the outline planning consent by the end of November 2017. Following which, I intend to commence steps to market the overall development land and airport site for sale.

3.9 Depending on the level of interest received for the purchase of the development land and airport site as one, I may consider applying for detailed planning consent in order to secure pre-lets prior to selling the developed land, separately to the airport site. If detailed planning consent is subsequently applied for, it is expected this will take some time to seek and obtain.

3.10 It is anticipated that the very earliest I will obtain detailed planning consent and agree and document pre-lets on the site, is by the end of 2018. However, it is possible there may be delays in the process which may result in me being unable to market and sell the asset until mid to late 2019. Therefore, should a suitable offer be received following an initial marketing campaign, I will consider the disposal of the development land and airport site prior to obtaining the detailed planning consent.

3.11 I am firmly of the view that obtaining planning permission prior to selling the Shoreham Airport site is in the best interest of the Companies' creditors. As mentioned below, this process will require further investment from Longbow. However, I consider the investment

will result in a greater recovery than selling the assets in their current state, in the current market.

3.12 The second stage of the development is the construction of a new sea wall, along the Shoreham Airport property border. The Shoreham Airport site has been subjected to severe flooding in the past and accordingly the EA has advised it intends to construct a new sea wall to replace existing defences along the east side of the Shoreham Airport site, in order to significantly reduce the site's chances of future flooding.

3.13 I have been liaising directly with the EA to discuss the location, timeframe and issues arising following the initial plans for the construction of the sea wall. There are numerous complex issues to be resolved in this major project to ensure all stakeholders are protected as far as possible. To date the EA has advised they anticipate constructing the wall between March and October 2018. However, this timeframe is wholly dependent upon the weather as the wall, which will predominately be constructed of mud and chalk, cannot be constructed in wet weather.

3.14 As part of the overall sea wall development, drainage must also be improved. This will involve a water main on site being disconnected and re-laid elsewhere on the Shoreham Airport Site. This will need to be completed by Southern Water before the EA can commence work on the sea wall itself. It is anticipated Southern Water will carry out these works by the end of 2017. However any delays in these works could have a consequential effect on the timing of the EA works.

3.15 I consider that the construction of the sea wall is essential to ensuring a sale of the assets at the best possible price, as any potential buyer and their lenders/insurers will want to ensure *the flooding risk is significantly reduced before committing to any purchase.*

3.16 The third stage is the refurbishment and improvements to the interior and exterior of the airport buildings and built estate. This includes, improved signage, removal of asbestos and cladding and glazing repairs. Once works are completed, which is expected to be by the summer of 2018, I will be in a position to fill any void units and maximise the rent roll, which will enhance the sale proceeds from the estate.

3.17 To assist with the overall management of the refurbishment and improvements works, I have engaged a project manager and building contractors to carry out the various works. A breakdown of the fees incurred and paid to these and other professionals engaged to assist with refurbishment and improvements works is attached at Appendix IV.

3.18 In order for the refurbishment and improvements of the estate to be carried out and the planning applications for the development of the land and negotiations with the Councils to continue, additional funding is required.

3.19 *I have therefore negotiated an additional secured facility with Longbow in the sum of* £3,000,000 for the Companies. The first drawdown of £1,000,000 was received during the period of this report, against which fees of £50,000 were paid to Longbow. Further information regarding the new facility is detailed in section 6.3 and 6.4 below.

3.20 As mentioned in sections 1.4 and 1.5 above, given the timeframes required to complete the above mentioned development and refurbishment, an application was made to Court to extend the length of the Administrations in order to complete the required works and complete the subsequent sales. On 31 August 2017 an order was granted to extend the Administrations to 6 December 2019. If it appears that I am unable to complete all of the required works, and market and sell the land prior to the 6 December 2019, I will apply to Court for an additional extension in due course.

3.21 During the course of this reporting period, in dealing with the above developments and ongoing business of the Companies, myself and my staff have met, attended meetings and had numerous correspondence with the following:

Development of site

- The freehold landowners - Brighton & Hove City Council and Worthing Borough Council, to discuss the purchase of the freehold or extension of the long leaseholds, planning applications etc.;
- The property development agent - Tavis House;
- The EA to discuss the construction of the new sea wall along the border of the Shoreham Airport site;
- BCAL, to discuss numerous issues;
- Southern Water, to discuss the diversion of a water main;
- NMF, to discuss cooperation and land transfer agreements;
- The secured creditor, Longbow to discuss the ongoing strategy and financing; and
- Solicitors, Gowlings, engaged to liaise with the EA and draft contracts, deeds and engagement letters.

