
Marlborough Residential Finance Limited – in Administration

Court of Session

Court Reference P56/17

Joint Administrators' proposals for achieving the
purpose of administration

15 March 2017

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Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used during this document:

Abbreviations or definitions	Meaning
Company	Marlborough Residential Finance Limited – in administration
Administrators or Joint Administrators	Lyn Leon Vardy, Toby Scott Underwood and Graham Douglas Frost
PwC	PricewaterhouseCoopers LLP
IR86	Insolvency (Scotland) Rules 1986
IA86	Insolvency Act 1986
Sch. B1 IA86	Schedule B1 to the Insolvency Act 1986
HMRC	HM Revenue & Customs
prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
secured creditors	Creditors with security in respect of their debt, in accordance with Section 248 IA86
preferential creditors	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
unsecured creditors	Creditors who are neither secured nor preferential
the Secured Creditors or Clipper	Clipper Holdings II S.a.r.l
Engage	Engage Commercial
RPS	Redundancy Payments Service, an executive agency sponsored by the Department for Business, Energy and Industrial Strategy, which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
CVL	Creditors' voluntary liquidation
AIB	Allied Irish Bank
Gateley	HBJ Gateley LLP
SIP	Statement of Insolvency Practice

Why we've prepared this document

I wrote to you on 27 January 2017 to tell you that on 19 January 2017 the Company had gone into administration and that Toby Underwood, Graham Frost and I had been appointed as joint administrators.

We tell you in this document why the Company was put into administration. We give you a brief history and set out our proposals for achieving the purpose of administration. We include details of the Company's assets and liabilities, and say how likely we are to be able to pay each class of creditor.

According to IA86, the purpose of an administration is to achieve one of these objectives:

- (a) rescuing the Company as a going concern, or if that is not possible or if (b) would achieve a better result for the creditors than (a)
- (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 finally, if that is not possible
- (c) realising the Company's assets to pay a dividend to secured or preferential creditors.

In this case, we're pursuing (b) as it was not reasonably practical to rescue the Company as a going concern. Failing this, we will pursue objective (c).

Our job is to manage the Company until creditors agree our proposals for achieving the purpose of administration and we've implemented them as far as possible. After that the administration will end. This document and its appendices form our statement of proposals for achieving the purpose of administration.


As detailed in Section 2, we have formed the view that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than, potentially, by virtue of the prescribed part as provided for by Section 176A IA86. Accordingly, by virtue of Paragraph 52(1) Sch. B1 IA86, a meeting of creditors is not being convened at this time.

In accordance with Rule 2.25(3) IR86 our proposals will be deemed to have been approved by creditors unless a meeting of creditors is requisitioned in the prescribed manner by at least 10% in value of creditors within 8 business days of the date on which these proposals are circulated. We will write to creditors again after the expiry of this period to confirm the deemed approval of the proposals, or alternatively confirm that a meeting is to be held.

If you have any questions, please get in touch with my colleague, Matthew Duckworth, on 0113 289 4916.

Yours faithfully

For and on behalf of the Company



Lyn L Vardy
Joint Administrator

Lyn Vardy, Toby Underwood and Graham Frost have been appointed as Joint Administrators of the Company. Lyn Vardy and Toby Underwood are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. Graham Frost is licensed to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at:

<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.

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.

A summary of what you could recover

Estimated recovery for creditors

	Amount owed	Estimated % recovery	Forecast timing
Estimated recovery for secured creditors (creditors with security in respect of their debt, in accordance with Section 248 IA86)	£2,437k	20%-30%	6 - 12 months
Estimated recovery for preferential creditors (former employees for unpaid wages and holiday pay and unpaid pensions contributions in certain circumstances)	N/A	N/A	N/A
Estimated recovery for unsecured creditors via the prescribed part (Note 1) (creditors who are neither secured or preferential)	£30k	0%	N/A
Note 1 Amounts owed to unsecured creditors have been taken from the directors' statement of affairs but are subject to increase or decrease for the reasons outlined later in this report.			

Please note this guidance on dividend is only an indication. You shouldn't use it as the main basis of any bad debt provision or debt trading.

Please be advised that, as we are yet to appoint sales agents and formalise a marketing strategy for the disposal of the Company's property, the estimated recovery rates are subject to inherent uncertainty.

This is a brief summary of some of the matters detailed in these proposals. There are more details in the rest of this document.

Brief history of the Company and summary of what we've done so far

Background

The Company was incorporated on 29 August 2006. The principal activity of the Company was the investment in and development and letting of residential heritable property. The Company owns three terraced cottages (Plots 2 - 4) and one detached property (Plot 5), within the Bowerswell Development at Waterloo, Perth, PH1 4AP. The properties were principally let under short assured tenancies through a third party letting agent.

The below table provides details of the properties owned by the Company:

Property Address
2 Bowersell, Waterloo, Perth, PH1 4AP
3 Bowersell, Waterloo, Perth, PH1 4AP
4 Bowersell, Waterloo, Perth, PH1 4AP
5 Bowersell, Waterloo, Perth, PH1 4AP

The investment in and development of this property was funded by sums advanced by AIB, who secured their lending by way of standard securities over all property and a floating charge over the Company's assets.

In November 2016, AIB assigned their lending to Clipper (the Secured Creditor).

The circumstances giving rise to the Administrators' appointment

The facilities provided to the Company by the Secured Creditor expired and became due for repayment on 9 January 2017.

The Company was highly leveraged and therefore was affected by the widespread, well documented decline in residential property prices. Engage, the Secured Creditor's portfolio manager, sought proposals from the Company to settle the outstanding debt, however the Company was unable to make an acceptable proposal. This, in turn, led to the Secured Creditor taking enforcement action on the outstanding debt.

The Secured Creditor determined that placing the Company into administration would likely protect their position. In order to initiate these proceedings, the Secured Creditor issued a demand for the repayment of its lending to the Company.

The Secured Creditor made an application to the Court of Session, which was heard on 19 January 2017. An order was granted on 19 January 2017 for the appointment of Lyn Vardy, Toby Underwood and Graham Frost as joint administrators.

Pre-administration costs

Before the Company went into administration but with a view to it doing so, PwC incurred time costs of £8,895 (exclusive of VAT).

PwC were initially approached by Engage with the intention that the Secured Creditor would appoint insolvency practitioners from PwC as administrators. Most of PwC's time costs prior to appointment were incurred in initial discussions with Engage and Gateley, the Secured Creditor's legal advisors for this purpose.

In addition, PwC spent time in the following key areas:

- Statutory and planning work in preparation for our appointment, including internal compliance and risk procedures;
- Internal team meetings in preparation for the appointment;
- Preparing the administration strategy in anticipation of the administration appointment; and
- Reviewing and signing the relevant administration appointment documentation.

The above work was carried out as part of our statutory duties and for the efficient management of the upcoming administration. The PwC time costs remain unpaid and payment of these as an expense of the administration is subject to approval under Rule 2.39C IR86 and doesn't form part of our proposals, which are subject to approval under Paragraph 53 Sch. B1 IA86.

To the best of our knowledge and belief, no fees or expenses were charged by any other insolvency practitioner.

Full details of pre-administration costs are shown at Appendix A.

How we've managed and financed the Company's affairs and business

Rental income

On appointment, all four of the Company's properties were tenanted. Immediately on appointment, all tenants were notified of the administration and that we are now responsible for managing the business, property and affairs of the Company. The pre-appointment third party letting agent, Bell Ingram LLP, continues to provide services to the Company, protecting the rental income and managing the letting portfolio on our behalf.

As the net cash inflows from the letting portfolio are currently sufficient to meet the ongoing administration costs, we have not sought external financing to date.

Sale of properties

An offer has been received from the sitting tenant of Plot 4, Bowerswell to purchase the property, which is in line with the home report valuation. This offer has been accepted and the sale is currently progressing. Further details will be provided in our next report.

To ensure the optimal sales strategy is identified and best value is achieved, we have invited a number of selling agents to provide their strategy and fee proposals to realise the best value from the remaining three properties owned by the Company. Discussions are ongoing with the Secured Creditor and a further update will be provided to creditors in our first progress report in a few months' time.

Pre-appointment bank balance

The Company's accountants have advised us that there are no funds in the pre-appointment bank account.

We are currently in the process of liaising with the Company's pre-appointment bankers to get these accounts closed and any funds, should there be any, remitted to the administration account.

Connected party transactions

In accordance with SIP13, we are required to disclose any known connected party transactions that occurred in the period following our appointment or any proposed connected party transactions. We confirm that there have been no such transactions in the period following our appointment nor are such transactions envisaged.

Directors' conduct and investigations

As we said in our initial letter to creditors, one of our duties is to look at the actions of anybody who has been a director of the Company in the three years before our appointment. We have to submit our findings to the Secretary of State for Business, Energy and Industrial Strategy within three months of our appointment.

We also have to decide whether any action should be taken against anyone to recover or contribute to the Company's assets. If you think there is something we should know about and you haven't yet done so, please complete the relevant section of the attached claim form or write to me. This is part of our normal work and doesn't necessarily imply any criticism of the directors' actions.

Objective of the administration

It was not considered possible to rescue the Company as a going concern due to the debt position of the Company. Therefore, our strategy aims to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first going into administration). This is objective (b) as referred to earlier, and we anticipate that this will be achieved for the following reasons:

- We are continuing to manage the Company's properties by collecting rent from tenants. We are also seeking to sell the properties, with the intention of maximising realisations for creditors.
- We do not believe putting the Company into liquidation would have been a viable option given the Joint Administrators' strategy requires greater flexibility with respect to the engagement of third parties, ongoing trading requirements in respect of tenanted properties and the ability to consider a wide range of disposal options.

Estimated dividend prospects

Secured creditors

We don't think the Secured Creditor will be repaid in full. The Secured Creditor's lending to the Company as at the date of administration was around £2.4m and is secured by standard securities dated 10 July 2010 and a floating charge dated 22 December 2006. This gives the Secured Creditor fixed and floating charges over all of the Company's assets.

Preferential creditors (mainly employees)

There are no preferential creditors as the Company did not have any employees prior to our appointment.

Unsecured creditors

The prescribed part is a fund that has to be made available for unsecured creditors. It's paid out of "net property". Net property is floating charge realisations after costs, and after paying - or setting aside enough to pay - preferential creditors in full. But it only has to 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; plus
- 20% of net property above £10,000; but

- Subject to a maximum of £600,000.

The prescribed part applies in this case as there is a floating charge created after 15 September 2003.

However, we don't think there will be a dividend for the unsecured creditors under the prescribed part because we don't think the Company will have any net floating charge realisations and therefore the value of the prescribed part will be £nil.

Ending the administration

At the moment we think that once the objective of the administration has been achieved we'll file a notice with the Registrar of Companies and the Company will be dissolved three months later.

Our proposals for achieving the purpose of administration

Our proposals for achieving the purpose of administration are explained below. These include certain statutory powers of administrators which do not require approval.

- (i) We'll continue to manage and finance the Company's business, affairs and assets from rental revenues and asset realisations as we consider appropriate. We'll do this with a view to realising assets to pay a dividend to the Secured Creditor; or realising assets to pay a dividend to the Secured Creditor.
- (ii) We may investigate and, if appropriate, pursue any claims the Company might have. We'll also do anything else we think appropriate, to achieve the purpose of the administration or to protect and preserve the Company's assets or to maximise realisations or for any other purpose incidental to these proposals.
- (iii) If funds are available and if we do not intend to give notice pursuant to Paragraph 83 Sch. B1 IA86 to move from administration to creditors' voluntary liquidation, we may make a distribution to the secured or preferential creditors (if any) in terms of Rule 2.41(4) IR86.
- (iv) If we think there will be money for unsecured creditors other than from the prescribed part, we may (but we won't have to) agree in principle the claims of unsecured creditors for confirmation by a subsequent liquidator. The costs of doing this may be charged to the administration, as part of our fees, 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 other than from the prescribed part for unsecured creditors, a subsequent liquidator will agree the claims.
- (v) We may use one or more "exit route" strategies to end the administration, but we're likely to choose 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 file a notice with the Registrar of Companies and the Company will be dissolved three months later.
 - (b) If there are prospects of a distribution to unsecured creditors other than from a prescribed part, once we have disposed of all assets and finished our work we will put the Company into creditors' voluntary liquidation. If this happens, we propose that Lyn Leon Vardy, Toby Scott Underwood and Graham Douglas Frost 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 all 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) Sch. B1 IA86 and Rule 2.47(3) IR86.
- (vi) We'll be discharged from liability in respect of any of our actions as administrators at a time set by the Secured Creditor.
- (vii) We propose that the unpaid pre-administration costs set out at Appendix A are approved for payment as an expense of the administration. If you elect a committee it will be up to that committee to approve payment of the unpaid pre-administration costs as an expense of the administration. But if there's no committee, then because we've said we think the Company doesn't have enough assets to pay anything to unsecured creditors, we'll ask the Secured Creditor to do so instead.

- (viii) It will be up to the creditors' committee to fix the basis of our fees and Category 2 disbursements (i.e. disbursements for services provided by PwC). But if there's no committee, then because we've said we think the Company doesn't have enough assets to pay anything to unsecured creditors we'll ask the Secured Creditor to do so instead.
- (ix) We expect to propose that our fees be fixed using a combination of a set fee for initial case set up, reporting to creditors and gaining control of assets, plus a percentage of the value of the property we realise.

Statement of affairs

We were given a statement of affairs of the Company on 21 February 2017, signed by the Company's director Gerard Woods.

Here are our comments on the statement of affairs:

- As is normal in a statement of affairs, there is no provision for the costs of realising the Company's assets or the costs of the administration.
- We haven't audited the information.
- To avoid disclosing commercially sensitive information, we make no comment on what the directors have put for the potential realisable values for the Company's assets.

The director has not included in the statement of affairs a list of all the Company's creditors and their addresses, however, this information was provided separately and is included in the table below:

Category of creditor	Name of creditor	Address	Amount owed (£)
Secured creditor (standard security over the property and floating charge over all assets)	Clipper Holdings II S.a.r.l	c/o Engage Commercial, Harman House, 1 George St., Uxbridge, London, UB8 1QQ	2,437,000.00
Unsecured creditors	Gerard Woods (director)	Greystonelea, Gartocharn, Alexandria, G83 8SD	16,823.59
	Brian Duffy	Wild Acre, 69 Dirleton Avenue, North Berwick, EH39 4QL	12,500.00
	McDonald Gordon & Co Ltd	29 York Place, Edinburgh, EH1 3HP	1,000.00

We recognise creditors may want to contact each other to discuss certain aspects of the case. If you need more information to be able to do this, please get in touch with Matthew Duckworth on 0113 289 4916 or by emailing your request to creditorenquiries@uk.pwc.com with the name of the Company in the title and including your name and your company name (if applicable) in the email.

Statutory and other information

Court details for the administration:	Court of Session P56/17
Full name:	Marlborough Residential Finance Limited – in administration
Trading name:	Marlborough Residential Finance Limited
Registered number:	SC307651
Registered address:	c/o PricewaterhouseCoopers LLP, 141 Bothwell Street, Glasgow, Scotland, G2 7EQ
Company director:	Gerard Woods
Company secretary:	Brian Paul Duffy
Shareholdings held by the director and secretary:	None
Date of the administration appointment:	19 January 2017
Administrators' names and addresses:	Lyn Leon Vardy and Toby Scott Underwood of PricewaterhouseCoopers LLP, Central Square, 29 Wellington Street, Leeds, LS1 4DL and Graham Douglas Frost of PricewaterhouseCoopers LLP, Atria One, 144 Morrison Street, Edinburgh, Scotland, EH3 8EX
Appointor's / applicant's name and address:	Clipper Holdings II S.a.r.l, c/o Engage Commercial, Harman House, 1 George Street, Uxbridge, London, UB8 1QQ
Objective being pursued by the Administrators:	(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 failing that, objective (c) realising the Company's assets to pay a dividend to secured or preferential creditors
Division of the Administrators' responsibilities:	In relation to Paragraph 100(2) Sch. B1 IA86, during the period for which the administration is in force, any function to be exercised by the persons appointed to act as administrators may be done by any or all of the persons appointed or any of the persons for the time being holding that office.
The European Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to this administration and the proceedings are main proceedings

Receipts and payments account

Directors' statement of affairs (£)		19 January 2017 to 10 March 2017 (£)
945,000	<u>Fixed Charge</u>	
	Receipts	
	Property	-
	Total receipts	-
	Payments	
	Nil	-
	Total payments	-
	Net fixed charge realisations	-
	<u>Floating Charge</u>	
	Receipts	
	Nil	-
	Total receipts	-
	Payments	
	Nil	-
	Total payments	-
	Net floating charge realisations	-
	Total net realisations	-
	VAT payable / (receivable)	-
	Balance held in interest bearing current account	-

Rental income is being collected by the letting agents and related costs discharged from these receipts. It is envisaged that rental balances will be remitted to us by the agents on a periodic basis and will be included in our future receipts and payments accounts.

Appendix A: Pre-administration costs

The following costs were incurred before our appointment as administrators but with a view to the Company entering Administration. It is proposed that the unpaid costs are paid as an expense of the Administration. Such payment is subject to approval under Rule 2.39C of the Insolvency (Scotland) Rules 1986 and isn't part of our proposals, which are subject to approval under Paragraph 53 Sch. B1 IA86.

	Unpaid amount (excluding VAT) (£)	Paid amount (excluding VAT) (£)
Fees charged by PwC	8,895.00	Nil
Expenses incurred by PwC	Nil	Nil
Fees charged by other persons qualified to act as an insolvency practitioner	Nil	Nil
Expenses charged by other persons qualified to act as an insolvency practitioner	Nil	Nil
Total	8,895.00	Nil

We set out earlier in this report details of the work undertaken and why it was necessary.

There was no agreement with any party in relation to these costs.

Appendix B: Copy of the statement of affairs

Statement of Affairs

Pursuant to paragraph 47 of Schedule B1 to the Insolvency Act 1986
and Rule 2.21(1) of the Insolvency (Scotland) Rules 1986

Insert name of the
company

Statement as to the affairs of Marlborough Residential Finance Limited

as at 19 January 2017, the date that the company entered administration.

Statutory Declaration

I solemnly and sincerely declare that the information provided in this statement and the lists A to G annexed and signed as relative hereto is, to the best of my knowledge and belief, true and complete,

AND I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at Glasgow

* Signed Gordon Woods

This 16th day of February 20 17

Before me Mr. Andrew

A Notary Public or Justice of the Peace or Solicitor

McDONALD GORDON & CO LTD
CHARTERED CERTIFIED ACCOUNTANTS
29 YORK PLACE
EDINBURGH EH1 3HP

Tel: 0131 558 3131 Fax: 0131 557 6715

STATEMENT as to the affairs of the Company on the 19 January 2017

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

		Estimated Realisable Values £
ASSETS		
Assets not specifically secured (as per List "A")		
Assets specifically secured (as per List "B")		
Estimated realisable value	See Schedule attached	
Less: Amount due to secured creditors		
Estimated Surplus		
Estimated Total Assets available for preferential creditors, holders of floating charges and unsecured creditors		
LIABILITIES		
Preferential creditors (as per List "C")		PER clipper
Estimated balance of assets available for holders of floating charges and unsecured creditors		
Estimated prescribed part of net property where applicable (to carry forward)		
Holders of floating charges (as per List "D")		Engage Comm/clipper
Estimated surplus/deficiency as regards holders of floating charges		
Estimated prescribed part of net property where applicable (brought down)		
Unsecured Creditors		
Trade accounts (as per List "E")	£1000	Mr. Donald (London) Ltd, Mrs. G. L. D. & Co. site visits etc.
Bills payable (as per List "F")		
Contingent or other liabilities (as per List "G")		Directors Loan a/c, other loans (See attached)
Total unsecured creditors (excluding any shortfall to floating charge holders)		
Estimated Surplus/Deficiency as regards creditors unsecured creditors (excluding any shortfall to floating charge holders)		
Estimated deficiency after floating charge where applicable (brought down)		
Estimated Surplus/Deficiency as regards creditors		
Issued and Called-up Capital		
Estimated Surplus/Deficiency as regards members		

These figures must be read subject to the following -

*delete as appropriate

*[(a) There is no unpaid capital liable to be called up]

*[(b) The nominal amount of unpaid capital liable to be called up is £ is/is not charged in favour of the holder of the floating charges(s)]

estimated to produce £

which

The estimates are subject to the expenses of the liquidation and to any surplus or deficiency on trading pending realisation of the Assets.

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Please complete legibly, preferably in black type, or bold block lettering

Statement of affairs LIST 'A'

Assets not specifically secured

Particulars of assets	Book value £	Estimated to produce £
Balance at bank.....		
Cash in hand		
Marketable securities (as per Schedule I)		
Bills receivable (as per Schedule II)		
Trade debtors (as per Schedule III)		
Loans and advances (as per Schedule IV)	D&C Builders Ltd. 27500- Dunning W. & Sons Ltd. 27500- (Both struck off C 2013-2014 -) non recoverable.	
Unpaid calls (as per Schedule V)		
Stock in trade		
Work in progress	Phase 1 - Loaned back to Back D&C Builders/Dunning W. & Sons (Firm when over all properties) 1834,772.83 Phase 2 - Moe/toner step-in with AIB Support to finish New L225,005.47 Total £ 1659,778.30 whole balance transferred to WIP	
Heritable property		
Leasehold property		
Plant, machinery and vehicles		
Furniture and fittings, etc	Less Impairment 2013	(115,000)
Patents, trade marks, etc		1644,778 -
Investments other than marketable securities		
Other property		
Total		

Signed

Date

**Please complete legibly,
preferable in black type,
or bold block lettering**

Names to be arranged in alphabetical order and numbered consecutively

No	Name of organisation in which securities are held	Details of securities held	Book value £	Estimated to produce £

Signed

Date _____

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this margin

Please complete
legibly, preferably in
black type, or bold
block lettering

SCHEDULE II TO LIST 'A'

Statement of affairs

Bills of exchange, promissory notes, etc. available as assets

Names to be arranged in alphabetical order and numbered consecutively

No	Name and adress of acceptor of bill or note	Amount of bill or note £	Date when due	Estimated to produce £	Particulars of any property held as security for payment of bill or note

Signed

Date

Please do not write in this margin

Please complete legibly,
preferably in black type,
or bold block lettering

SCHEDULE III TO LIST 'A'
Statement of affairs
Trade debtors

Names to be arranged in alphabetical order and numbered consecutively

No	Name and address of debtor	Particulars of any securities held for debt	Book value £	Estimated to produce £

Signed

Date

Please do not write in this margin

Please complete legibly,
preferably in black type,
or bold block lettering

SCHEDULE IV TO LIST 'A'
Statement of affairs
Loans and Advances

Names to be arranged in alphabetical order and numbered
consecutively

No	Name and address of debtor	Particulars of any securities held for debt	Book value £	Estimated to produce £

Signed

Date

Please do not write in
this margin

Please complete
legibly, preferably in
black type, or bold
block lettering

SCHEDULE V TO LIST 'A'

Statement of affairs

Loans and Advances

Names to be arranged in alphabetical order and
numbered consecutively

No	No in share register	Name and address of shareholder	No of shares held	Amount of call per share unpaid £	Total amount due £	Estimated to produce £

Signed

Date

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

LIST 'B' (consisting of _____ pages)

Statement of affairs

Assets specifically secured and creditors fully or partly secured (see note below) (not including debenture holders secured by a floating charge)

No	Particulars of assets specifically secured and nature of security	Date when security granted	Name of creditor	Address and occupation
	<i>See list of properties attached.</i>			

Note: For this purpose treat as a creditor but identify separately

- (a) an owner of goods in the company's possession under a hire-purchase agreement or an agreement for the hire of goods for more than 3 months, or
- (b) a seller of goods to the company claiming a retention of title or a seller under a conditional sale agreement.

Please complete legibly, preferably in black type, or bold block lettering

Names to be arranged in alphabetical order and numbered consecutively

No	Name of creditor	Address

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

Nature of claim	Total amount of claim	Amount ranking as preferential	Balance not preferential carried to List 'E'

Signed

Date _____

**Please complete
legibly, preferably in
black type, or bold
block lettering**

Statement of affairs

Names to be arranged in alphabetical order and numbered consecutively

No	Name and address of Holder	Amount £	Description of assets over which security extends

Date _____

Please do not write in
this margin

Please complete
legibly, preferable in
black type, or bold
block lettering

LIST 'E' (consisting of _____ pages)

Statement of affairs

Unsecured creditors – trade accounts.

Identify separately on this list customers claiming amounts paid in advance of the supply of
goods and services

Names to be arranged in alphabetical order and numbered consecutively

No	Name of and address of creditor	Amount of the debt £
	<i>Directors Loan accounts G Woods. Esq.</i>	<i>16,823.59</i>
	<i>Other Loan - (Co Secretary) B. W. Duffy Esq.</i>	<i>12,500</i>
	<i>Total Other Creditors</i>	<i>£ 29,323.59</i>

Signed

Date

Please complete legibly, preferably in black type, or bold block lettering

Unsecured creditors – Bills payable, promissory notes, etc

***Note**

The particulars of any bills of exchange and promissory notes held by a holder should be inserted immediately below the name and address of such creditor.

No	Name and address of acceptor of bill or note	Name and address of holder*	Date when due	Amount of claim £

