

The Insolvency Act 1986

Statement of administrator's proposals**2.17B**

Name of Company	Company number
Winterhill Largo Property Limited	04594996
In the High Court of Justice	Court case number
[full name of court]	1093 / 2016

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

(a) We,

Christopher Ratten
RSM Restructuring
Advisory LLP
3 Hardman Street
Manchester M3 3HF

Lindsey Cooper
RSM Restructuring Advisory
LLP
3 Hardman Street
Manchester M3 3HF

Graham Bushby
RSM Restructuring Advisory
LLP
25 Farringdon Street
London
EC4A 4AB

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 21 April 2016

Signed

Joint Administrator

Dated 21 April 2016

SATURDAY



A08

A5516480

23/04/2016

#160

COMPANIES HOUSE

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 searches of the public record.

Matthew Woodcock	
RSM Restructuring Advisory LLP, 3 Hardman Street, Manchester M3 3HF	
Tel 0161 830 4000	
DX Number 14371	DX Exchange MANCHESTER 1

When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ

DX33050 Cardiff

In the Matter of

**Winterhill Largo Property Limited In Administration
(‘the Company’)**

Joint Administrators’ Proposals and Report

21 April 2016

**Lindsey Cooper, Christopher Ratten and Graham Bushby
Joint Administrators**

Appointed 26 February 2016

**RSM Restructuring Advisory LLP
3 Hardman Street
Manchester M3 3HF**

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1. Purpose of Report

The Joint Administrators are pleased to present their Proposals and Report pursuant to Paragraph 49, Schedule B1 to the Insolvency Act 1986 (as amended) and Rule 2.33 of the Insolvency Rules 1986 (as amended)

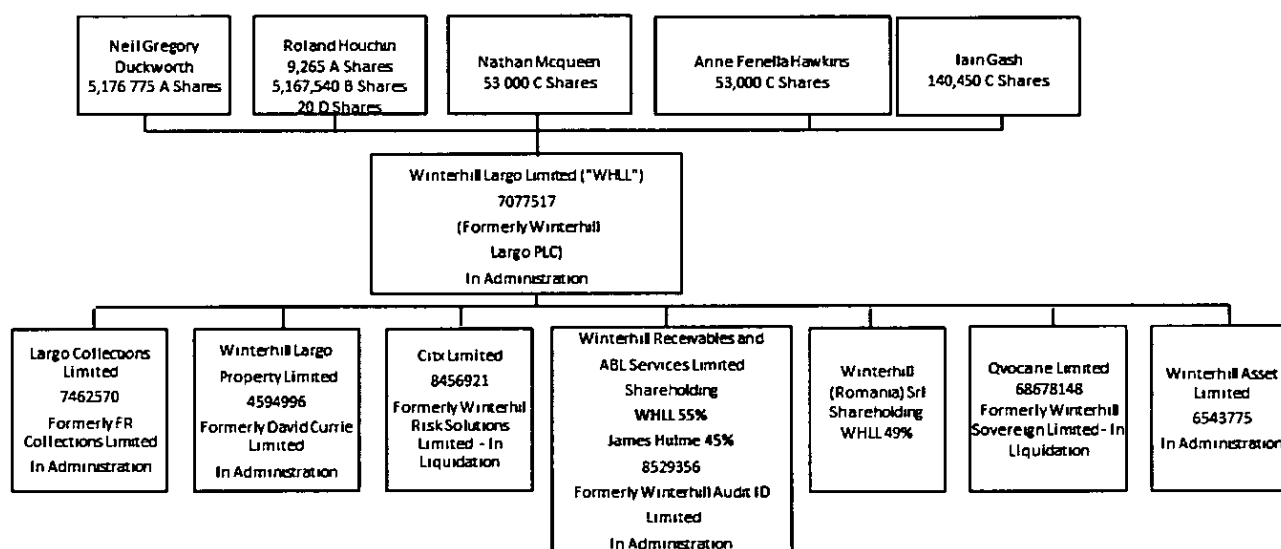
This proposal has been prepared solely to comply with the statutory requirements of Paragraph 49, Schedule B1 to the Insolvency Act 1986 (as amended). It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to significant change. Neither the Administrators nor RSM Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this proposal.

RSM Restructuring Advisory LLP was previously named Baker Tilly Restructuring and Recovery LLP until 26 October 2015.

2. Events Leading up to the Administration

2.1. Brief background

An overview of the Company, its associate companies and its parent company (collectively "the Group") is provided below.



- David Currie Limited (08658804) a wholly owned subsidiary of Winterhill Largo Limited was incorporated on 21 August 2013 and dissolved on 20 October 2015,
- Winterhill Site Ops Limited (8629378) a wholly owned subsidiary of Winterhill Largo Limited was dissolved on 22 March 2016

The Royal Bank of Scotland PLC ("RBS") initially provided working capital facilities to the Group supported by a debenture dated 22 November 2008, creating fixed and floating charges over all Group company's assets.

During late 2009 Winterhill Asset Limited entered into discussions with Legal and Receivables Limited, with a view to a merger of the businesses in order to provide a full range of services to appraise and realise all forms of assets and receivables.

In January 2010 Winterhill Largo Limited was formed and Winterhill Asset Limited became a wholly owned subsidiary of Winterhill Largo Limited. Thereafter the businesses of Winterhill Asset Limited and Legal and Receivables Limited were merged. Winterhill Largo Limited was then owned by Paul Snook, Neil Duckworth and Andrew Duckworth.

Legal and Receivable Limited continued to trade in its own right notwithstanding the merger and is owned by Paul Snook and his wife. At Companies House it is shown as being in a pre-dissolution state.

