



***Magna (Yorkshire) Investments Limited  
(in administration)***

High Court of Justice, Chancery Division, Leeds District Registry  
Case number 230 of 2013

**Joint administrators' final progress report for the  
period 21 August 2013 to 20 February 2014**

27 February 2014

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## These abbreviations are used in this report:

|  |                                      |                   |
|--|--------------------------------------|-------------------|
| Magna Holdings Limited                           | "Holdings"                           | } "the Companies" |
| Magna (Yorkshire) Investments Limited            | "Investments" or "the Company"       |                   |
| Lyn Vardy and Toby Underwood                     | "the joint administrators" or "we"   |                   |
| Schedule B1 of the Insolvency Act 1986           | "Sch.B1 IA86"                        |                   |
| The Insolvency Rules 1986                        | "IR86"                               |                   |
| National Australia Bank                          | "the Bank" or "the secured creditor" |                   |
| Freehold property in Barnsley                    | "Barnsley"                           |                   |
| Freehold property in Horbury, Wakefield          | "Horbury"                            |                   |
| Freehold property in Keighley                    | "Keighley"                           |                   |
| Freehold property at Lower Warrengate, Wakefield | "Lower Warrengate"                   |                   |

# 1. The joint administrators' final progress report

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## Introduction

We previously reported to you on 16 September 2013 and are now pleased to provide our final report on the administration as required by Rule 2.47 and 2.110 IR86.

This report covers the period 21 August 2013 to 20 February 2014. Further background information can be found in our proposals and first progress report, which are still available to view at [www.pwc.co.uk/magna](http://www.pwc.co.uk/magna).

We are required to provide certain statutory information, which is shown in Section 2 of this report. We are also required to provide a summary of our proposals, which is shown in Section 3.

Details of the steps taken during the administration and the outcome of the administration are set out below. For the reasons set out in this report, the purpose of the administration has been achieved and the administration came to an automatic end on 20 February 2014.

## Background information

As at the date of our appointment on 21 February 2013 the position as regards the Company was as follows:

- Investments, and a connected company Holdings, were part of a group of companies owned by the same shareholders. The group had been active in the Yorkshire property development market since 1978, and Investments was the main trading company.
- Investments owned and operated three multi-let commercial properties which offered 'easy-in, easy-out' office space (in Barnsley, Keighley and Horbury) and one other empty single-story investment property (Lower Warrengate).
- The Companies had been experiencing financial problems which led to the directors' decision to appoint administrators to protect the assets on behalf of creditors.
- On 21 February 2013, we were appointed as joint administrators of the Companies. The progress of the administration of Holdings is covered in a separate report. We have sought an extension of six months from the secured creditor for Holdings due to outstanding matters.

Immediately following our appointment, we took steps to protect and preserve the Company's main assets which comprised the three multi-let commercial properties and the empty single-storey investment property mentioned above, details of which are provided below:

- *McLintocks, Barnsley*  
This office space is 27,714 square feet in size and located near Barnsley town centre. It was over 90% occupied and generated an income of £157,000 per annum plus service charge recovery. This property was held on a freehold basis.
- *Charles Roberts Office Park, Horbury, Wakefield*  
The Horbury site is about three miles from Wakefield train station. It is a 17,737 square foot office space which was held on a long leasehold basis. Most of the tenants were on short notice tenancies.
- *Dalton Mills, Keighley*  
A grade 2 listed building in Keighley which is 45,681 square feet in size. It had 18 tenants in 25 units, and was held on a freehold basis. Part of the property was fire damaged; this part was owned by Trinity Agencies & Services Limited (not in administration).

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- *Magna Plaza, Lower Warrengate, Wakefield*

This property is 1,080 square feet and occupies the ground floor of a Travelodge hotel, close to Trinity Walk shopping centre and Wakefield town centre. The property was previously occupied by a bar operator but was empty at the time of the administrators' appointment. This property was held on a long leasehold basis.

