



**Parkridge Holdings Limited –  
in Administration**

**High Court of Justice, Chancery Division,  
Companies Court  
Case No. 7485 of 2011**

**Joint Administrators' first and final  
progress reports for the period from  
24 August 2011 to 23 February 2012,  
and to 18 March 2012**

**22 March 2012**

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## Abbreviations used in this report

"the Company"	Parkridge Holdings Limited
"the Administrators"	David Matthew Hammond and Robert Jonathan Hunt
"Sch. B1 IA86"	Schedule B1 of the Insolvency Act 1986
"IR86"	The Insolvency Rules 1986
"IA86"	The Insolvency Act 1986
"PwC"	PricewaterhouseCoopers LLP

# **1. Joint Administrators' progress report for the period from 24 August 2011 to 23 February 2012, and to 18 March 2012**

## **Introduction**

In accordance with Rule 2.47 and Rule 2.110 IR86, the Administrators write to provide creditors with details of the progress of the Administration of the Company in the six months since the Administrators' appointment on 24 August 2011 and to the date the Administrators will apply to move the Company to Creditors Voluntary Liquidation ("Liquidation").

The Administrators are required to provide certain statutory information pursuant to Rule 2.47 (1)(a) to (d) IR86, which is included in Section 2. The Administrators are also required to provide a summary of their proposals, which is shown at section 3.

In this report, the Administrators have provided creditors with an estimate of the likely dividend available from the prescribed part which may be payable in due course. However there are material uncertainties regarding future net realisations and the final level of creditor claims. These matters are discussed below.

## **Background information and initial actions taken by the Administrators**

As at the date of the Administrators' appointment on 24 August 2011, the position as regards the Company was as follows: -

- The Company was established in 2007 as the parent of a large multinational group of companies ("the Group") which develop industrial warehousing, business centres, retail warehousing, shopping centres and residential developments in the UK and Europe.
- The Administrators' appointment arose as a consequence of the Group being unable to complete a range of transactions, mainly in Poland, before a series of winding up petitions were presented and significant creditor pressure led to the decision for the appointment of administrators.

The Company has two secured creditors, Royal Bank of Scotland ("RBS") and Prologis Germany X B.V ("Prologis"). RBS hold fixed and floating charge security over the Company's assets secured by a debenture created on 31 March 2008. Prologis hold a second ranking fixed and floating charge debenture created on 8 September 2008.

Following an initial review, the Administrators concluded that the most appropriate strategy was to seek to identify assets and Group companies which would provide the greatest opportunity to recover value into the Company via intercompany balances.

Immediately following their appointment, the Administrators took steps to protect and preserve the Company's assets. These assets comprised of: -

- Intercompany claims against associated companies;
- A motor vehicle;
- Office equipment, fixtures and fittings;
- Anticipated dividend payments in respect of claims against insolvent associated companies.

## **Objective of the Administration**

It was not practicable to rescue the Company as a going concern or achieve 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). Therefore, the statutory purpose being pursued in relation to the Company is

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objective (c) realising property in order to make a distribution to one or more secured or preferential creditors.

The Administrators believe that the statutory purpose will be achieved by virtue of the Administrators strategy to preserve value in the Group's assets with funds being returned to the Company through intercompany balances and shareholdings.

## **Realisation of assets**

### **Intercompany claims**

In November 2011, the secured creditors for facilities provided to subsidiaries in Poland, completed a transaction to take control of a number of assets owned through joint ventures in which the Polish subsidiaries held an interest. These transactions resulted in the recovery of the sum of £1,302,798 on account of intercompany balances owing to the Company. In addition, as part of this transaction, the debt to Prologis was reduced by £13,544,000, as shown in the attached receipts and payments account.

Further transactions in Poland are anticipated and additional funds may be received following the sale of a site owned by an associated company in Bulgaria. However the transaction in Bulgaria is dependent on the amount of the sale proceeds and the level of creditor claims in the associated Company.

### **Motor vehicle**

The sum of £3,975 has been received by the Administrators in respect of the sale of a motor vehicle.

### **Office equipment, fixtures and fittings**

The office equipment and fixtures and fittings valued at approximately £5,000 as stated in the proposals, were subsequently found to be the property of Parkridge Gate Developments Limited. However, £25 has been realised from the sale of a mobile phone.