In July 2011 the Group expanded further with the acquisition of David Currie Limited ("the Company") which had been incorporated on 19 November 2002. Subsequently, the Company was renamed as Winterhill Largo Property Limited, to enhance the Group's property advisory capabilities.

LPA appointments were taken by Linda McPartland.

A Company named David Currie Limited was incorporated on 21 August 2013 and dissolved on 20 October 2015. It was a wholly owned subsidiary of Winterhill Largo Limited. No accounts have been filed at Companies House in respect of this Company.

The Company traded from leased premises in Manchester. Following acquisition the shareholding of the Company was wholly owned by Winterhill Largo Limited. The directors of the Company were David Currie, Neil Duckworth, John Eddleston and Steven Michael Hartley.

The Group acquired the business and assets of Sovereign Credit Management Limited in September 2012 from its Administrators and Winterhill Sovereign Limited was formed to continue the trade of the provision of a range of debtor verification services to lenders.

The Company accounts for the year ended 31 January 2012 show that the Company achieved a turnover of £845k and achieved a net profit after tax of £34k.

On 14 September 2012, Steven Michael Hartley resigned from his position as a director of the Company.

The Company accounts for the year ended 31 January 2013 show that the Company achieved a turnover of £347k and suffered a net loss after tax of £75k.

In May 2013, the Group acquired a majority interest in Chase Solutions which provided field agent services to utility providers and lenders. Also in May 2013 the Group established Winterhill Risk Solutions Limited to offer a range of investigation and risk management services to clients.

The Group acquired a majority shareholding in Site Ops Limited (which became Winterhill Site Ops Limited) in September 2013 to provide contaminated land and site clearance services.

On 29 August 2013, David Currie resigned from his position as a director of the Company.

During the third quarter of 2013 Paul Snook took the decision to retire and seek an exit from the Group.

The Group engaged external advisors to assist in the exit of Paul Snook by seeking private equity funding during the final quarter of 2013 to facilitate the acquisition of his shareholding in Winterhill Largo Limited. Neil Duckworth advises that during this process it was established that the Group needed to recruit a Finance Director and Martyn Hughes joined the Group in the first quarter of 2014 to fulfil this role (he is not listed as a statutory director of any of the Group companies). The private equity deal was subsequently aborted during this period as a result of the Group's trading performance and challenging market conditions.

On 10 January 2014, Metro Bank PLC refinanced the Group, registering fixed and floating charges over the Company assets on 16 January 2014. Subsequently, on 21 March 2014 the RBS filed notice of satisfaction.

The Company accounts for the year ended 31 January 2014 show that the Company achieved a turnover of £845k and suffered a net loss after tax of £135k.

Following his appointment, Martyn Hughes began to undertake a strategic review of the Group and a number of subsidiaries were identified as underperforming and a plan was devised to divest or close these underperforming businesses.

Winterhill Site Ops Limited and Winterhill Risk Solutions Limited ceased to trade in May 2014 with Winterhill Risk Solutions Limited being placed into Creditors Voluntary Liquidation ("CVL") on 11 November 2014.

Winterhill Largo Limited's interest in Chase Solutions was sold to management in July 2014.

In August 2014, in order to facilitate Paul Snook's exit from the Group, Moygannon Limited, the

Company's second ranking secured creditor, acquired Paul Snook's shareholding in Winterhill Largo Limited

Winterhill Sovereign Limited was placed into Creditors' Voluntary Liquidation ("CVL") on 19 November 2014. Largo Collections Limited's business was scaled back and relocated to cheaper premises in Leeds.

Neil Duckworth advised that during the third quarter of 2014 certain irregularities were identified with respect to over claiming of Mr Eddleston expenses. Mr Eddleston was dismissed from the business in October 2014.

John Eddleston resigned as a director of the Company on 28 October 2014.

During 2015 the Group focused on its core activities in the asset valuation and disposal and debt collection and verification services. Market conditions proved challenging with a decline in the volumes of corporate insolvency instructions. Further cost control measures were implemented and aggressive efforts were made across the Group to win new work.

Trading conditions worsened through the year and during September 2015, the Group advised Moygannon Limited that additional funding was required to facilitate the Group's working capital requirements. Moygannon Limited advised that it was considering exiting the group as a shareholder and discussions continued until the final quarter of 2015 whereupon Moygannon Limited made a further investment of £850,000 in to Winterhill Largo Limited in order to resolve specific creditor issues relating to client account shortfalls in Winterhill Asset Limited. We understand the original intention was that Moygannon Limited would inject £1,000,000, however only £850,000 was received.

Under mounting creditor pressure, Neil Duckworth sought insolvency advice from independent insolvency practitioners (non RSM) during early February 2016. This resulted in a Notice of Intention to Appoint Administrators being filed by the directors.

On 26 February 2016, I, together with Christopher Ratten and Graham Bushby all of RSM Restructuring Advisory LLP were appointed Joint Administrators of the Company by the first ranking secured creditor Metro Bank. The appointment permitted the Joint Administrators to take any actions required either jointly or alone. On the same date, Metro Bank also appointed Christopher Ratten, Graham Busby and I as Joint Administrators of other Group companies being Winterhill Largo Limited, Largo Collections Limited, Winterhill Receivables and ABL Services Limited and Winterhill Asset Limited.