## Steps taken during the administration

### *Trading*

Following an initial review, we concluded that the most appropriate strategy in order to achieve a better result for creditors was to take control of and continue to trade the multi-let properties whilst trying to sell them. In summary, this included:

- Ensuring all invoices were provided to and reviewed by us;
- Establishing robust reporting systems and controls to make sure that outstanding amounts were identified immediately and pursued by the Companies' staff;
- Providing undertakings to suppliers where necessary (and withdrawing them as and when properties were sold);
- Negotiating duress payments to unsecured creditors required for ongoing supply;
- Managing ad hoc repairs and maintenance to ensure tenants remained in situ.

On appointment the Companies employed seven people, split across Barnsley, Keighley and Horbury. We retained these employees to help us with the day to day running of the properties and set up systems to monitor and control trading.

Following the sale of the properties, five employees transferred to the purchasers. One was made redundant in the course of trading and one resigned. Until property sales were achieved, trading costs and expenses (mainly employee wages) were funded by ongoing trading.

During the trading period we collected rent of £52,388 and service charge monies of £25,646. However after all costs the trading period resulted in a loss of £39,424. This was funded from fixed charge monies as it was for the benefit of the fixed charge creditor.

### *Property issues*

We dealt with many issues since our appointment, including roof leaks at Keighley and Horbury where we took prompt steps to have these repaired. We also responded to tenants' needs and carried out various other maintenance and repairs.

At the date of our appointment, Horbury's utilities were provided by the long leasehold management company who were owed c£6k and were threatening to disconnect the services. To prevent disruption to utilities and tenants leaving, we agreed to pay this amount in instalments of £2,000 per month.

### *Realisation of assets*

- *Keighley*

The sale of this property completed on 15 May 2013 for £525,000, after negotiating an increase on an offer accepted by the directors prior to our appointment.

- *Barnsley*

This property was sold on 30 May 2013 for £820,000, after negotiations with interested parties.

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- *Lower Warrengate*

This property was initially entered into an auction but failed to attract interest. It was eventually sold on 27 September 2013 to the purchaser of the hotel above the property for £50,000.

- *Horbury*

This property was on the market before our appointment at £600,000 but hadn't attracted any offers. A revised market price of £400,000 and further negotiations by our agents, Eddisons, resulted in only limited interest. While still marketing the property, we also instructed Eddisons to enter it in their 18 September 2013 auction, where, unfortunately, it failed to meet the reserve of £250,000, with the best offer on the day being £245,000. Following the auction we spoke to all interested parties and went to best and final offers, resulting in an offer of £250,000, which we accepted. The sale completed on 8 November 2013.

- *Other realisations*

We have collected £8,455 of book debts, received a distribution of £3,300 from a pre-appointment debtor and received a total of £1,340 in interest.

There are no further assets to realise.

## **The fulfilment of our statutory duties**

### *VAT/Tax matters*

The Companies are part of a VAT group. We have completed and submitted quarterly VAT returns for the period of the administration.

Corporation tax returns for the post-appointment periods ended 14 November 2013, 31 December 2013 and 20 February 2014 were submitted on 4 February 2014. No corporation tax was payable in the administration.

### *Company Directors Disqualification Act*

We have a duty to review the conduct of everyone who has acted as a director of the Company and report to the Department of Business, Innovation and Skills on our findings. We can confirm that we have complied with this requirement, however, for confidentiality reasons we cannot give any further information.

All other statutory matters have been completed on an ongoing basis.

## **Final receipts and payments account**

An account of the final receipts and payments in the administration for the period from 21 August 2013 to 20 February 2014 is set out in Section 4 to this report.

## **Expenses statement**

A statement of the expenses incurred by the administrators in the period 21 August 2013 to 20 February 2014 is included at Section 5.

# 1. The joint administrators' final progress report

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## **Administrators' remuneration and disbursements**

The basis of our remuneration was approved by the secured creditor on 12 August 2013. Our remuneration is based on asset realisations and is fixed at 5% of gross property sales. Total property realisations over the course of the administration amounted to £1,645,000, and therefore the fee accrued during the administration is £82,250. This has now been paid.