### **Dividends**

At present, it is anticipated that up to £130,000 may be received in the liquidation as a result of dividend distributions from insolvent associated companies, the timing of which is uncertain.

## **Other Issues**

### **CDDA**

The Administrators have a duty to review the conduct of everyone who has acted as a director of the Company in the three years prior to the Administration and report to the Department for Business, Innovation and Skills on their findings. The Administrators can confirm that this requirement has been completed; however, for confidentiality reasons the content cannot be disclosed.

### **VAT/Tax matters**

During the Administration, the Company continued to be registered for VAT, and quarterly returns have been prepared and submitted to HMRC since the date of appointment. Corporation tax returns are also being prepared for submission to HMRC once the current tax period ends upon the move to Liquidation.

## **Approval of the Administrators' proposals**

On 13 October 2011, the Administrators circulated to creditors their proposals for achieving the purpose of administration.

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The Administrators stated in their proposals that they had formed the view that the Company had insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part to be set aside in accordance with Section 176A IA86.

The Administrators' proposals were deemed approved in accordance with Rule 2.33(5) IR86, a meeting of creditors not having been requisitioned by creditors in the prescribed manner.

## **Receipts and payments account**

An account of the receipts and payments in the Administration for the period from 24 August 2011 to 23 February 2012, and to 18 March 2012 is set out in Section 4.

Receipts in the period include £1,302,798 and £13,544,000 in respect of intercompany debts, and payments include legal costs of £120,965 resulting from the extensive legal involvement by our solicitors in completing the aforementioned transaction in Poland.

## **Expenses statement**

A statement of the expenses incurred by the Administrators in the period 24 August 2011 to 23 February 2012, and to 18 March 2012, is included at Section 5.

The statement excludes any potential tax liabilities that may be payable as an expense of the Administration in due course because amounts due will depend on the position at the end of the tax accounting period.

## **Administrators' remuneration**

As stated in the proposals, the Administrators believe that the Company has insufficient property to enable a distribution to be made to non-preferential creditors other than by virtue of the prescribed part. Therefore, the Administrators have obtained approval for their remuneration to be paid on a time cost basis from the secured creditors, RBS and Prologis, and from the preferential creditors.

The time cost charges incurred in the period covered by this report are £280,928. This amount does not necessarily reflect the amount that will be paid as remuneration to the Administrators for this period by the subsequently appointed liquidators. In accordance with the requirements of Statement of Insolvency Practice 9, a full analysis of the Administrators' time costs and Category 2 disbursements for the period 24 August 2011 to 23 February 2012, and to 18 March 2012, is provided in Section 6.

## **Creditors' rights**

A statement of creditors' rights in relation to the Administrators' remuneration and expenses is set out at Section 8.

## **Pre-Administration costs**

Information regarding the approval of the unpaid pre-Administration costs previously detailed in the Administrators' proposals can be found at Section 7 of this report.

## **Outcome for creditors**

### **Secured Creditors**

On appointment, RBS and Prologis were owed approximately £15m and £80m respectively. It is presently anticipated that the secured creditors will suffer a shortfall under their security.

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In the period from 24 February 2012 to 18 March 2012, the sum of £200,000 has been distributed to RBS. In addition, Prologis recovered c.£13m of their indebtedness directly from the aforementioned transaction in Poland.

## **Preferential Creditors**

The Administrators envisage that preferential creditors totalling £25,000 will be repaid in full during the liquidation.

## **Unsecured Creditors**

It is not anticipated that there will be a distribution to the unsecured creditors of the Company other than by virtue of the prescribed part. It is currently estimated that the Company's net property will be in the region of £14.4m. Consequently, it is anticipated that the prescribed part will be £600,000, the maximum payable. Considering the current level of creditor claims, this is likely to represent an approximate dividend of up to 1.9p in the £. However, at this stage, the Administrators are unable to confirm the quantum or timing of the distribution as this primarily depends on the final level of unsecured creditors.

Once the Company has moved into Liquidation, the liquidators will continue in their efforts to complete the asset realisations but at present the timescale is uncertain.

Creditors who have not yet submitted their claim, or evidence in support of their claim, are invited to do so forthwith.