2.2. Company's trading history

Relevant extracts from the Company's audited financial statements and management accounts are summarised below

	Statutory Accts Period ended 31 January 2014 £	Statutory Accts Period ended 31 January 2013 £	Re-stated Statutory Accts Period ended 31 January 2012 £
Profit and Loss Account			
Turnover	845,177	346,653	460,309
Cost of Sales	(247,354)	-	(129,095)
Gross Profit / (Loss)	597,823	346,653	331,214
Administrative Expenses	(726,355)	(420,293)	(279,678)
Operating Profit/loss	(128,532)	(73,640)	51,536
Interest Payable	(2,047)	(2,272)	(835)
Profit/(Loss) on Ordinary Activities Before Taxation	(130,579)	(75,912)	50,701
Tax on loss on ordinary activities	(5,267)	(11)	(16,598)
Profit for Financial Year	(135,846)	(75,923)	34,103
Balance Sheet			
Fixed Assets			
Tangible	2,794	2,772	5,124
Current Assets			
Stocks	-	-	28,920
Debtors	84,091	678,934	151,924
Cash at bank and in hand	46,037	8,996	283,280
	130,128	687,930	464,124
Creditors falling due within 1 year	(344,069)	(766,302)	(468,923)
Net Current Liabilities	(213,941)	(78,372)	(4,799)
Total Assets Less current Liabilities	(211,147)	(75,600)	325
Provision for Liabilities			
Deferred tax	(299)	-	-
Net Assets/(Liabilities)	(211,446)	(75,600)	325
Capital and Reserves			
Called Up Share Capital	2	2	2
Profit and Loss Account	(211,446)	(75,602)	325
Shareholder Funds	(211,444)	(75,600)	327

Extracts from the Company's management accounts for the 12 months ended 31 January 2015 and the 11 months ended 31 December 2015 are provided below. The management accounts are prepared in a different format to the statutory accounts and do not fully reconcile.

Profit & Loss Account	12 months 31/01/2015 £000's	11 months 31/12/2015 £000's
Turnover	277	206
Less: Overheads	<u>(236)</u>	<u>(206)</u>
Operating Profit	41	-
Interest Payable	<u>(1)</u>	<u>(2)</u>
Profit on Ordinary Activities Before Tax	<u>40</u>	<u>(2)</u>
Balance Sheet		
Fixed Assets		
Current Assets		
Trade debtors & WIP	19	55
Prepayments	28	2
Client Account Balances	87	3
Other Debtors – SB Legal		
Inter-company Trading	<u>(4)</u>	<u>(6)</u>
	130	54
Current Liabilities		
Cash & Equivalents		2
Trade Creditors	(48)	(36)
Other Creditors & Accruals	(17)	(34)
Client Account Liability	(87)	(3)
Intercompany	(77)	(104)
PAYE & VAT	<u>(83)</u>	<u>(64)</u>
	(312)	(239)
Net Current Assets	(182)	(185)
Long Term Liabilities	<u>-</u>	<u>-</u>
Total Net Assets	<u>(182)</u>	<u>(185)</u>

3. Estimated Statement of Financial Position

The directors have not yet lodged a Statement of Affairs with the Joint Administrators. Accordingly, pursuant to Rule 2.33 of the Insolvency Rules 1986 (as amended), we attach an Estimated Statement of the Financial Position of the Company as at 26 February 2016 as Appendix B. This records the assets and liabilities at their estimated book value at the date of our appointment together with details of the names, addresses and the estimated amounts due to the Company's creditors and any security held at the date of our appointment.

4. Conduct of the Administration

4.1 Purpose of the Administration

Paragraph 3 to Schedule B1 to the Insolvency Act 1986 (as amended) sets out the purposes of an Administration. The Administrators must perform their functions with the objective of either

- (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.

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate. In any event the Company ceased trading prior to Administration.

It is questionable whether objective (b) can be achieved and as a result, I am seeking to achieve objective (c) for the Company by conversion of work in progress and collection of the debtor book. In addition, further realisations may be achieved as a result of the outcome of the Administrators' investigations.

The insolvency legislation has set a 12 month maximum duration for Administrations, unless the duration is extended by the court or the creditors. If I am unable to complete the administration of the Company within 12 months then I will either apply to the court, or request the consent of the relevant creditors, in order to seek approval to extending the duration of the Administration.

4.2 Strategy

Our initial strategy following appointment was to secure the assets and instruct agents to formally value the Company's tangible assets and to establish the up to date debtor and WIP position.

We made all employees of the Company formally redundant following our appointment.

The Joint Administrators considered undertaking an accelerated sale process to dispose of the trade and assets of the Company, however, this could not be progressed due to the unreliable nature of the Company's financial information and the absence of several of the Company's senior employees to assist in providing up to date and accurate financial information relating to the Company's affairs.

4.3 Realisation of assets / Sale of business

4.3.1 Property Disposals

Following appointment we instructed Richard Parkinson of property agents, Landwood Group, to assist us with all Property matters. A number of clients have withdrawn instructions from the Company following the Administration. However, there are currently three substantial property deals that are currently ongoing that may result in future realisations.

In addition, there are several smaller transactions ongoing.

An update will be provided in this regard in my next report to creditors.

4.3.2 Debtors

According to the information extracted from SAGE, the Company's debtors have a net book value (inclusive of VAT) of £51,581. However, the accuracy of the ledger is currently being verified.

An update will be provided in this regard in my next report to creditors.

4.3.3 Cash at Bank

Metro Bank PLC

As at the date of our appointment, the Company held cash with Metro Bank in the approximate sum of £19,395. These funds could be subject to set off by Metro Bank or could potentially be deemed client monies. For the purpose of this report we have assumed there will be no realisations in this regard and we are taking legal advice in this matter.

The Royal Bank of Scotland ("RBS")

The Company had several bank accounts with RBS, all had nil balances other than one which was overdrawn in the sum of £5 at the date of appointment.

The Co-Operative Bank ("Co-Op")

The Company had several bank accounts with Co-Op which were in credit in the sum of £2,048 at the date of appointment. We have requested that these funds be remitted to the Administration estate.