We have also incurred and drawn disbursements of £358.63. Further information is shown in Section 6 of this report.

Creditors can find information on their rights regarding administrators' remuneration online at the following address:

<http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-administrators-fees-final.pdf>

A copy can be provided free of charge by telephoning Leanne Wall on 0113 289 4917.

## **Pre-administration costs**

Information regarding the approval of the pre-administration costs previously detailed in our proposals and first progress report can be found in Section 7 of this report.

## **Outcome for creditors**

### *Secured creditor*

At the time of our appointment the Bank was owed around £6.3m. £1,447,348 has been distributed to the Bank during the administration and so the Bank has not been paid in full.

### *Preferential creditors (mainly employees)*

There are no preferential claims because arrears of wages and holiday pay were paid during the trading period.

### *Unsecured creditors (Prescribed Part)*

The prescribed part is a fund that has to be made available for unsecured creditors. It is paid out of "net property". Net property is floating charge realisations after costs, and after paying - or setting aside enough funds to pay - preferential creditors in full. The prescribed part must only be made available where the floating charge was created on or after 15 September 2003.

The amount of the prescribed part is:

- 50% of net property up to £10,000
- 20% of net property above £10,000
- Subject to a maximum of £600,000.

The prescribed part applied in this case as there was a floating charge created after 15 September 2003. Net property is £6,741 which is below the minimum value of net property prescribed in insolvency legislation. As the costs of distributing this amount would be disproportionate to the benefits, no dividend to the unsecured creditors under the prescribed part in accordance with Section 176A(3) IA86.

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## Ending the administration

In our proposals we said the objective of the administration was to achieve a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in administration). We think the objective has been achieved because by trading whilst seeking sales of the properties as individual businesses we achieved a better result for creditors than if the Company was wound up.

In line with Paragraph 76 Sch. B1 IA86, our appointment came to an automatic end after one year. A notice will be filed with the Court to this effect.

## Discharge from liability

On 12 August 2013 the Bank, as secured creditor, resolved that we will be discharged from liability in respect of any action of ours 14 days after the filing of this final progress report.



Lyn Vardy  
Joint administrator  
Magna (Yorkshire) Investments Limited

*Lyn Vardy and Toby Underwood were appointed as joint administrators of the Company to manage its affairs, business and property as its agents. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.*

*The joint administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the administration.*

## 2. Statutory and other information

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|   |  |   |
|---|--|---|
| <b>Court details for the administration:</b>  | High Court of Justice, Leeds District Registry, Chancery Division, 230 of 2013   |   |
| <b>Full name (and trading name):</b>  | Magna (Yorkshire) Investments Limited  |   |
| <b>Registered number:</b>   | 05489355   |   |
| <b>Registered address:</b>  | Benson House, 33 Wellington Street, Leeds, LS1 4JP   |   |
| <b>Company directors:</b>   | Martin Nicholas Whiteley, Terence Hodgkinson, Anne Hodgkinson and Digby Richard Isherwood Lovel  |   |
| <b>Company secretary:</b>   | Anne Hodgkinson  |   |
| <b>Shareholdings held by the directors and secretary:</b>   | M N Whiteley<br>T Hodgkinson<br>A Hodgkinson<br>D R I Lovel  | 30 ordinary £1 shares<br>33 ordinary £1 shares<br>32 ordinary £1 shares<br>5 ordinary £1 shares |
| <b>Date of the administrators' appointment:</b>   | 21 February 2013   |   |
| <b>Administrators' names and addresses:</b>   | Lyn Leon Vardy of PricewaterhouseCoopers LLP, 1 East Parade, Sheffield, S1 2ET, and<br>Toby Scott Underwood of PricewaterhouseCoopers LLP, 101 Barbirolli Square, Lower Mosley Street, Manchester, M2 3PW                                  |   |
| <b>Appointor's / applicant's name and address:</b>  | The directors of the company of Charles Roberts Office Park, Charles Street, Horbury, Wakefield, WF4 5FH   |   |
| <b>Objective being pursued by the administrators:</b>   | (b) achieving a better result for the company's creditors as a whole than would be likely if the company was wound up (without first being in administration)  |   |
| <b>Division of the administrators' responsibilities:</b>  | Pursuant to paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 that any act required or authorised under any enactment to be done by an administrator may be done by either or both of the administrators acting jointly or alone. |   |
| <b>Proposed end of the administration:</b>  | Automatic end  |   |
| <b>Estimated dividend for unsecured creditors:</b>  | Nil  |   |
| <b>Estimated values of the prescribed part and the Company's net property:</b>                                  | Net property<br>Prescribed part  | £6,741<br>Nil   |
| <b>Whether and why the administrators intend to apply to court under Section 176A(5) IA86:</b>                  | No, in accordance with Section 176A(3) IA86, the prescribed part shall not apply.  |   |
| <b>The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):</b> | The European Regulation on Insolvency Proceedings applies to this administration and the proceedings are main proceedings.   |   |



### 3. Summary of the administrators' proposals

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The administrators made the following proposals for achieving the purpose of the administration:

- i) We shall continue to manage and finance the Companies' business, affairs and assets from trading revenues / asset realisations as we consider appropriate. We shall do this with a view to achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in administration).
- ii) We may investigate and, if appropriate, pursue any claims the Companies may have. We'll also do anything else we think appropriate, to achieve the purpose of the administration or to protect and preserve the Companies' assets or to maximise realisations or for any other purpose incidental to these proposals.
- iii) If we think there will be money for unsecured creditors in Investments, we may (but we won't have to) agree in principle the claims of unsecured creditors for confirmation by a subsequent liquidator or the administrators. The costs of doing this may be charged to the administration, as part of our fees, or paid out of the prescribed part, depending on whether or not there will be a dividend for unsecured creditors other than the prescribed part. If we choose not to agree the claims in principle and there is money for unsecured creditors, a subsequent liquidator will agree the claims.
- iv) If we think there will be money for unsecured creditors, we may (but we won't have to) ask the court to allow us to pay dividends to those creditors. If we choose not to ask the court for such an order and there is enough money for unsecured creditors, a subsequent liquidator will pay dividends to them.
- v) We may use one or more "exit route" strategies to end the administrations, but we're likely to choose from the following options as being the most cost effective and practical in this case:-
  - (a) If there aren't enough funds to pay a dividend to unsecured creditors, once we've finished our work we'll either file a notice with the Registrar of Companies and the Companies' will be dissolved three months later or we'll apply for a court order ending the administrations and for the Companies' to be wound up.
  - (b) If there are enough funds to pay a dividend to unsecured creditors in Investments, once we've disposed of all the assets and finished our work, we'll put the company into creditors' voluntary liquidation. If this happens, we propose that Lyn Vardy and Toby Underwood are appointed as Joint Liquidators and that any act required or authorised to be done by the Joint Liquidators can be done by either or both of them. Creditors may, before these proposals are approved, nominate a different person or persons as Liquidator(s), in accordance with Paragraph 83(7)(a) of Sch. B1 IA86 and Rule 2.117A(2)(b) IR86.
  - (c) Alternatively, if there are enough funds to pay a dividend to unsecured creditors in Investments, once we've finished disposing of the assets we'll apply to the court for permission to pay any surplus funds to unsecured creditors. If this is granted, we'll end the administration by filing notices with the Registrar of Companies and the company will be dissolved three months later. If we don't get permission we'll put the company into creditors' voluntary liquidation in accordance with paragraph (b) above or comply with the terms of any court order where different.
- vi) We'll be discharged from liability in respect of any of our actions as joint administrators at a time set by the secured creditor or if a dividend has been or may be paid to the preferential creditors, at a time set by the secured and preferential creditors or at a time set by the court.

### 3. Summary of the administrators' proposals

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- vii) We propose that the unpaid pre-administration costs set out at Appendix A (\*) are approved for payment as an expense of the administrations. The payment of unpaid pre-administration costs as an expense of the administrations is subject to approval under Rule 2.67A IR86 and is not part of the proposals subject to approval under Paragraph 53 Sch. B1 IA86. Because we've said we think the Companies' doesn't have enough assets to pay anything to unsecured creditors, we'll ask the secured creditor, or the secured and preferential creditors if we think there will be a dividend to preferential creditors, to agree these costs.
- viii) Because we've said we think the Companies don't have enough assets to pay anything to unsecured creditors we'll ask the secured creditors, or the secured and preferential creditors if we think there will be a dividend to preferential creditors to fix the basis of our fees. If creditors do not fix the basis of our fees and Category 2 disbursements, we may apply to the court to fix them no later than 18 months after the date of our appointments.

*(\*) Please refer to Section 7 for details of these.*

## 4. Final receipts and payments account

| Directors' statement of affairs |  | 21 February 2013 to 20 August 2013 | 21 August 2013 to 20 February 2014 | Total        |
|---------------------------------|--|------------------------------------|------------------------------------|--------------|
|                                 | <b>Fixed charge</b>                                | £                                  | £                                  | £            |
| 1,955,000.00                    | <b>Receipts</b>                                    |                                    |                                    |              |
|                                 | Freehold property                                  | 1,345,000.00                       | 300,000.00                         | 1,645,000.00 |
|                                 | Interest received                                  | 186.74                             | 16.20                              | 202.94       |
|                                 |  | 1,345,186.74                       | 300,016.20                         | 1,645,202.94 |
|                                 | <b>Payments</b>                                    |                                    |                                    |              |
|                                 | Agent's fees                                       | 20,425.00                          | 10,874.97                          | 31,299.97    |
|                                 | Agent's disbursements                              | 785.00                             | -                                  | 785.00       |
|                                 | Legal fees   | 14,291.00                          | 8,291.68                           | 22,582.68    |
|                                 | Legal disbursements                                | 189.79                             | 98.46                              | 288.25       |
|                                 | Insurance  | -                                  | 27,965.33                          | 27,965.33    |
|                                 | Office holder's fees (% of realisations)           | -                                  | 82,250.00                          | 82,250.00    |
| (3,878,074.00)                  | Distribution to secured creditor                   | 1,010,000.00                       | 430,607.87                         | 1,440,607.87 |
|                                 | Funding for trading                                | -                                  | 39,423.84                          | 39,423.84    |
|                                 |  | 1,045,690.79                       | 560,088.31                         | 1,645,202.94 |
| <b>(1,923,074.00)</b>           | <b>Fixed charge balance</b>                        | <b>299,495.95</b>                  | <b>(260,072.11)</b>                | -            |
|                                 | <b>Floating charge</b>                             | £                                  | £                                  | £            |
|                                 | <b>Receipts</b>                                    |                                    |                                    |              |
|                                 | Book debts   | 7,307.63                           | 1,147.74                           | 8,455.37     |
|                                 | Interest received                                  | 649.72                             | 487.31                             | 1,137.03     |
|                                 | Distributions received                             | -                                  | 3,300.53                           | 3,300.53     |
|                                 |  | 7,957.35                           | 4,935.58                           | 12,892.93    |
|                                 | <b>Payments</b>                                    |                                    |                                    |              |
|                                 | Statutory advertising                              | 75.37                              | -                                  | 75.37        |
|                                 | Bank charges                                       | 45.00                              | 30.00                              | 75.00        |
|                                 | Storage costs                                      | -                                  | 1,098.98                           | 1,098.98     |
|                                 | Legal fees   | -                                  | 4,236.50                           | 4,236.50     |
|                                 | Legal disbursements                                | -                                  | 307.88                             | 307.88       |
|                                 | Office holder's disbursements                      | -                                  | 358.63                             | 358.63       |
|                                 | Distribution to secured creditor                   | -                                  | 6,740.57                           | 6,740.57     |
|                                 |  | 120.37                             | 12,772.56                          | 12,892.93    |
| -                               | <b>Floating charge balance</b>                     | <b>7,836.98</b>                    | <b>(7,836.98)</b>                  | -            |
|                                 | <b>Trading</b>                                     | £                                  | £                                  | £            |
|                                 | <b>Receipts</b>                                    |                                    |                                    |              |
|                                 | Insurance claims and refunds                       | 9,440.00                           | -                                  | 9,440.00     |
|                                 | Service charges                                    | 16,599.15                          | 9,046.87                           | 25,646.02    |
|                                 | Post appointment trading sales                     | 56,166.09                          | (3,778.59)                         | 52,387.50    |
|                                 | Third party funds                                  | 1,928.76                           | 1,900.80                           | 3,829.56     |
|                                 | Interest received                                  | -                                  | 0.47                               | 0.47         |
|                                 | Funding from fixed charge funds                    | -                                  | 39,423.84                          | 39,423.84    |
|                                 |  | 84,134.00                          | 46,593.39                          | 130,727.39   |
|                                 | <b>Payments</b>                                    |                                    |                                    |              |
|                                 | Net wages  | 26,561.87                          | 5,563.47                           | 32,125.34    |
|                                 | PAYE   | 7,288.75                           | 1,167.05                           | 8,455.80     |
|                                 | Employee travel and subsistence                    | 300.96                             | -                                  | 300.96       |
|                                 | Duress payments                                    | 6,216.66                           | -                                  | 6,216.66     |
|                                 | Service charges                                    | 1,999.47                           | 3,510.17                           | 5,509.64     |
|                                 | Utilities and water rates                          | 31,953.18                          | 10,762.46                          | 42,715.64    |
|                                 | Repairs and maintenance                            | 10,567.37                          | 5,629.21                           | 16,196.58    |
|                                 | Waste collection and recycling services            | 437.98                             | 1,132.43                           | 1,570.41     |
|                                 | Laundry and cleaning                               | 2,543.66                           | 3,721.07                           | 6,264.73     |
|                                 | Telephone, fax and IT                              | 752.86                             | 777.72                             | 1,530.58     |
|                                 | Postage, stationary and printing                   | 157.35                             | -                                  | 157.35       |
|                                 | Other office costs                                 | 75.55                              | -                                  | 75.55        |
|                                 | Agent's fees                                       | 1,721.88                           | -                                  | 1,721.88     |
|                                 | Accountants' fees                                  | 482.00                             | 216.00                             | 698.00       |
|                                 | Third party funds                                  | -                                  | 3,829.56                           | 3,829.56     |
|                                 | Rates  | -                                  | 475.54                             | 475.54       |
|                                 | Security costs                                     | -                                  | 213.72                             | 213.72       |
|                                 | Irrecoverable VAT                                  | 48.65                              | 2,620.80                           | 2,669.45     |
|                                 |  | 91,108.19                          | 39,619.20                          | 130,727.39   |
| -                               | <b>Trading balance</b>                             | <b>(6,974.19)</b>                  | <b>6,974.19</b>                    | -            |
| (70,703.00)                     | Distribution to unsecured creditors                | -                                  | -                                  | -            |
|                                 | VAT Payable  | (6,311.90)                         | 6,311.90                           | -            |
| <b>(1,993,777.00)</b>           | <b>Balance on interest bearing current account</b> | <b>294,046.84</b>                  | <b>(254,623.00)</b>                | -            |