## **Exit route from Administration**

The Administrators believe the purpose of the Administration has been achieved and in accordance with the Administrators' proposals and Paragraph 83(1) of Sch. B1 IA86, the Administration will end upon the registration of Form 2.34B and this final progress report by the Registrar of Companies. The Company will be placed into Liquidation and Robert Jonathan Hunt and David Matthew Hammond will be appointed joint liquidators. Alternative exit routes would necessitate an extension to the Administration and an application to Court for permission to distribute the prescribed part to unsecured creditors. Consequently these exit routes would entail higher costs to the Administration, in comparison with a move to liquidation.

The balance of funds shown on the attached receipts and payments account will be passed to the liquidators following their appointment. Any VAT payable or receivable will be dealt with by the liquidators.

## **Discharge**

As determined by the secured and preferential creditors, the Administrators will be discharged from liability pursuant to Paragraph 98(1) Sch. B1 IA86 in respect of any action of theirs as Administrators, when their appointment as Administrators ceases to have effect.



Rob Hunt  
Joint administrator

*Robert Jonathan Hunt and David Matthew Hammond have been appointed as joint administrators of the Company to manage its affairs, business and property as its agents, without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.*

## 2. Statutory and other information

<b>Court details for the Administration:</b>	High Court of Justice, Chancery Division, Companies Court, Case no. 7485 of 2011
<b>Full name:</b>	Parkridge Holdings Limited
<b>Trading name:</b>	Parkridge Holdings Limited
<b>Registered number:</b>	06064315
<b>Registered address:</b>	Benson House, 33 Wellington Street, Leeds, LS1 4JP
<b>Company directors:</b>	Robert Charles Sporle, Ben Bannatyne, John Charles Cutts
<b>Company secretary:</b>	Corin Robert Winfield
<b>Shareholdings held by the directors and secretary:</b>	John Charles Cutts - 30%
<b>Date of the Administration appointment:</b>	24 August 2011
<b>Administrators' names and addresses:</b>	Robert Jonathan Hunt and David Matthew Hammond, PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT
<b>Appointor's / applicant's name and address:</b>	Prologis Germany X B. V, World Trade Center Schipol Airport, Tower F, 6 <sup>th</sup> Floor Schipol Boulevard 115, 1118 B G Schipol Airport, Netherlands.
<b>Objective being pursued by the Administrators:</b>	c) Realising property in order to make a distribution to one or more secured or preferential creditors.
<b>Division of the Administrators' responsibilities:</b>	In relation to paragraph 100(2) Sch.B1 IA86, during the period for which the Administration is in force, the Administrators acknowledge that their powers and liabilities in respect of the appointment are joint and several.
<b>Proposed end of the Administration:</b>	Creditors voluntary liquidation
<b>Estimated dividend for unsecured creditors:</b>	Circa 1.9 pence in the £
<b>Estimated values of the prescribed part and the company's net property:</b>	Prescribed Part: £600,000 Net Property: £14,444,000
<b>Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:</b>	Not applicable
<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.
<b>Any other information which the Administrators think necessary to enable creditors to decide whether or not to vote for adoption of the proposals:</b>	Not applicable

### **3. Summary of Administrators proposals**

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#### **b. Proposals for achieving the purpose of the Administration**

The Administrators make the following proposals for achieving the purpose of administration.