4.3.4 Professional Advisors

The following professional advisors have been instructed in this matter,

Professional Advisor	Nature of Work	Fee Arrangement
JPS Chartered Surveyors	Agents / Valuers	Time Costs
Eversheds LLP	Assistance in respect of appointment formalities and general legal assistance	Time Costs
Landwood Group	Property Agents	Time Cost
Willis Group Limited	Insurance of assets	Fixed Fee
	General insurance advice	Time Costs

The choice of professionals and the Administrators' fee arrangement with them was based on perception of their experience and ability.

5 Creditors' Claims and Dividend Prospects

The value at which creditors' claims are stated in the draft estimated Statement of financial position are, as is required by legislation, those which are reflected in books and records of the Company. It is our view that some balances may not be correct. In addition, certain claims may be subject to reduction in respect of mitigation, set-off or retention of title.

The agreement of creditors' claims by the Joint Administrators (or any subsequently appointed Supervisor or Liquidator) is a separate matter and will be dealt with as appropriate in due course,

initially by reference to the proofs of debt lodged in the proceedings by creditors themselves

5.1. Secured Creditors

Metro Bank was granted a debenture conferring a fixed and floating charges over the Company's assets and registered on 16 January 2014. At the date of appointment, Metro bank was owed £652,000 across the Group.

In addition, Moygannon Limited were granted a debenture conferring fixed and floating charges over the Company's assets and registered on 2 October 2014. At the date of appointment, Moygannon Limited was owed £1,300,000.

The debenture in favour of Metro Bank ranks in priority to that of Moygannon Limited.

The quantum of any recoveries to the secured creditors remains uncertain at this time.

5.2. Preferential Creditors

The only known preferential creditors are the former employees of the Company in respect of unpaid wages and holiday pay and are estimated at £4,570. Their claims are subject to a maximum limit set by legislation. Payment in respect of preferential claims is dependent on future realisations.

5.3. Unsecured Creditors

Based on the books and records of the Company, unsecured trade creditor claims total £28,580. Debts owed to HM Revenue and Customs relating to unpaid PAYE/NIC totalling £22,075 and VAT totalling £98,156 (VAT Group). Unsecured employee claims total £22,894.

Based on current information, it is not anticipated that there will be sufficient funds to enable a distribution to the unsecured creditors other than from the prescribed part.

5.4 Prescribed Part

There are provisions of the insolvency legislation that require an Administrator 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 net property". A Company's net property is left after paying the preferential creditors and the costs and expenses of the Administration, but before paying the lender who holds a floating charge. An Administrator has to set aside:

50% of the first £10,000 of the net property plus

20% of the remaining net property up to a maximum prescribed part of £600,000.

We are unable to forecast dividend prospects for unsecured creditors at this stage.

6 Joint Administrators' Receipts and Payments

We attach as Appendix C a summary of our receipts and payments.

VAT basis

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately.

7 Joint Administrators' Statement (no Creditors' Meeting)

In accordance with Paragraph 52(1) of Schedule B1 to the Insolvency Act 1986 (as amended), the Administrators are not convening a meeting of creditors because in their opinion:

It is anticipated that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the Prescribed Part.

Neither of the statutory purposes of Administration of (1) rescuing the Company as a going concern and (2) 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) can be achieved.

Under Paragraph 52(2) of Schedule B1 to the Insolvency Act 1986 (as amended), the Administrators shall convene a meeting of creditors if so requested by creditors of the Company whose debts amount to at least 10% of the total debts of the Company. Such request must be submitted in writing to the Administrators on Form 2.21B within 8 business days of the date on which these proposals are sent out, and the Administrators may require any such creditor to lodge with them a deposit, at an amount to be determined by the Administrators, as security for expenses of convening a meeting.

Under Rule 2.33(5) of the Insolvency Rules 1986 (as amended) the Administrators' Proposals shall be deemed to be approved if no creditors' meeting has been requisitioned within the specified time period as set out above.

Creditors are also entitled at a meeting of creditors to establish a Creditors' Committee should they so wish, provided that there are no fewer than three and no more than five wishing to be represented on the Committee.

8 Joint Administrators' Proposals and Resolutions

The Joint Administrators' proposals in relation to the Company are:

- 8.1** If a sale of the Company and/or its business is unachievable then the Administrators should consider and pursue the most appropriate alternative method of realising the assets for the benefit of the creditors.
- 8.2** The Administrators should arrange to distribute available funds from the realised assets to those creditors entitled to them in such manner as they consider will lead to an early distribution of the available assets in an economic manner.
- 8.3** The Administrators be authorised to make such application to court for directions as they consider appropriate with a view to achieving the purposes of the Administration or their proposals.
- 8.4** Subject to paragraph 9 below, the Company exits the Administration by way of Creditors' Voluntary Liquidation or dissolution. If any asset is identified (including redress from a mis-sold interest rate hedging product) as a result of which it is anticipated that a distribution will be made to unsecured creditors, which is not a prescribed part distribution, then the Company shall exit Administration by Creditors' Voluntary Liquidation.
- 8.5** That Lindsey Cooper, Christopher Ratten and Graham Bushby of RSM Restructuring Advisory LLP, 3 Hardman Street, Manchester M3 3HF be appointed Joint Liquidators of the Company following the cessation of the Administration and the Joint Liquidators will have the power to act jointly and severally.

9 Proposed Exit from Administration

It is proposed that the Company shall exit Administration by Creditors' Voluntary Liquidation or dissolution.

If any asset is identified (including redress from a mis-sold interest rate hedging product) as a result of which it is anticipated that a distribution, which is not a prescribed part distribution, will be made to unsecured creditors, then the Company shall exit Administration by Creditors' Voluntary Liquidation.