## 5. Statement of the administrators' expenses

| Category                                | Total expenses paid to<br>20 August 2013 | Total expenses paid to<br>20 February 2014 | Expenses outstanding<br>at 20 February 2014 | Expenses<br>incurred in<br>period |
|---|--|--|---|-----------------------------------|
|   | £  | £  | £   | £                                 |
| Accountants' fees                       | 482.00                                   | 698.00                                     | -   | 216.00                            |
| Agent's disbursements                   | 785.00                                   | 785.00                                     | -   | -                                 |
| Agent's fees                            | 21,966.88                                | 33,021.85                                  | -   | 11,054.97                         |
| Bank charges                            | 45.00                                    | 75.00                                      | -   | 30.00                             |
| Employee travel and subsistence         | 300.96                                   | 300.96                                     | -   | -                                 |
| Insurance                               | -  | 27,965.33                                  | -   | 27,965.33                         |
| Irrecoverable VAT                       | 48.65                                    | 2,669.45                                   | -   | 2,620.80                          |
| Laundry and cleaning                    | 2,543.66                                 | 6,264.73                                   | -   | 3,721.07                          |
| Legal disbursements                     | 1,516.25                                 | 596.13                                     | -   | 920.12                            |
| Legal fees                              | 15,315.00                                | 26,819.18                                  | -   | 11,504.18                         |
| Net wages                               | 28,380.14                                | 32,125.34                                  | -   | 3,745.20                          |
| Office holders' disbursements           | 168.05                                   | 358.63                                     | -   | 190.58                            |
| Office holders' fees                    | 66,727.00                                | 82,250.00                                  | -   | 15,523.00                         |
| Other office costs                      | 75.55                                    | 75.55                                      | -   | -                                 |
| PAYE                                    | 7,688.75                                 | 8,455.80                                   | -   | 767.05                            |
| Postage, stationary and printing        | 157.35                                   | 157.35                                     | -   | -                                 |
| Rates                                   | 785.40                                   | 475.54                                     | -   | 309.86                            |
| Repairs and maintenance                 | 10,567.37                                | 16,196.58                                  | -   | 5,629.21                          |
| Security costs                          | -  | 213.72                                     | -   | 213.72                            |
| Service charges                         | 3,998.94                                 | 5,509.64                                   | -   | 1,510.70                          |
| Statutory advertising                   | 75.37                                    | 75.37                                      | -   | -                                 |
| Storage costs                           | -  | 1,098.98                                   | -   | 1,098.98                          |
| Telephone, fax and IT                   | 1,022.51                                 | 1,530.58                                   | -   | 508.07                            |
| Utilities and water rates               | 35,202.05                                | 42,715.64                                  | -   | 7,513.59                          |
| Waste collection and recycling services | 437.98                                   | 1,570.41                                   | -   | 1,132.43                          |
| <b>Total</b>                            | <b>198,289.86</b>                        | <b>292,004.76</b>                          | <b>-</b>                                    | <b>93,714.90</b>                  |

## 6. Summary of the administrators' costs and disbursements

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### Key areas of our work

The key areas of work carried out over the course of the administration have been: -

| Area of work                  | Work undertaken in the period includes:   |
|-------------------------------|---|
| Strategy and planning         | <ul style="list-style-type: none"><li>• Case progression and planning meetings</li><li>• Making initial strategy decisions</li><li>• Administration closure tasks</li></ul>   |
| Statutory and compliance      | <ul style="list-style-type: none"><li>• Statutory letters and notices required on appointment</li><li>• Preparation of our proposals</li><li>• Preparation and submission of CDDA report</li><li>• Regulatory internal case reviews</li><li>• Progress reports to creditors</li></ul>   |
| Assets                        | <ul style="list-style-type: none"><li>• Dealing with roof leaks and other property maintenance issues</li><li>• Liaising with insurers</li><li>• Negotiating, marketing and completing the sales of all properties</li></ul>  |
| Accounting and treasury       | <ul style="list-style-type: none"><li>• Opening new bank accounts</li><li>• Monthly bank reconciliations</li><li>• Payment of costs</li><li>• Account postings for income received</li></ul>  |
| Reporting to secured creditor | <ul style="list-style-type: none"><li>• Quarterly update reports to the Bank</li><li>• Various ad-hoc email updates</li><li>• Obtaining fee approval</li><li>• General liaison with the secured creditor</li></ul>  |
| Tax/VAT/Pensions              | <ul style="list-style-type: none"><li>• Initial tax and VAT reviews</li><li>• Pre-appointment VAT returns</li><li>• VAT returns for the periods ending 30 June 2013, 30 September 2013 and 31 December 2014</li><li>• Preparation and submission of corporation tax returns for the periods ended 14 November 2013, 31 December 2013 and 20 February 2014</li><li>• Obtaining tax clearance</li></ul> |
| Employees                     | <ul style="list-style-type: none"><li>• Initial correspondence with employees on appointment</li><li>• Transferring employees to the purchasers of Barnsley, Keighley and Horbury</li><li>• Payment of wages, PAYE and NIC</li></ul>  |
| Trading                       | <ul style="list-style-type: none"><li>• Site visits and liaising with employees</li><li>• Liaising with suppliers and negotiating commitments where necessary</li><li>• Liaising with tenants</li><li>• Monitoring rent collection and chasing debtors</li><li>• Monitoring cash flows</li><li>• Making payments and recording receipts</li></ul>   |

## 6. Summary of the administrators' costs and disbursements

### Disbursements

Our firm's expenses policy allows for all properly incurred expenses to be recharged to the case.

Disbursements for services provided by our firm (Category 2 disbursements) are charged as follows:

|                      |  |
|----------------------|--|
| <i>Photocopying:</i> | At 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying. |
| <i>Mileage:</i>      | At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc).       |

We incurred the following disbursements (excluding VAT) over the course of the administration:

| Category                         | Policy   | Cost<br>£     |
|----------------------------------|--|---------------|
| 1                                | All disbursements not falling under category 2 are recharged at cost   | 144.94        |
| 2                                | Photocopying is charged at 5 pence per sheet copied - only charged for circulars to creditors and other bulk copying | 37.35         |
| 2                                | Mileage is charged at a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)             | 176.34        |
| <b>Total to 20 February 2014</b> |  | <b>358.63</b> |

### Summary of legal and other professional firms

We have instructed the following professional services firms over the course of the administration:

| Service provided | Name of firm / organisation | Reason selected            | Basis of fees         |
|------------------|-----------------------------|----------------------------|-----------------------|
| Agency services  | G I Group                   | Availability and expertise | Hourly rate           |
| Agency services  | GMS Legal Services          | Expertise and knowledge    | Fixed fee             |
| Agency services  | Eddisons                    | Expertise and knowledge    | Property realisations |
| Payroll services | Armstrong Watson            | Ability and experience     | Fixed fee per month   |
| Legal services   | DLA Piper                   | Expertise and knowledge    | Time costs            |

We require all third party professionals to submit time costs analyses and narratives (where appropriate) in support of invoices rendered so that we may decide if the costs incurred are reasonable.

## 7. Pre-administration costs

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The following are costs incurred prior to our appointment but with a view to the Company entering administration:

|   | <b>Paid</b>   | <b>Unpaid</b> |
|---|---------------|---------------|
| Fees charged by the administrators  | -             | £3,654        |
| Expenses incurred by the administrators   | £3,000        | -             |
| Fees charged by other persons qualified to act as an insolvency practitioner      | -             | -             |
| Expenses incurred by other persons qualified to act as an insolvency practitioner | -             | -             |
| <b>Total</b>  | <b>£3,000</b> | <b>£3,654</b> |

Prior to our appointment we incurred time costs of £3,654 for placing the Company into administration. We spent time on:

- Statutory and planning work in relation to the appointment, including internal compliance and risk procedures;
- Discussions with the Bank regarding the appointment; and
- Discussions with lawyers and advisors regarding legal issues and placing Investments into administration.

We needed to spend time on these matters so that the Company could be placed into administration in an orderly manner for the benefit of creditors. We have not sought approval for these pre-appointment fees.

Pre-appointment expenses incurred by the administrators are legal fees in relation to the appointment. These have now been paid, following approval by the secured creditor on 12 August 2013.