- i) The Administrators will continue to manage and finance the Company's business, affairs and property from asset realisations in such manner as they consider expedient with a view to realising property in order to make a distribution to one or more secured or preferential creditors.
- ii) The Administrators may investigate and, if appropriate, pursue any claims that the Company may have under the Companies Act 2006 or IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals.
- iii) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator or the Administrators and that the costs of so doing be met as a cost of the Administration out of the Prescribed Part as costs associated with the Prescribed Part.
- iv) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) Sch.B1 IA86.
- v) If the Administrators believe that it is considered advantageous to extend the Administrations beyond the statutory period of one year, the Administrators shall either apply to Court or seek the consent of the appropriate classes of creditors for an extension.
- vi) As it is expected that there will be insufficient funds to enable a distribution to unsecured non-preferential creditors of the Company other than by virtue of the Prescribed Part, the Administrators do not propose to form a creditors committee.
- vii) The Administrators will, at their discretion, make an application to the court under section 176A(5) IA86 for an order not to distribute the Prescribed Part to unsecured creditors if the Administrators conclude that the cost of making a distribution would be disproportionate to the benefits.
- viii) The Administrators may use any or a combination of "exit route" strategies in order to bring the Administration to an end, but in this particular instance the Administrators are likely to wish to pursue the following options as being the most cost effective and practical in the present circumstances: -
  - (a) If it transpires that there are insufficient funds with which to make a distribution to unsecured non-preferential creditors, once all of the assets have been realised and the Administrators have concluded all work within the Administration, the Administrators will file a notice under Paragraph 84(1) Sch.B1 IA86 with the Registrar of Companies, following registration of which the Company will be dissolved three months later.
  - (b) If sufficient funds become available to make a distribution to unsecured non-preferential creditors, once asset disposals are complete, the Administrators will place the Company into creditors' voluntary liquidation. In these circumstances, it is proposed that David Matthew Hammond and Robert Jonathan Hunt be appointed as Joint Liquidators and any act required or authorised to be done by the Joint Liquidators may be done by either or both of them. In accordance with Paragraph 83(7) Sch.B1 IA86 and Rule 2.117A(2)(b) IR86, creditors may nominate alternative liquidators, provided that the nomination is made before the proposals are approved; or



### 3. Summary of Administrators proposals

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- (c) Once asset disposals are complete, the Administrators will apply to the Court to allow the Administrators to distribute surplus funds, if any, to unsecured non-preferential creditors. If such permission is given, the Administration will be brought to an end by notice to the Registrar of Companies under Paragraph 84 Sch.B1 IA86, following registration of which the Company will be dissolved three months later. If permission is not granted the Administrators will place the Company into creditors' voluntary liquidation or otherwise act in accordance with any order of the court.
- ix) The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch.B1 IA86 in respect of any action of theirs as Administrators of the Company at a time determined by the secured and, if appropriate, preferential creditors.
- x) It is proposed that the unpaid pre-Administration costs detailed at Appendix A are approved for payment as expenses of the Administration. In the circumstances of this case it will be for the secured and, if appropriate, preferential creditors to approve the payment of the unpaid pre-Administration costs as expenses of the Administration.
- xi) It is proposed that the Administrators' fees be fixed under Rule 2.106 of the Insolvency Rules 1986 by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that disbursements for services provided by the Administrators' own firm (defined as Category 2 disbursements in Statement of Insolvency Practice No.9) be charged in accordance with the Administrators' firm's policy. A copy of "A Creditors' Guide to Administrators' Fees from Statement of Insolvency Practice No.9 produced by the Association of Business Recovery Professionals is available from the Administrators on request. As the Administrators have stated that they think that the Company has insufficient property to enable a distribution to be made to non-preferential unsecured creditors other than by virtue of Section 176A IA86, it will be for the secured creditors and, if appropriate, preferential creditors to determine these. In any event, the basis of the Administrators' remuneration and Category 2 disbursements are to be fixed no later than 18 months after the date of the Administrators' appointment.