If the Company exits Administration by moving into Creditors' Voluntary Liquidation, it is proposed that Lindsey Cooper, Christopher Ratten and Graham Bushby of RSM Restructuring Advisory LLP, 3 Hardman Street, Manchester M3 3HF be appointed Joint Liquidators of the Company following the cessation of the Administration. The Liquidators will have the power to act jointly and severally and any act required or authorised to be done by the liquidators may be done by all or any one or more of the persons holding the office in question.

Creditors should note that they may nominate a different person as the proposed Liquidator, provided that:

- (a) the nomination is made before the proposals (or any revised proposals) are approved, and
- (b) where the nomination relates to more than one person, or has the effect that the office is to be held by more than one person, a declaration is made as to whether any act required or authorised to be done by the liquidators is to be done by all or any one or more of the persons for the time being holding the office in question.

10 Discharge from Liability

As there remains uncertainty that there will be any return to unsecured creditors we will, in accordance with legislation, be seeking a resolution from the secured creditors, as appropriate, for discharge from liability in respect of any action of ours as Administrators to take effect immediately following our cessation to act as Administrators

11 Costs and Joint Administrators' Remuneration

11.1 Pre-Administration costs

Details of the fees charged and expenses incurred by the Joint Administrators prior to appointment are set out in Appendix H, together with details of the amounts paid to discharge these costs (if any), and the balance that remains unpaid (if any)

I would advise you that payment of unpaid pre-Administration costs as an expense of the Administration is

- (i) Subject to approval under Rule 2.67A, and
- (ii) Not part of the proposals subject to approval under paragraph 53 of Schedule B1 to the Insolvency Act 1986 (as amended)

I can confirm that I have unpaid pre-Administration costs of £2,386.00

As it remains uncertain as to whether there will be any return to unsecured creditors we will, in accordance with legislation, seek approval for the outstanding pre-appointment costs, fees and disbursements from the secured creditors, as appropriate. Please note that, if a Creditors' Committee is appointed, it will be for the Committee to approve these costs

We shall propose to them that

- The Administrators shall be authorised to draw their outstanding pre-appointment remuneration and disbursements as set out in Appendix I, in the sum of £2,394, such disbursements to include 'category 2' disbursements at the rates prevailing at the time the cost was incurred, current details of which are attached at Appendix E

11.2 Joint Administrators' post-appointment remuneration and disbursements

As it remains uncertain as to whether there will be any return to unsecured creditors other than by the prescribed party we will, in accordance with legislation, agree our fees and disbursements with the secured creditors ('the specified creditors'), as appropriate. Please note that, if a Creditors' Committee is appointed, it will be for the Committee to approve these costs

We shall propose to the specified creditors or, if one is appointed, to the Committee that

- In accordance with the fee estimate provided to creditors at Appendix J to these Proposals the Administrators shall be authorised to draw their remuneration (plus VAT) based upon their time costs limited to the sum of £45,172

The Administrators are required by statute to carry out much of that work, for example, issuing progress reports to creditors and reporting to the Department of Business, Innovation and Skills on the conduct of the Company's directors. Other work will be determined by the particular circumstances of the appointment

Our fee estimate has been prepared to incorporate the work that we anticipate will be done during the life of the appointment and based on the information currently available the Administrators do not anticipate that it will be necessary to seek approval from creditors to increase their fees

Should the scope change or the assumptions prove to be inaccurate, it may result in additional cost being incurred in dealing with the Administration. That may be as a result of certain work that has already been identified proving to be more complex and time-consuming than anticipated, a greater level of stakeholder engagement, or because new matters come to light of which the Administrators are not presently aware. Should such circumstances arise, the Administrators may need to seek approval from the creditors to increase their fees

If so approved, the maximum amount that the Joint Administrators will be able to draw in relation to their post-appointment fees will be £45,172 i e the total of the fee estimate. They will not be allowed to draw more than that amount unless they obtain further approval of the creditors.

11.3 Post-appointment expenses and Category 1 disbursements

The Administrators consider that post-appointment expenses (including category 1, category 2 disbursements, agents and legals) of £20,958.63 are likely to be incurred. A breakdown of these is attached at Appendix K.

11.4 Post-appointment category 2 disbursements

Category 2 disbursements include elements of shared or overhead costs. Insolvency guidelines require these to be identified separately and are subject to approval as if they were remuneration. The current rates are attached at Appendix E and details of category 2 disbursements already incurred are attached at Appendix F.

We shall propose to the specified creditors or, if one is appointed, to the Committee, that

- The Administrators shall be authorised to draw 'category 2' disbursements as an expense of the Administration at the rates prevailing at the time the cost is incurred, current details of which are attached at Appendix E. In the event that the Administration exits by way of liquidation and the administrators are appointed liquidators, such resolution shall be treated as being passed in the liquidation.

11.5 Guide to Joint Administrators' fees

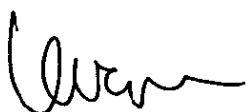
For your information the following documentation is attached:

- Appendix D Charging, expenses and disbursement policy statement
- Appendix E Joint Administrators' charge out and disbursement rates
- Appendix F category 2 disbursement table
- Appendix G Joint Administrators' post appointment time cost analysis

A Guide to Administrators' Fees, which provides information for creditors in relation to the remuneration of an Administrator, can be accessed at <http://rsm-insolvencypoint.com> under 'general information for creditors'. A hard copy can be requested from my office by telephone, email or in writing.

12 EC Regulations

It is considered that the EC Regulations will apply and that these proceedings will be main proceedings as defined in Article 3 of the EC Regulations as the centre of main interest of the Company is in the UK.



Lindsey J Cooper
RSM Restructuring Advisory LLP
Joint Administrator

Encls

Christopher Ratten, Lindsey Cooper and Graham Bushby are licensed to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales.

Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

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

Appendix A

Statutory Information

Company name	Winterhill Largo Property Limited		
Functions of Administrator(s)	The Joint Administrators' appointment specified that they would have power to act jointly and severally The Joint Administrators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment		
Previous company names			
Company number	04594996		
Date of incorporation	19 November 2002		
Trading name	Winterhill Largo Property Limited		
Trading address	6 Anchor Court, Commercial Road, Blackburn Lancashire BB3 0DB Cardinal House, 20 St Mary's, Parsonage, Manchester M3 2LY West One, 114 Wellington Street, Leeds LS1 1BA 23 Hanover Square, London, W15 1JB		
Principal activity	Property Agents		
Registered office	RSM Restructuring Advisory LLP 3 Hardman Street Manchester M3 3HF		
Share capital	Authorised share capital		
Nominal & issued share capital	2 00 Ordinary shares Issued 2 Ordinary Shares at a par value of £2		
Shareholders	Winterhill Largo Limited – 2 shares		
Directors	Director	Appointment	Resigned
	Neil Duckworth	4 July 2011	-
	David Currie	19 November 2002	29 August 2013
	Steven Hartley	4 July 2011	14 September 2012
	John Eddleston	26 January 2012	28 October 2014
Secretary	N/A		
Mortgages & charges	Debenture created on 10 January 2014 and registered on 16 January 2014 in favour of Metro Bank PLC Debenture created on 1 October 2014 and registered on 2 October 2014 in favour of Moygannon Limited Debenture created on 20 November 2008 and registered on 22 November 2008 in favour of The Royal Bank of Scotland PLC Satisfied in full on 21 March 2014		
Appointor	Metro Bank PLC		

A - SUMMARY OF ASSETS

	<u>Book Value</u>	<u>Estimated to Realise</u>
	<u>£</u>	<u>£</u>
Assets Subject to Specific Charge		
Assets Subject to Fixed Charge		
Potential Administrators' Claims	Nil	Uncertain
Assets Subject to Floating Charge		
Cash at bank – The Co-Operative Bank	2,048	2,048
Potential Administrators' Claims	Nil	Uncertain
Furniture and Equipment	2,794	Uncertain
Trade Debtors	51,581	Uncertain
	<u>56,423</u>	<u>2,048</u>
Assets not Subject to Charge		
Available to preferential creditors	<u>56,423</u>	<u>2,048</u>

Signature _____

Date _____

A1 – SUMMARY OF LIABILITIES

	<u>Estimated to Realise</u>	
	<u>£</u>	<u>£</u>
Estimated total assets available for preferential creditors		2,048
Liabilities		
Wages	(2,400)	
Holiday Pay	(2,170)	
		<u>(4,570)</u>
Estimated Surplus (Deficiency) as regards preferential creditors		(2,522)
Estimated prescribed part of net property (to c/f)		<u>0</u>
Estimated total assets available for floating charge holders		NIL
Debts secured by floating charge		<u>(1,952,000)</u>
Estimated Surplus (Deficiency) of assets after floating charges		(1,954,522)
Estimated prescribed part of net property (b/d)	0	<u>0</u>
Total assets available to unsecured creditors		NIL
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
HM Revenue & Customs - PAYE	(22,075)	
HM Revenue & Customs - VAT	(98,156)	
Employees	(22,894)	
Trade and Expense Creditors	(28,580)	
Deficiency in Preferential Claims (b/d)	(2,522)	
		<u>(174,227)</u>
Estimated Surplus (Deficiency) as regards non preferential creditors (excluding any shortfall to floating charge holders)		(174,227)
Shortfall to floating charge holders (b/d)		(1,952,000)
Estimated Surplus (Deficiency) as regards creditors		<u>(2,126,227)</u>
Share Capital		
Ordinary Shares	(1)	<u>(1)</u>
Estimated Surplus (Deficiency) as regards members		<u><u>(2,128,750)</u></u>