Day to day operations

- The previous property management agents, EPAM, to agree short terms lets, manage quarterly rent and service charge income etc.;
- Successor property management agents, Higgins, to transfer the management of the estate from EPAM and deal with the above issues previously dealt with by EPAM;
- Tenants of the leasehold properties;
- Potential tenants and real estate agents for vacant sites;
- Various contractors and the works project managers;
- BCAL, to discuss the current lease agreement and gather financial information etc.;
- Gowlings to deal with real estate issues, technical advice regarding Longbow's registered security and other ad hoc matters; and
- The secured creditor, Longbow, to provide regular updates, cashflow forecasts and discuss the ongoing strategy.

3.22 In addition to the above, the following statutory duties have been carried out:

- Liaising with the directors and the Companies pre-appointment accountants regarding various matters including preparation and submission of a Statement of Affairs for each of the Companies and delivery of the Companies books and records;
- Liaising with solicitors to prepare and submit witness statement and application to Court for extension to the Administrations;
- Instructing solicitors in relation to real estate issues and other legal matters;
- Preparing and submitting returns to HMRC;

- Day to day cashiering, including payments to agents, bank reconciliations and receipting rental income;
- Liaising with unsecured creditors regarding claims and enquiries;
- Liaising with the Pension Protection Fund regarding the value of ASAL's pension debt;
- Liaising with insurers to regarding changes to policies and additional information required to ensure full cover is in place during the course of the Administrations;
- Drafting reports to creditors, and
- Addressing any other statutory duties associated with the Administrations.

4. ASSETS

4.1 As mentioned above, the intention of the Administrators is to complete a sale of the assets *held within the Shoreham Airport Group, which were estimated within the accounts of the* Group as at March 2016, as follows:

Ownership	**Ownership**	**Land**	**Estimated in Group Accounts as at March 2016**
Albemarle Shoreham Airport Limited	Long Leasehold (Airport Lease)	Terminal Building, operational land, perimeter land & aviation square	£4.1 million
Albemarle(Shoreham) LLP	Freehold	1 Acre Site	£150,000
Albemarle(Shoreham) LLP	Long leasehold (Commercial Lease)	Plot 1, Plot 16 & expansion land surrounding areas	£1.545 million
Berkshire Nominee 1 & 2	Long Leasehold (Commercial Lease)	Investment Property - East and West	£15 million
Total			**£20.795 million**

ASAL Assets

Long term leasehold /Land and property/ Management with BCAL

4.2 In June 2006 ASAL entered into a long term leasehold agreement with Brighton & Hove City Council and Worthing Borough Council for a 150 year commercial and airport lease over land including the terminal building, operational land, perimeter land and "aviation square". This land had a book value in ASAL's accounts as at March 2016 of £4.1 million.

4.3 The *Councils were approached upon appointment to investigate the possibility of purchasing* the freehold of the land and, despite initial enthusiasm from the Councils for this, it was rejected by the counsellors who wished to retain the freehold, albeit on a peppercorn rent.

4.4 Following the decision of the Councils to reject the offer to purchase the freehold, they have since been approached to extend the terms of the leasehold to 350 years and also to amend the various (onerous) terms and potentially combine the two leases into one. I had hoped these negotiations may be concluded by the end of 2017, however negotiations have become protracted and may not be finalised until 2018. I am again of the belief that longer lease periods and improved terms will be pivotal selling points for potential purchasers.

4.5 On 1 August 2013, ASAL entered into a 30 year airport management services agreement and lease agreement with 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. I have requested financial information from BCAL in order to ascertain how much, if any, profit should be received by ASAL under the profit share agreement. At present, I am still yet to receive sufficient information in order to confirm BCAL's annual profit. I am continuing to liaise with BCAL in relation to providing this information.

4.6 In addition to BCAL, ASAL recovers rent from a second tenant, although the sums are relatively minimal.

4.7 Prior to my appointment, the Companies had engaged EPAM to manage the offices and industrial units at the Shoreham Airport site. Following my appointment, I continued to engage EPAM as property agents of the site, which included the collection of quarterly rent, service charges, maintaining books and records, arranging payments of utilities and services, maintaining buildings and public areas and arranging re-lettings and lease renewals.

4.8 Following a number of meetings with EPAM and requests for information which was unacceptably slow (and after discussions with Longbow), it was decided to change property management agents. Notice was given to EPAM on 8 June 2017 that the management agreement would be terminated on 1 July 2017. Following which, a property management agreement was entered into with Higgins. The property management agreement entered into with Higgins is based on similar terms as that previously entered into with EPAM and includes an annual fee of £60,000 plus VAT.

4.9 During the period of this report a total amount of £48,702.38 plus VAT has been received in relation to rent, service charge, estate fees etc. The Administrators will, via Higgins, continue to realise the rent and service charges during the course of the Administration.