## 4. Receipts and payments account for the period from 24 August 2011 to 23 February 2012, and to 18 March 2012

	24 August 2011 to 23 February 2012	24 February 2012 to 18 March 2012	Total	Directors' statement of affairs (£)
<b>FIXED CHARGE REALISATIONS</b>				
None	-	-	-	-
	-	-	-	-
<b>FIXED CHARGE COSTS OF REALISATIONS/PAYMENTS</b>				
None	-	-	-	-
	-	-	-	-
<b>BALANCE OF FIXED CHARGE FUNDS</b>	-	-	-	-
<b>FLOATING CHARGE REALISATIONS</b>				
Intercompany debtors	1,302,798.36	-	1,302,798.36	4,150,000.00
Intercompany debtors	13,544,000.00	-	13,544,000.00	
Interest received	119.94	894.53	1,014.47	-
Motor vehicles	3,975.00	-	3,975.00	-
Office equipment	25.00	-	25.00	-
	<b>14,850,918.30</b>	<b>894.53</b>	<b>14,851,812.83</b>	<b>4,150,000.00</b>
<b>Payments</b>				
Bank charges	-	15.00	15.00	
Consultancy fees	1,275.00	-	1,275.00	-
Insurance	612.68	-	612.68	-
Legal fees and expenses	121,854.68	-	121,854.68	-
Mail re-direction	108.80	54.40	163.20	-
Professional fees	500.00	-	500.00	-
Security	158.00	-	158.00	-
Statement of affairs costs	147.25	-	147.25	-
Storage costs	1,131.88	-	1,131.88	-
Third party payments	168.62	-	168.62	-
	<b>125,956.91</b>	<b>69.40</b>	<b>126,026.31</b>	-
<b>PREFERENTIAL CREDITORS</b>				
Employees arrears of wages and holiday pay	-	-	-	-
<b>BALANCE OF FLOATING CHARGE FUNDS</b>	<b>14,724,961.39</b>	<b>825.13</b>	<b>14,725,786.52</b>	<b>4,150,000.00</b>
<b>DISTRIBUTION TO FLOATING CHARGE CREDITORS</b>				
Distribution to Royal Bank of Scotland	-	(200,000.00)	(200,000.00)	-
Distribution to Prologis Germany X B.V	(13,544,000.00)	-	(13,544,000.00)	
<b>NET BALANCE</b>	<b>1,180,961.39</b>	<b>(199,174.87)</b>	<b>981,786.52</b>	<b>4,150,000.00</b>
<b>VAT payable/(receivable)</b>	<b>(41,701.41)</b>	-	<b>(41,701.41)</b>	
<b>Balance held in a high interest account</b>	<b>1,139,259.98</b>	<b>(199,174.87)</b>	<b>940,085.11</b>	

## 5. Statement of expenses incurred for the period from 24 August 2011 to 23 February 2012, and to 18 March 2012

	Paid to 23 February 2012	Paid to 18 March 2012	Incurred but not paid to 18 March 2012
Expenses incurred by the Administrators	£	£	£
Bank charges	Nil	15.00	Nil
Consultancy fees	1,275.00	Nil	Nil
Insurance	612.68	Nil	Nil
Legal fees & expenses	121,854.68	Nil	Nil
Mail re-direction	108.80	54.40	Nil
Office holders' fees	Nil	Nil	276,637.00
Office holders' disbursements (travel/photocopying/postage etc)	Nil	Nil	1,265.10
Professional fees	500.00	Nil	Nil
Security	158.00	Nil	Nil
Statement of affairs costs	147.25	Nil	Nil
Storage costs	1,131.88	Nil	Nil

## 6. Analysis of the Administrators' remuneration and Category 2 disbursements for the period 24 August 2011 to 23 February 2012, and to 18 March 2012

### Narrative of work carried out for the period 24 August 2011 to 23 February 2012, and to 18 March 2012

The key areas of work have been

- Strategy and planning issues;
- Statutory and other compliance;
- Realisation of assets (inter-company debts);
- Investigations (inter-company debts and directors' conduct).

### Charge-out rate summary for the period 24 August 2011 to 23 February 2012

#### Summary of time charged to 23 February 2012

Classification of work	Partner / Director (Hrs)	Senior Manager / Manager (Hrs)	Executive (Hrs)	Analyst / Support (Hrs)	Total hours (Hrs)	Time cost (£)	Average hourly rate (£/hr)
Strategy and planning	8.8	37.7	-	-	46.4	16,206.35	349
Accounting and treasury	-	4.9	3.4	10.8	19.0	3,753.12	198
Statutory and other compliance	0.5	70.2	80.2	9.5	160.3	36,352.66	227
Freehold/leasehold property	-	32.0	1.0	2.9	35.9	10,158.30	283
Other assets	216.2	27.7	18.7	-	262.6	155,060.75	591
Trading	-	2.3	-	0.4	2.7	737.40	278
Employees / pensions	-	8.6	26.0	10.6	45.1	9,546.45	212
Tax/VAT	3.5	25.2	4.8	-	33.6	14,003.72	417
Creditors	-	20.9	12.3	6.7	39.8	9,547.55	240
Reporting	-	-	-	-	-	-	-
Investigations	-	4.8	17.4	-	22.2	4,381.25	198
Closure/exit routes	-	-	0.8	-	0.8	134.40	168
Sale of business	8.9	-	-	-	8.9	4,628.00	520
Site clearance	-	-	-	3.5	3.5	504.00	144
<b>Total to 23 February 2012</b>	<b>237.9</b>	<b>234.1</b>	<b>164.4</b>	<b>44.3</b>	<b>680.6</b>	<b>265,013.95</b>	<b>389</b>