Signature _____

Date _____

B COMPANY CREDITORS - WINTERHILL LARGO PROPERTY LIMITED

NOTE You must include all creditors and identify any creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held	Date security given	Value of security £
Abacus Solicitors	Reedham House, 31-33 King Street West Manchester M3 2PW	600 00			0 00
Asitley Limited	5 Long Croft Meadow, Chorley, Lancashire, PR7 1TR	150 00			0 00
Bermans Solicitors	Cardinal House, 20 St Mary's Parsonage Manchester M3 2LY	600 00			0 00
Complete Office Solutions (UK) Ltd	Daughters Court, Silkwood Business Park Wakefield WF5 9TQ	41 59			0 00
CoStar Group	5th Floor, 40 Portman Square London W1H 6LT	880 80			0 00
Granta Property Consultants Ltd	16 St Johns Street , Duxford Cambridge CB22 4RA	389 40			0 00
HM Revenue & Customs	Accounts Office Bradford BD98 1YY	98,156 00			0 00
HM Revenue & Customs	Insolvency Section, Durrington Bridge House, Barrington Road Worthing BN12 4NE	22,075 00			0 00
Holdsworth, Sam (Mr)	30 Ballingdon Road London SW11 6AJ	5,334 59			0 00
Insolvency Service, Redundancy Payments	PO Box 16685 Birmingham B2 2LX	0 00			0 00
Islington Regeneration	5 Myrtle Street Liverpool L7 7DN	4,879 92			0 00
Largo Law	10 Silkwood Business Park, Fryers Way Wakefield WF5 9TJ	184 00			0 00
Marsh Ltd	UK Retail, Tower place London EC3R 5BU	2,285 37			0 00
McPartland, Linda M (Ms)	2 Briardale Road, Mossley Hill Liverpool L18 1DB	18,845 02			0 00
Metro Bank PLC	One Southampton Row London WC1B 5HA	652,000 00	Floating Charge	10/01/2014	652,000 00
Mitie Cleaning & Environmental Services Ltd	1 Harlequin Office Park, Fieldfare Bristol BS16 7FN	364 58			0 00
Moygannon Limited	STAVERTON COURT, STAVERTON , CHELTENHAM, GLOUCESTERSHIRE GL51 0UX	1,300,000 00	Floating Charge	01/10/2014	1,300,000 00
Nationwide Lock Smith	32 Bolton Road, Atherton Manchester M46 9JY	252 00			0 00
Secure Site UK	Secure Site House, 170 Tarring Road Worthing BN11 4HG	636 00			0 00
Shred-It	Ground Floor, Corner House, 177 Cross Street, Sale Manchester M33 7JQ	297 36			0 00
Simoes da Conceicao, Joana T (Miss)	26 Foley Gardens Heywood OL10 2LE	3,284 58			0 00
Snook, T (Mr) (*NO CLAIM*)	Rooksfield Farm, Gill Lane, Kearby Wetherby LS22 4BS	0 00			0 00
The Print Quarter	Off Pall Mall , Cottam Street Chorley PR7 2DT	150 00			0 00
vps uk limited	Premier House, Elstreet Way, Borehamwood, WD6 1JH	1,280 75			0 00
Willis Limited	51 Lime Street London EC3M 7DQ	15,587 92			0 00

Receipts and Payments Abstract: 1079602 - Winterhill Largo Property Limited In Administration
 Bank, Cash and Cash Investment Accounts All Dates

SOA Value £		£	£
	ASSET REALISATIONS		
2,048 00	Cash at bank	<u>0 00</u>	0 00
	PREFERENTIAL CREDITORS		
(2,170 00)	Holiday Pay	0 00	
(2,400 00)	Wages	<u>0 00</u>	0 00
	FLOATING CHARGE CREDITORS		
(1,952,000 00)	Floating Charge Claims	<u>0 00</u>	0 00
	UNSECURED CREDITORS		
(1,954,522 00)	Deficiency In Security	0 00	
(22,894 19)	Employees	0 00	
(120,231 00)	Trade and Expense Creditors	0 00	
(28,579 69)	Unsecured Creditors	<u>0 00</u>	0 00
	EQUITY		
(1 00)	Ordinary Shares	<u>0 00</u>	0 00
<u>(4,080,749 88)</u>			<u>0 00</u>

Notes:

Notes

1

2

Appendix D

RSM RESTRUCTURING ADVISORY LLP

Charging, Expenses and Disbursements Policy Statement

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done
- The current charge rates for RSM Restructuring Advisory LLP Manchester are attached
- Time billed is subject to Value Added Tax at the applicable rate, where appropriate
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it
- RSM Restructuring Advisory LLP's charge out rates are reviewed periodically

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 1' disbursements
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 2' disbursements
- A resolution to consider approving 'category 2' disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP Manchester will be proposed to the relevant approving party in accordance with the legislative requirements
- General office overheads are not re-charged to the insolvency estate as a disbursement
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate

Appendix E

RSM RESTRUCTURING ADVISORY LLP

Joint Administrators' Current Charge Out and Disbursement Rates

	£
Partner	395
Directors / Associate Directors	300 – 350
Manager	260
Assistant Managers	190
Administrators	130 – 185
Support staff	130

"CATEGORY 2" DISBURSEMENT RATES	
Internal room hire	£165
Subsistence	£25 per night (from 3 rd September 2013) £23 per night (up to 2 nd September 2013)
Travel (car)	38p per mile (up to and including 31 March 2010) 40p per mile (from 1 April 2010) 42 5p per mile (from 1 April 2011)
"Tracker" searches	£10 per case

Appendix F

'Category 2' Disbursement Table		
Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest		
Recipient, Type and Purpose	Paid £	Unpaid £
Mileage	-	68 00
Total	-	68.00

Appendix G

Joint Administrators' Time Cost Analysis

For the Period from 26 February 2016 to 20 April 2016

Please note that we have re-designed our SIP9 analysis table to provide a more detailed analysis of the grades of staff within the firm. Please note that this change does not alter the value of time costs recorded, purely the column within the table to which that time, and cost, has been allocated.

SIP9 Summary Level 2

Winterhill Largo Property Limited
1079602 / 700 - Post Appointment Administration

For the period 20/02/2016 to 22/04/2016

Period	Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
From Jan 2003										
Administration and Planning										
Appointment		0.0	0.0	0.0	0.0	2.1	0.7	2.8	£ 446.50	159.46
Background information		0.0	0.0	0.0	0.0	0.0	0.0	0.2	£ 52.00	260.00
Case Management		5.0	3.5	0.4	2.2	1.8	0.2	13.1	£ 3,935.20	300.40
Director(s)/debtor/bankrupt		0.0	0.0	0.0	0.0	2.2	0.0	2.2	£ 423.70	192.59
Post-appointment - general		0.1	1.0	0.0	1.5	0.8	0.0	3.4	£ 748.50	220.15
Pre-appointment matters		0.0	1.0	0.0	0.0	1.9	0.0	2.9	£ 651.50	224.66
Receipts and Payments		0.0	0.0	0.0	0.0	2.6	0.1	2.7	£ 356.00	131.85
Statement of Affairs		0.0	0.2	0.0	0.0	0.0	0.0	0.2	£ 60.00	300.00
Tax Matters		0.0	0.0	0.0	0.0	0.5	0.0	0.5	£ 88.00	176.00
Total		5.1	5.7	0.6	3.7	11.9	1.0	28.0	£ 6,761.40	241.48
Investigations										
Investigations/CDDA		0.8	0.0	0.0	0.0	0.0	0.0	0.8	£ 316.00	395.00
Total		0.8	0.0	0.0	0.0	0.0	0.0	0.8	£ 316.00	395.00
Realisation of Assets										
Assets - general/other		0.0	0.0	2.5	0.0	0.5	0.0	3.0	£ 754.50	251.50
Debtors & sales finance		0.0	8.0	0.0	0.0	1.0	0.0	9.0	£ 2,590.00	287.78
Land and Property		0.6	1.0	1.5	0.5	0.6	0.0	4.2	£ 1,166.00	277.62
Sale of business		0.0	0.0	0.0	0.4	0.0	0.0	0.4	£ 76.00	190.00
Stock and WIP		1.0	0.0	0.0	0.0	0.0	0.0	1.0	£ 395.00	395.00
Total		1.6	9.0	4.0	0.9	2.1	0.0	17.6	£ 4,981.50	283.04
Creditors										
1st creditors/shareholders meetings and reports		0.0	0.0	0.0	0.0	0.7	0.0	0.7	£ 143.55	205.07
Employees		0.0	0.0	1.2	4.8	0.2	0.0	6.2	£ 1,278.10	206.15
Other Creditor Meetings and Reports		0.0	0.0	0.0	0.0	0.0	0.4	0.4	£ 62.00	155.00
Preferential Creditors		0.0	0.0	0.3	0.0	0.0	0.0	0.3	£ 78.00	260.00
Secured Creditors		0.5	7.0	0.0	0.0	0.0	0.0	7.5	£ 2,327.50	310.33
Unsecured Creditors		0.5	0.5	1.0	0.0	1.9	0.0	3.9	£ 986.50	252.95
Total		1.0	7.5	2.5	4.8	2.8	0.4	19.0	£ 4,875.65	256.61
Total Hours (From Jan 2003)		8.5	22.2	7.1	9.4	16.8	1.4	65.4	£ 16,934.55	258.94
Total Time Cost (From Jan 2003)		£ 3,357.50	£ 6,735.00	£ 1,846.00	£ 1,803.10	£ 3,036.95	£ 156.00	£ 16,934.55		
Total Hours		8.5	22.2	7.1	9.4	16.8	1.4	65.4	£ 16,934.55	258.94
Total Time Cost		£ 3,357.50	£ 6,735.00	£ 1,846.00	£ 1,803.10	£ 3,036.95	£ 156.00	£ 16,934.55		
Average Rates		395.00	303.38	260.00	191.82	180.77	111.43	258.94		

Appendix H

Analysis of Pre-Administration Costs

Pre-Administration Costs Charged / Incurred			
	£		
	Charged / Incurred	Paid	Unpaid
Administrators' fees	2,386 00	-	2,386 00
Administrators' expenses	8 00	-	8 00
Total	2,394.00	-	2,394 00

Appendix I

Joint Administrators' Pre-Appointment Time Cost Analysis

Please note that we have re-designed our SIP9 analysis table to provide a more detailed analysis of the grades of staff within the firm. Please note that this change does not alter the value of time costs recorded, purely the column within the table to which that time, and cost, has been allocated

SIP9 Summary Level 2

Winterhill Largo Property Limited

1079602 / 800 - Pre Appointment Administration

For the period 20/02/2016 to 04/03/2016

Period	Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
From Jan 2003										
Administration and Planning										
	Appointment	0.0	0.0	0.0	0.0	1.5	0.0	1.5	£ 285.00	190.00
	Background information	0.0	0.0	0.0	0.0	0.5	0.0	0.5	£ 95.00	190.00
	Case Management	1.0	0.0	0.0	0.0	0.0	0.0	1.0	£ 395.00	395.00
	Pre-appointment matters	1.0	2.0	0.2	0.8	1.4	0.0	5.4	£ 1,459.00	270.19
	Total	2.0	2.0	0.2	0.8	3.4	0.0	8.4	£ 2,234.00	265.95
Creditors										
	Employees	0.0	0.0	0.0	0.8	0.0	0.0	0.8	£ 152.00	190.00
	Total	0.0	0.0	0.0	0.8	0.0	0.0	0.8	£ 152.00	190.00
Total Hours (From Jan 2003)										
		2.0	2.0	0.2	1.6	3.4	0.0	9.2	£ 2,386.00	259.35
	Total Time Cost (From Jan 2003)	£ 790.00	£ 600.00	£ 52.00	£ 304.00	£ 640.00	£ 0.00	£ 2,386.00		
Total Hours										
		2.0	2.0	0.2	1.6	3.4	0.0	9.2	£ 2,386.00	259.35
	Total Time Cost	£ 790.00	£ 600.00	£ 52.00	£ 304.00	£ 640.00	£ 0.00	£ 2,386.00		
	Average Rates	395.00	300.00	260.00	190.00	188.24	0.00	259.35		

Appendix J

Joint Administrators' Fees Estimate

Activity	Scope and assumptions for work proposed to be done other than on a time costs basis
Investigations	It may be appropriate at a future stage to consider a fee linked to a successful outcome of any potential Administrators claims

[illegible]

Appendix K

Joint Administrators' Expenses Likely to be Incurred	
Bond	127 50
Statutory Advertising	81 13
Storage Agent (collection/storage of records)	190 00
Chattel Asset Agent Valuation	10,000
Legal Fees	10,000
Re-direction of mail	560 00
Total	20,958.63