Longbow Advance

4.10 Immediately following the appointment of Administrators, an advance of £146,000.00 was provided by Longbow, to cover initial costs of the Administrations. As mentioned in section 3.17 above, an initial drawdown of £1,000,000 was also received from Longbow in relation to the new facility agreement entered into on 31 August 2017.

Transfer of Group Funds

4.11 The receipts and payments summary attached at Appendix II shows transfer of group funds totalling £325,000 for the period of this report. This amount relates to rental income received by Berks 1 and Berks 2, which have been transferred to the ASAL administration account to cover the costs of the site development, refurbishment and general administration costs. Signed authority has been received from Longbow allowing for the transfer of group funds between the Administration accounts.

Bank Interest Gross

4.12 Bank interest of £28.91 has been realised during the period of this report.

AS LLP Assets

Freehold and leasehold land

4.13 AS LLP owns the freehold to part of the site known as "1 acre site", which is located to the north side of the airport site, which had a book value of £150,000 in the management books and records as at March 2016. This site is subject to onerous overage obligations which may make it more difficult to dispose of.

4.14 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.

4.15 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.

4.16 There have been no asset realisations in AS LLP to date.

5. INVESTIGATIONS

5.1 The Companies' affairs have been investigated and, in accordance with Section 7(3) of the Company Directors Disqualification Act 1986, a submission on the directors' conduct has been filed with the Secretary of State. The content of these reports is confidential.

5.2 *No matters were uncovered during my investigations which I considered may lead to further* recoveries.

6. CREDITORS' CLAIMS

Secured creditors

6.1 Longbow hold a fixed and floating charge over the Companies, in relation to a mezzanine loan facility of £15.4 million, initially provided to Single Source, a corporate designated member of AS LLP in May 2014. Following additional drawdowns on the facility, together with interest, charges and a minimum percentage return, the amount due to Longbow as at the date of Administration was £24,073,480.

6.2 Longbow will be relying on its fixed and floating charge in order to recover the outstanding balance and have been actively involved in assisting the Joint Administrators with various aspect of the Administrations in order to maximise the recovery value. At this stage, it is not yet known if Longbow will be repaid in full, however both Longbow and the Joint Administrators are of the belief that the implementation of the refurbishment programme and the development plan is the method most likely to achieve the highest return to Longbow.

6.3 As mentioned above, on 31 August 2017 a new charge agreement was created in favour of Longbow in relation to the new facility agreement provided to the Companies in the amount of £3,000,000, to help fund the Administrations and developments costs. This was registered at Companies House on 5 September 2017. The new facility excludes the original borrower, Single Source.

6.4 It should be noted that the terms of the new facility include a supplemental first ranking security over the Shoreham Airport site and priority over the existing facilities, interest and a minimum earnings exit fee. I have taken independent legal advice from solicitors, TLT, and together we are satisfied that the terms are acceptable and in line with the rescue finance market in the context of obligors currently in administration.

Unsecured preferential creditors

6.5 Neither ASAL nor AS LLP had any employees as at the date of Administration. ASAL previously employed staff who were transferred to BCAL under a licence agreement in August 2013. Accordingly, there are no unsecured preferential creditors of the Companies.

Prescribed Part

6.6 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

6.7 The Companies provided floating charges to Longbow in June 2014. Given there is a qualified floating charge holder, the prescribed part provision will apply.

6.8 However, as mentioned in my previous report, I have sought legal advice from solicitors regarding the allocation of the rental income, subject to Longbow's security. My solicitors have confirmed the rental income should be treated as a fixed charge realisation under Longbow's legal mortgage and new bank accounts have been opened for the rental income to be paid into, which are under Longbow's control, in order that the position is maintained.

6.9 Accordingly, this will have a significant impact on the value of net property available to unsecured creditors of ASAL. At present, after costs of the Administration, it is unlikely that there will be funds available to enable a prescribed part distribution to be paid to unsecured creditors from ASAL's net property. Creditors will be updated in my next reports, should this situation change.

6.10 There is not expected to be any prescribed part distribution available to creditors of AS LLP.

Unsecured non-preferential creditors

6.11 As at the date of my Proposals, I was aware of unsecured non-preferential creditors of £1,499,520 for ASAL, in addition to the Longbow debt.

6.12 To date, in addition to the Longbow debt, I am aware of the following unsecured non-preferential creditors of ASAL:

Creditor	Amount (£)
Adur & Worthing Councils	388.86
Brighton & Hove City Council	1,193,520.00
Brighton City Airport Limited	17,000.00
The Board of the Pension Protection Fund	289,000.00
Citrus Pension Trustee Limited	24,000.00
Single Source Aviation Brighton LLP	248,207.00
Total	**1,772,116.86**

6.13 I have also received a proof of debt form from Single Source, in relation to funding provided to AS LLP of £7,489,776. At this stage, the inter-company balances have not been reconciled nor investigated any further.