## 6. Analysis of the Administrators' remuneration and Category 2 disbursements for the period 24 August 2011 to 23 February 2012, and to 18 March 2012

### Charge-out rate summary for the period 24 February 2012 to 18 March 2012

#### Summary of time charged 24 February 2012 to 18 March 2012

Classification of work	Partner / Director (Hrs)	Senior Manager / Manager (Hrs)	Executive (Hrs)	Analyst / Support (Hrs)	Total hours (Hrs)	Time cost (£)	Average hourly rate (£/hr)
Strategy and planning	-	-	-	-	-	-	-
Accounting and treasury	-	1.8	-	2.3	4.0	1,510.00	378
Statutory and other compliance	-	2.8	23.3	-	26.1	4,799.65	184
Freehold/leasehold property	-	-	-	-	-	-	-
Other assets	2.0	8.1	-	-	10.1	6,191.00	613
Trading	-	-	-	-	-	-	-
Employees / pensions	-	-	-	-	-	-	-
Tax/VAT	-	3.7	1.6	-	5.3	1,711.80	323
Creditors	-	0.5	-	-	0.5	157.90	316
Reporting	2.0	-	-	-	2.0	1,460.00	730
Investigations	-	-	0.5	-	0.5	84.00	168
Closure/exit routes	-	-	-	-	-	-	-
Sale of business	-	-	-	-	-	-	-
Site clearance	-	-	-	-	-	-	-
<b>Total to 18 March 2012</b>	<b>4.0</b>	<b>16.8</b>	<b>25.4</b>	<b>2.3</b>	<b>48.5</b>	<b>15,914.35</b>	<b>328</b>

Current charge out rates	Supervisors' staff	Specialist (max)	The time charged to the administration is by reference to the time properly given by the Administrator's and their staff in attending to matters arising. It is the Administrator's policy to delegate tasks in the arrangement to appropriate members of staff considering their level of experience and any requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or the Administrator's themselves.
Grade	£/hr	£/hr	
Partner	730	840	Set out here are the relevant charge-out rates per hour worked for the grades of the Administrator's staff actually or likely to be involved on this assignment. Time is charged by reference to actual work carried out on the assignment. There has been no allocation of any general costs or overhead costs. In common with all professional firms, the scale rates used by the Administrator's may periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. Any material amendments to these rates will be advised to the creditors and / or the creditors' committee in the next statutory report. Specialist departments within PricewaterhouseCoopers LLP, such as Tax, VAT and Pensions, do sometimes charge a small number of hours, should we require their expert advice. Their rates do vary, however, the figures shown give an indication of the maximum rate per hour.
Director	436	793	
Senior manager	383	541	
Manager	299	357	
Executive (qual)	226	268	
Executive (unqual)	168	268	
Analyst	142	221	
Support Staff	76	-	

Parkridge Holdings Limited - in Administration

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## 6. Analysis of the Administrators' remuneration and Category 2 disbursements for the period 24 August 2011 to 23 February 2012, and to 18 March 2012

### Disbursements for services provided by the Administrators' own firm(s) (Category 2 disbursements)

The Administrators' firm's expenses policy allows for all properly incurred expenses to be recharged to the case. Disbursements are charged to the assignment as follows: -

<b>Policy</b>	<b>Costs to date £</b>
Photocopying is charged at 5 pence per sheet for creditors and bulk copying.	51.94
Mileage - At a maximum of 64pence per mile (up to 2,000cc) or 81 pence per mile (over 2,000cc).	164.67
All other disbursements are charged at cost	1,113.37
<b>Total to 18 March 2012</b>	<b>1,329.98</b>

The Administrators' have incurred disbursements of £1,329.98 in the period to 18 March 2012. This balance will be drawn shortly.