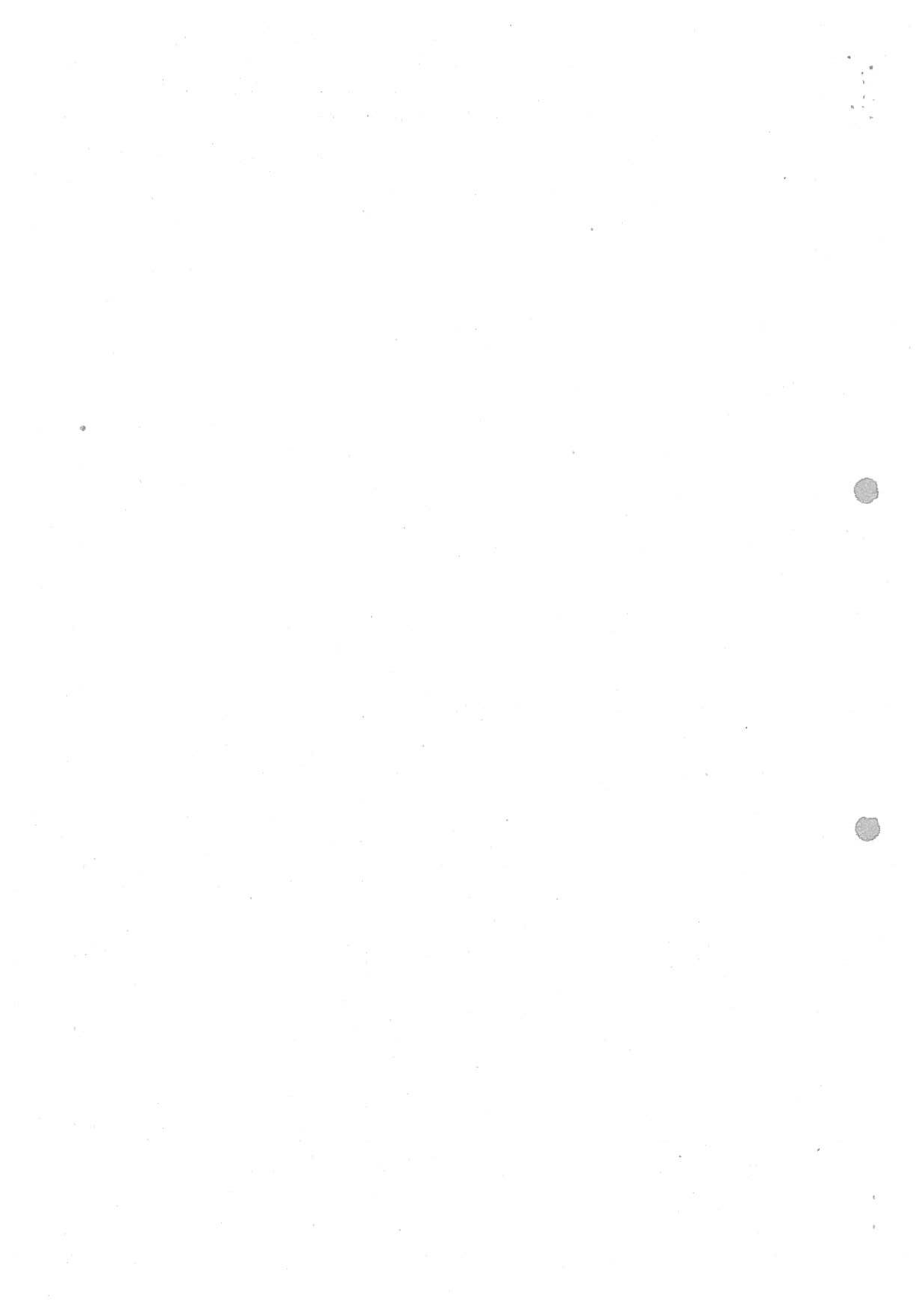
Date _____

Please complete legibly, preferably in black type, or bold block lettering

Unsecured creditors – contingent liabilities

No	Name and address of creditor	Nature of liability	Amount of claim £

Date _____



Marlborough Residential Finance Limited

PP ID	Unit	Block	Market Value	Ashing Price	Demolition (Reasonable Work Cost)	Legal Costs	Marketing Expenses	Agency Fees	Total	CPPFX	Anticipated Sale Date	Comments
18207	-	STROMACHE HOUSE, FORDGARDEN PATH, PHO BOW	77777	777	7777	777	777	777	7772	7772	7772	No working knowledge. Please Contact AB
18219	-	PLOT OF GROUND & DWELLING HOUSE, MAIN HOUSE & DEVELOPMENT SITE AT BOWENSWELL WATERLOO, PERTH PH1 MAP	263,220.00	O/G £215,000	£210,000	£3,000	£500	3,150.00	66,650	66,650	01/03/2017	Unit empty, Untenanted
29954	-	GROUND AT BOWENSWELL (SECTION OF 1 DWELLINGHOUSE - WATERLOO, PERTH)	220,000.00	220,000.00	210,000.00	3,000.00	500.00	3,150.00	6,650.00	6,650.00	to coincide with tenancy end, TBC	
29955	Unit 1	BOWENSWELL (FORMER SITE OF 3 COTTAGES), WATERLOO, PERTH	185,000.00	185,000.00	175,000.00	3,000.00	500.00	2,625.00	6,125.00	6,125.00	to coincide with tenancy end, TBC	
29956	Unit 2	BOWENSWELL (FORMER SITE OF 3 COTTAGES), WATERLOO, PERTH	180,000.00	180,000.00	175,000.00	3,000.00	nil	2,625.00	5,625.00	5,625.00	31/01/2017	Currently tenanted, agent persuaded Tenant to buy
29957	Unit 3	BOWENSWELL (FORMER SITE OF 3 COTTAGES), WATERLOO, PERTH	185,000.00	185,000.00	175,000.00	3,000.00	500.00	2,625.00	6,125.00	6,125.00	to coincide with tenancy end, TBC	
			1,033,220	770,000	945,000	15,000	2,000	14,175	31,175	31,175	85,561	

NE Units 1&3 and second detached house to be marketed following sale of existing empty detached after natural expiry of tenancy period - be seen not to flood market if Plan is for to have whole site sold by end of 2017

Attachments:

1) Statement of claim form

Statement of Claim by Creditor

Pursuant to Rule 4.15(2)(a) of the Insolvency (Scotland) Rules 1986

<p>WARNING</p> <p>It is a criminal offence</p> <ul style="list-style-type: none"> • for a creditor to produce a statement of claim, account, voucher or other evidence which is false, unless he shows that he neither knew nor had reason to believe that it was false; or 	<ul style="list-style-type: none"> • for a director or other officer of the company who knows or becomes aware that is false to fail to report it to the liquidator within one month of acquiring such knowledge. On conviction either the creditor or such director or other officer of the company may be liable to a fine and/or imprisonment.
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Notes

(a) Insert name of company

(a) Marlborough Residential Finance Limited
– in administration

(b) Insert name and address of creditor

(b)

(c) Insert name and address, if applicable, of authorised person acting on behalf of the creditor (c)

(d) Insert total amount as at the due date (see note (e) below) claimed in respect of all the debts, the particulars of which are set out overleaf.

I submit a claim of (d) £ in the liquidation of the above company and certify that the particulars of the debt or debts making up that claim, which are set out overleaf, are true, complete and accurate, to the best of my knowledge and belief.

(e) The due date in the case of a company
(i) which is subject to a voluntary arrangement is the date of a creditors' meeting in the voluntary arrangement;

(ii) which is in administration is the date of the administration order;

(iii) which is in receivership is the date of appointment of the receiver; and

(iv) which is in liquidation is the commencement of the winding up.

Signed

Creditor/person acting on behalf of creditor

The date of commencement of the winding up is
(i) in a voluntary winding up the date of the resolution by the company for winding up (sect. 86 or 98); and

(ii) in a winding up by the court, the date of the presentation of the petition for winding up unless it is preceded by a resolution for voluntary winding up (section 129)

Date

PARTICULARS OF EACH DEBT

Notes

A separate set of particulars should be made out in respect of each debt.

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|--|--|
| <p>1. Describe briefly the debt, giving details of its nature, the date when it was incurred and when payment became due</p> <p>Attach any documentary evidence of the debt, if available.</p> | <p>1. Particulars of Debt</p> |
| <p>2. Insert total amount of the debt, showing separately the amount of principal and any interest which is due on the debt as at the due date (see note (e)). Interest may only be claimed if the creditors is entitled to it. Show separately the VAT on the debt and indicate whether the VAT is being claimed back from HM Customs and Excise.</p> | <p>2. Amount of Debt</p> |
| <p>3. Insert the nature and amount of any preference under Schedule 6 to the Act claimed in respect of the debt.</p> | <p>3. Preference claimed for Debt</p> |
| <p>4. Specify and give details of the nature of any security held in respect of the debt, including:-</p> <p>(a) the subjects covered and the date when it was given;</p> <p>(b) the value of the security</p> | <p>4. Security for debt</p> |

Security is defined in section 248(b) of the Insolvency Act 1986 as meaning 'any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off)'. For claims in administration procedure security also includes a retention of title agreement, hire purchase agreement, agreement for the hire of goods for more than three months and a conditional sale agreement (see Rules 2.11 and 2.12).

In liquidation only the creditor should state whether he is surrendering or undertakes to surrender his security; the liquidator may at any time after 12 weeks from the date of commencement of the winding up (note (e)) require a creditor to discharge a security or to convey or assign it to him on payment of the value specified by the creditor.

- | | |
|---|---------------------------------------|
| <p>5. In calculating the total amount of his claim in a liquidation, a creditor shall deduct the value of any security as estimated by him unless he surrenders it (see note 4.). This may apply in administration (see Rule 2.11).</p> | <p>5. Total amount of debt</p> |
|---|---------------------------------------|