6.14 The Joint Administrators will adjudicate upon the non-preferential unsecured creditor claims if and when there are funds available to enable a dividend to be paid.

7. DIVIDEND PROSPECTS

Secured Creditors

7.1 Longbow will be relying on its fixed and floating charge to recover the outstanding balance owed to it. Based on expected realisations, there will be sufficient funds available to enable a distribution to be paid to secured creditors of the Companies, however the value of any distribution is as yet uncertain.

Unsecured preferential Creditors

7.2 As mentioned above, there are no unsecured preferential creditors of the Companies.

Unsecured non-preferential Creditors

7.3 As mentioned in section 6.9, based on current information, it is not currently expected there will be funds available to enable a prescribed part distribution to be paid to unsecured non-preferential creditors. Any distribution to unsecured creditors, is dependent upon the value realised from a sale of the Shoreham Airport site being sufficient to pay out Longbow's debt in full, and leave a surplus available for unsecured creditors. At present it is unknown if there will be funds available to enable a distribution to be paid.

8. COSTS AND EXPENSES

Joint Administrators' post appointment remuneration

8.1 Given a creditors' committee was not formed, and based upon current information it is unlikely that there will be sufficient funds available to enable a distribution to be made to unsecured creditors, it is for the secured creditor to approve the Joint Administrators' remuneration.

8.2 On 5 January 2017, the secured creditor resolved for ASAL that "that the Joint Administrators be remunerated on a time costs basis subject by reference to the time properly given by them and their staff in attending to matters arising in the Administration and that the Joint Administrators can only draw fees up to an amount of £95,235 plus VAT, as set out in the fees

estimate circulated within the Joint Administrators' proposals. Should the Joint Administrators exceed the fee estimate, they shall seek authority from creditors to draw further fees".

8.3 Given the Administrations are now expected to continue until at least 6 December 2019, I have now entered into discussions with Longbow to agree an increase to the Joint Administrators' remuneration. To date the value of the increased fee approval has yet to be finalised.

8.4 The Joint Administrators' time costs for ASAL total £272,470.26 representing 858.79 hours and at average charge out rate of £317.27 per hour. Of this sum, £130,500 was incurred during the period of this report, representing 425.20 hours at an average charge out rate of £306.91 per hour.

8.5 The Joint Administrators' time costs for AS LLP total £4,256.50 representing 24.55 hours at an average charge out rate of £173.38 per hour. Of this sum, £1,173.00 was incurred during the period of this report, representing 5 hours at an average charge out rate of £234.60 per hour.

8.6 A schedule of these time costs is set out at Appendix III. Joint Administrators' fees paid during the period covered by this report total £50,000.00 plus VAT.

Pre-Administration Costs

8.7 The only pre-appointment time costs incurred were by Menzies LLP, who were engaged to act by Longbow on 1 September 2016. Menzies LLP were engaged to advise Longbow in relation to their security and enforcement options available to them, along with the advantages and disadvantages of placing the Companies into Administration. A fixed fee of £8,000 plus VAT and disbursements was paid prior to this reporting period.

8.8 A Creditors' guide to Administrators' fees is available via the following link: https://www.menzies.co.uk/helping-you/business-recovery/fees-guide/

8.9 Alternatively, it is available free of charge by contacting this office. Full details of those staff involved with the matter are as follows:

	Rate per hour 1 October 2016 £	*Rate per hour 1 October 2015* £
Partner/Director	315-505	330-505
Manager	225-345	210-400
Senior Administrator	185-230	175-230
Administrator	85-180	80-170
Support staff	105	54-75

Joint Administrators' disbursements

8.10 In relation to disbursements, where my firm has incurred a cost that is directly referable to this matter and payment is made to a third party, these have been reimbursed. A breakdown of the disbursements incurred and paid to date for the Companies is attached at Appendix III.

8.11 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.

Professionals and sub-contractors

8.12 Where appropriate, professionals have been engaged to advise in relation to certain specialist matters.

8.13 The firms engaged to provide this specialist assistance were chosen on the basis of their experience and knowledge of the areas in which they are advising, taking into account the complexity of the assignment. They were contracted to be paid as set out below. The fees charged are reviewed for reasonableness, given the amount and level of work undertaken.

8.14 Please see below a breakdown of the post-appointment professional fees that have been or will be incurred in the period by the Group. An additional breakdown of the professional fees incurred by and paid to professional advisors and specialists to assist with the development and refurbishment is attached at Appendix IV.

Charged by and fee basis	**Brief description of services to be provided**	**Original Estimate for Group of Companies**	**Subsequent Estimate for Group of Companies**	**Total Incurred during the period of this report**	**Total paid during the period of this report**	**Total incurred to Date**	**Total paid to date**
Gowlings WLG (UK) LLP – Time costs	Legal Advice (ongoing advice and assistance in relation to numerous matters)	£30,000 plus VAT and disbursements	£250,000 plus VAT and disbursements	£77,581 plus VAT	£5,900 plus VAT	£107,686 plus VAT	£36,006 plus VAT
TLT LLP – Time costs basis	Legal Advice (in relation to new Longbow facility)	N/A	£20,000 plus VAT	£20,000 plus VAT	Nil	£20,000 plus VAT	Nil
Tavis House Properties Limited - Fixed Fee	Land Development Management	£50,000 plus VAT and disbursements	N/A	£50,256 plus VAT	£50,256 plus VAT	£50,256 plus VAT	£50,256 plus VAT
Forsters LLP - Time costs basis	Legal advice (Group structure)	£5,000 plus VAT	N/A	Nil	Nil	£7,3034 plus VAT	£7,3034 plus VAT
Egan Property Asset Management Limited – Fixed Fee	Property management	£60,000 per annum to 07/07/2017	N/A	£30,000 plus VAT	£30,000 plus VAT	£30,000 plus VAT	£30,000 plus VAT
SJ Higgins – Fixed fee	Property management	N/A	£60,000 per annum from 01/07/2017	Nil	Nil	Nil	Nil

Sampson Arnold Ltd - percentage of realisations	Business Rates Refund	£3,266 plus VAT	£3,266 plus VAT	£3,266 plus VAT	£3,266 plus VAT	£3,266 plus VAT	£3,266 plus VAT
Avire UK Lettings Ltd - percentage of realisations	Property agents (Business rates savings)	£2,831 plus VAT	N/A	Nil	Nil	£2,831 plus VAT	£2,831 plus VAT
Graves Son & Pilcher LLP - Percentage of Income	Marketing and arranging short term lets	£5,000 plus VAT	N/A	Nil	Nil	£5,000 plus VAT	£5,000 plus VAT
Menzies LLP - Fixed fee	The preparation of pre and post appointment tax returns (if any).	£3,000 pre - appointment returns & £275 per return post appointment	N/A	Nil	Nil	Nil	Nil

8.15 Gowlings has been engaged to provide legal advice, review and prepare documents including management agreements, lease agreements, letters of engagement, deeds of grant, heads of terms, title reports, a witness statement and application to Court. These costs will be settled on a time costs basis, and the estimate may increase depending on the number of new matters to be dealt with during the course of the Administrations. To date an amount of £107,686 plus VAT has been incurred and £36,006 plus VAT has been paid.

8.16 The total fee estimate to be paid to Gowlings by the Group, has been increased to £250,000 plus VAT and disbursements. This estimate has increased as all matters being dealt with by the Group of Companies, including Berk 1 and Berk 2, currently require legal advice and assistance which, have become apparent as the development and disposal strategy was established post appointment in conjunction with Longbow. This also includes dealing with the EA, the planning application to the councils and the legal agreements to employ all the specialist advisors.

8.17 TLT have been engaged to assist with advice and preparation of documents regarding the new facility agreement entered into with Longbow. A total amount of £20,000 plus VAT has been incurred by TLT to date. To the date of this report no amount has been paid to TLT.

8.18 Tavis House have been engaged to assist with providing services to obtain planning and development consent and to provide project co-ordination for a fee of £50,000 plus VAT and disbursements. To date, including disbursements, an amount of £50,256 plus VAT had been paid.

8.19 Forsters LLP were engaged by the Companies prior to the Administrations, and initially provided advice regarding the existing lease agreements and the group structure and debt position. No amount has been paid or incurred by Forsters LLP during the period of this report.

8.20 EPAM were engaged to act as property managers on an annual fixed fee basis of £60,000 per year. EPAM services included assisting with collecting rents and service charges, maintaining the properties in accordance with the relevant terms, overseeing the completion of all

necessary works and repairs and maintaining all necessary books and records. An amount of £30,000 plus VAT was deducted from the Berks 1 and Berks 2 service charge account by EPAM.

8.21 Higgins were engaged on 1 July 2017 to act as property managers on an annual fixed fee basis of £60,000 per year. Higgins services include but are not be limited to, assisting with collecting rents and service charges, maintaining the properties in accordance with the relevant terms, overseeing the completion of all necessary works and repairs and maintaining all necessary books and records. No funds have yet been paid to Higgins.

8.22 Sampson Arnold Ltd were engaged to assist with the recovery of business rates refunds due to the Companies. They were engaged to be paid a commission of 14% of recoveries. Following a recovery of £23,330, Sampson Arnold Ltd were paid £3,266 plus VAT.

8.23 Avire UK Lettings Ltd were engaged to assist with business rates savings and recoveries. £2,831.12 plus VAT has been paid prior to this reporting period.

8.24 *Graves Son & Pilcher LLP were engaged as real estate agents to market and arrange short* term lettings of vacant sites. An amount of £5,000 plus VAT has been paid prior to this reporting period.

8.25 *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. No amount has been incurred or paid to Menzies LLP in relation to preparation of tax return.

Creditors' rights to request information

8.26 Any secured creditor, or an unsecured creditor with the support of at least 5% in value of the unsecured creditors, or any unsecured creditor with the leave of court, may (in writing) request the Joint Administrators to provide additional information regarding remuneration or expenses already supplied within this report. In accordance with Rule 18.9 of the Rules, such a request or application for leave must be made within 21 days of receipt of this report.

Creditors' right to challenge remuneration and/or expenses

8.27 Any secured creditor, or an unsecured creditor with the support of at least 10% in value of the *unsecured creditors or with the permission of the court, may apply to court for one or more* orders under Rule 18.36(4) of the Rules. In accordance with Rule 18.34(3), such applications must be made within 8 weeks of receipt of this report.

9. CONCLUDING REMARKS

9.1 I am continuing to operate the business for 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. This is a medium term strategy which will result in a sale of the land and property without being on a forced sale basis.

9.2 My next report will be sent to creditors within one month of the 18 month anniversary of the Administrations.

9.3 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.

9.4 Should creditors have any queries regarding the report or the conduct of the Administrations, please contact Caroline Davenport of my office.

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

David Thurgood
Joint Administrator

APPENDIX I

Statutory Information

STATUTORY INFORMATION – ALBEMARLE SHOREHAM AIRPORT LIMITED

Date of Incorporation 18 February 2008

Registered Number 06506097

Company Directors

Name	From	To
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

Name	Type	Number Held
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

Name of Creditor	*Type of Security*	*Date Created*	*Date Registered*
Longbow Investment No. 3 S.A.R.L.	Fixed & Floating Charge	31/08/2017	05/09/2017
Longbow Investment No. 3 S.A.R.L.	Fixed & Floating Charges	16/06/2014	20/06/2014
Longbow Investment No. 3 S.A.R.L.	Fixed Charge	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

Name	From	To
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

Name of Creditor	*Type of Security*	*Date Created*	*Date Registered*
Longbow Investment No. 3 S.A.R.L.	Fixed & Floating Charge	31/08/2017	05/09/2017
Longbow Investment No. 3 S.A.R.L.	Fixed	16/06/2014	20/06/2014
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

Joint Administrators' receipts and payments account

Albemarle Shoreham Airport Limited (In Administration)
Receipts and Payments Summary
7 March 2017 to 6 September 2017

	From 07/09/2016 to 06/03/2017	From 07/09/2016 to 06/03/2017	From 07/09/2016 to 06/03/2017	From 07/03/2017 to 06/09/0217	From 07/03/2017 to 06/09/0217	From 07/03/2016 to 06/09/2017	From 07/09/2016 to 06/09/2017
Receipts	Administration Account (£)	EPAM Client Account (£)	Total (£)	Administration Account (£)	Managing Agents Account (£)	Total (£)	Total (£)
Transferred from EPAM to Administration Account	11,030 65	(11,030.65)	-	124 70	(124 70)	-	-
Cash at Bank	10,890 37	-	10,890 37	-	-	-	10,890 37
Secured Creditor Advance	146,000 00	-	146,000 00	-	-	-	146,000 00
Development Facility Advance	-	-	-	1,000,000 00	-	1,000,000 00	1,000,000 00
Rental Income	437 50	24,308 90	24,746 40	40,489 29	62 35	40,551 64	65,298.04
Security Charges	-	3,436 25	3,436 25	6,592 14	-	6,592 14	10,028 39
Estate Service Charge	-	1,415 00	1,415 00	39 32	-	39 32	1,454 32
Water	-	1,755 88	1,755 88	1,581 63	-	1 581 63	3,337 51
Grazing	124 70	187 05	311 75	-	-	-	311 75
Transfer of Group Funds	70,000 00	-	70,000 00	324,875 30	-	324,875 30	394,875 30
Bank Interest Gross	23 90	-	23 90	28 91	-	28 91	52 81
Total Receipts	**238,507.12**	**20,072.43**	**258,579.55**	**1,373,731.29**	**(62.35)**	**1,373,668.94**	**1,632,248.49**
Total Payments							
Office Holders Fees	40,000 00	-	40,000 00	50,000 00	-	50,000 00	90,000 00
Office Holders Disbursements	536 30	-	536 30	-	-	-	536.30
Legal Fees and Disbursements	5,170 55	-	5 170 55	5,900 00	-	5,900 00	11,070 55
Pre-appointment Fees	8,000 00	-	8,000 00	-	-	-	8,000 00
Distribution to secured creditor	100,000.00	-	100,000 00	-	-	-	100,000 00
Longbow Arrangement Fees and Costs	-	-	-	50,000 00	-	50,000 00	50,000 00
Land Development Costs	-	-	-	258,791 62	-	258,791 62	258,791 62
Property Upgrade costs	-	-	-	700 00	-	700 00	700 00
Property Agents Costs	-	-	-	6,392 18	-	6,392 18	6,392 18
Statutory Advertising	153 00	-	153 00	-	-	-	153.00
Bank charges	25 00	-	25 00	-	-	-	25 00
BCAL - car park transfer	-	21,249 99	21,249 99	-	-	-	21,249 99
Utilities	123 98	-	123 98	-	-	-	123 98
Repairs & Maintenance	-	525 78	525 78	-	-	-	525 78
	154,008 83	21,775 77	175,784 60	371,783 80	-	371,783 80	**547,568.40**
Balance	**84,498.29**	**(1,703.34)**	**82,794.95**	**1,001,947.49**	**(62.35)**	**1,001,885.14**	**1,084,680.09**
Made up of							
Cash at Bank - Administration account			73,727 43				1,042,146.34
Cash at Bank - Mananging agents Account			124 70				62 35
VAT Payable			(6,183 21)				-
VAT Receivable			15,126 03				42,471 40
			82,794.95				**1,084,680.09**

Albemarle (Shoreham) LLP
(In Administration)

Receipts and Payments Account

7 March 2017 to 6 September 2017

	From 07/09/2016 To 06/03/2017 £	From 07/03/2017 To 06/09/2017 £	Total £
Receipts			
	NIL	NIL	NIL
Payments			
	NIL	NIL	NIL
Balance	**NIL**	**NIL**	**NIL**

APPENDIX III
Analysis of post appointment time costs

ALBEMARLE SHOREHAM AIRPORT LIMITED - IN ADMINISTRATION

Analysis of Time Costs
Period 7 March 2017 to 6 September 2017

	Partner	Director	Senior	Administrator	Cashier	Total Hours	Charge £	Average rate £
Balance b/f 6 March 2017						**433.59**	**141,970.26**	
Administration and planning	24 70	149 80	43.70	44.80	10 70	273 70	82,820.50	302.60
Creditors	-	9.20	15 40	-	-	24.60	6,249.00	254 02
Investigations	-	-	0 20	-	-	0.20	37 00	185.00
Realisation of assets	-	27 00	8 60	-	-	35.60	11,696.00	328.54
Trading	-	67.60	23.50	-	-	91.10	29,697.50	325 99
Hours	**24.70**	**253.60**	**91.40**	**44.80**	**10.70**	**425.20**		
Charge (£)	**11,485.50**	**94,755.00**	**16,909.00**	**5,424.50**	**1,926.00**		**130,500.00**	306 91
Total time costs						**858.79**	**272,470.26**	317 27

Fees Charged and Paid
For the period 07/09/2016 - 06/03/2017 — **Amount** £40,000 00
For the period 07/03/2016 - 06/09/2017 — £50,000.00

Balance Outstanding — **182,470.26**

Summary of Joint Administrators' Disbursements Incurred & Paid

	Incurred 07-Sep-16 to 06-Mar-17	Paid 07-Sep-16 to 06-Mar-17	Incurred 07-Mar-17 to 06-Sep-17	Paid 07-Mar-17 to 06-Sep-17	Total Incurred	Total Paid
Nature:	**£**	**£**	**£**	**£**	**£**	**£**
Courier Costs	0 00	0 00	15 83	0.00	**15.83**	**15.83**
Travel & Subsistence	27 78	27 78	0.00	0 00	**27.78**	**27.78**
Specific penalty bond	320 00	320 00	0 00	0.00	**320.00**	**320.00**
Rail Fares	39.20	39 20	0.00	0 00	**39.20**	**39.20**
	386 98	386 98	15 83	0.00	**402.81**	**402.81**

ALBEMARLE(SHOREHAM) LLP - IN ADMINISTRATION

Analysis of Time Costs
Period 3 March 2017 to 6 September 2017

	Partner	Director	Manager	Senior	Administrator	Cashier	Total Hours	Charge £	Average rate £
Balance b/f 6 March 2017							**19.55**	**3,083.50**	
Administration and planning	0 60	1 00	-	1 40	2.00	-	5 00	1,173 00	234 60
Creditors	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-	-	-
Realisation of assets	-	-	-	-	-	-	-	-	-
Trading	-	-	-	-	-	-	-	-	-
Cashiering and Support	-	-	-	-	-	-	-	-	-
Hours	**0.60**	**1.00**	**-**	**1.40**	**2.00**	**-**	**5.00**		
Charge (£)	**279.00**	**375.00**	**0.00**	**259.00**	**260.00**	**0.00**		**1,173.00**	**234.60**
Total time costs							**24.55**	**4,256.50**	173 38

Fees Charged & Paid	**Amount**
For the period 07/09/2016 to 06/03/2017	-
For the period 07/03/2017 to 06/09/2017	-
Balance Outstanding	**4,256.50**

Summary of Administrators' Disbursements Incurred & Paid

Nature:	**Incurred 07-Sep-16 to 06-Mar-17 £**	**Paid 07-Sep-16 to 06-Mar-17 £**	**Incurred 07-Mar-17 to 06-Sep-17 £**	**Paid 07-Mar-17 to 06-Sep-17 £**	**Total incurred £**	**Total Paid £**
Specific penalty bond	20 00	0 00	0.00	0.00	**20.00**	**0.00**
	20 00	0.00	0 00	0 00	**20.00**	**0.00**

APPENDIX IV

Summary of professionals / agents fees paid and incurred

Schedule of Costs and Payments to Land Development Agents

Agent	Description	Original Cost Estimate	Cost Incurred 07/03/17 to 06/09/2017	Cost Paid 07/03/17 to 06/09/2017	Cost Incurred 07/09/16 to 06/09/2017	Cost Paid 07/09/16 to 06/09/2017	Paid by
		£	£	£	£	£	
Aerozeal Ltd	Consultancy Services	500	-	-	500	500	Berks2
Civil Engineering Partnership (CEP)	Flood Risk Assessment	5,000	8,160	8,160	8,160	8,160	ASAL
DMH Stallard	Planning advice and strategy	38,750	6,809	6,809	24,142	6,809	ASAL
Hyland Edgar Driver (HED UK)	Landscaping & Visual Impact Advice & Strategy	25,500	19,150	19,150	19,150	19,150	ASAL
Marshall Regan Ltd	Socio-Economic Impact Assessment & Employment Space Consultation Programme.	36,374	13,293	13,293	16,325	13,293	ASAL
PCA Heritage	General Strategic Advice & Monthly Consultation Archaeology Advice and Desktop Strategy	3,000	5,839	5,839	11,873	11,873	Berks2
PRC	Masterplanner/Architects	48,500	31,000	31,000	31,000	31,000	ASAL
Pre Construct	Wireline Photography and Survey	5,350	5,350	5,350	20,500	20,500	Berks2
Van Guardia	Noise assessment advice and Strategy	7,500	8,500	7,200	5,350	5,350	ASAL
Vectos	Transport & Traffic advice and Strategy	15,000	13,287	13,287	7,850	7,850	ASAL
Zara	Topographical Survey	5,395	5,395	5,395	5,395	5,395	ASAL
	Total:	190,869	116,783	115,483	169,370	149,005	

Schedule of Costs and Payments to Refurbishment and Improvement Agents

Agent	Description	Original Cost Estimate	Cost Incurred 07/03/17 to 06/09/2017	Cost Paid 07/03/17 to 06/09/2017	Cost Incurred 07/09/16 to 06/09/2017	Cost Paid 07/09/16 to 06/09/2017	Paid by
		£	£	£	£	£	
AD Construction Ltd	Refurbishment Work	2,850	2,850	2,850	2,850	2,850	ASAL
Bourne Construction	Refurbishment Work	76,950	76,950	76,950	76,950	76,950	ASAL
Braimber Construction Company Ltd	Refurbishment Work	2,559	2,559	2,559	2,559	2,559	ASAL
Cimpro Limited	Principle Designer - Re property development	26,342	-	-	1,020	1,020	Berks1
Cormack Advertising	Logo Design and Branding	3,500	25,322	25,322	25,322	25,322	ASAL
Hunters Property Investment	Traffic Survey	2,000	3,500	-	3,500	-	
Tetra	Asbestos Removal	700	2,000	2,000	2,000	2,000	ASAL
	Total:	114,901	113,881	109,681	114,901	110,701	

APPENDIX V
Joint Administrators' proposals

JOINT ADMINISTRATORS' ORIGINAL PROPOSALS

ASAL

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

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.