### Summary of legal and other professional firms instructed in the period 24 August 2011 to 18 March 2012

<b>Service provided</b>	<b>Name of firm / organisation</b>	<b>Reason selected</b>	<b>Basis of fees</b>
Accountancy services	Corin Winfield	Local knowledge & expertise	Daily rate
Accountancy services	Jon Read	Local knowledge & expertise	Daily rate
Archiving of company records	Paul Naish	Local knowledge & expertise	Daily rate
Employee services	Clear and Lane	Expertise	Time costs
Legal advice	Wragge & Co	Specialist industry knowledge & expertise	Time costs plus disbursements
Photocopying	Mitie	Facilities available	Unit price
Statutory assistance	Douglas Wood	Local knowledge & expertise	Daily rate

## 7. Approval of unpaid pre-Administration costs

Prior to their appointment, the Administrators incurred time costs totalling £113,945 in relation to work undertaken on the Group up to the point when the Company was placed into Administration. In addition, the legal fees incurred pre-appointment amount to £25,000.

Specifically, time was spent by the Administrators and their staff on the following matters:

- A review undertaken to understand the current financial position of the Group and potential insolvency strategies;
- Statutory planning work in relation to the Administration appointment, including internal compliance and risk procedures;
- Discussions with the secured creditors regarding the winding up petitions and the subsequent appointment; and
- Discussions with lawyers and advisors regarding legal issues and placing the Company into Administration.

It was necessary for time to be spent on these matters in order that the Company could be placed into Administration in an orderly manner for the benefit of creditors.

No costs have been paid to the Administrators' firm prior to appointment in relation to the Administration,

The amount of unpaid fees is set out below. Payment of unpaid pre-Administration costs as an expense of the Administration is subject to approval in the same manner as the Administrators' remuneration and certain disbursements and is not part of the Administrators' proposals subject to approval under Paragraph 53 Sch.B1 IA86. In this case, as the Administrators have stated that they think that the Company has insufficient property to enable a distribution to be made to non-preferential unsecured creditors other than by virtue of the Prescribed Part, it has been for the secured creditor and preferential creditors to determine these.

The following are costs incurred prior to the appointment of Administrators but with a view to the Company entering Administration. It is proposed that the unpaid costs will be paid as an expense of the Administration. None of these costs are part of the proposals subject to approval under Paragraph 53 Sch.B1 IA86. The Administrators have obtained the approval to these costs from the secured creditors, RBS and Prologis, and the preferential creditors.

	<b>Unpaid amount (£)</b>	<b>Paid amount (£)</b>	<b>Payment made by (if applicable)</b>
Fees charged by the Administrators	113,945.00	Nil	Not applicable
Expenses incurred by the Administrators:	824.16	Nil	Not applicable
Legal Fees	25,000.00	Nil	Not applicable
Fees charged by other persons qualified to act as an insolvency practitioner	Nil	Nil	Not applicable
Expenses charged by other persons qualified to act as an insolvency practitioner	Nil	Nil	Not applicable
<b>Total</b>	<b>139,769.16</b>	<b>Nil</b>	

## 8. Statement of creditors' rights

The IR86 provide for creditors to request further information and challenge the Administrators' remuneration and expenses. The relevant provisions are as follows: -

### **Rule 2.48A Creditors' request for further information**

(1) If—

- (a) within 21 days of receipt of a progress report under Rule 2.47—
  - (i) a secured creditor, or
  - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,

makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2.47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2).

(2) The administrator complies with this paragraph by either—

- (a) providing all of the information asked for, or
- (b) so far as the administrator considers that—
  - (i) the time or cost of preparation of the information would be excessive, or
  - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
  - (iii) the administrator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information.

(3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—

- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just.

(4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2.109(1B) by such further period as the court thinks just."

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### **Rule 2.109 Creditors' claim that remuneration is or other expenses are excessive**

(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4).

(1A) Application may be made on the grounds that—

- (a) the remuneration charged by the administrator,
- (b) the basis fixed for the administrator's remuneration under Rule 2.106, or
- (c) expenses incurred by the administrator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate.

(1B) The application must, subject to any order of the court under Rule 2.48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").



## **8. Statement of creditors' rights**

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business]days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly.

(3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.

(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

- (a) an order reducing the amount of remuneration which the administrator was entitled to charge;
- (b) an order fixing the basis of remuneration at a reduced rate or amount;
- (c) an order changing the basis of remuneration;
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration;
- (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify;

and may make any other order that it thinks just; but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report.

(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration.