

The Insolvency Act 1986

Statement of administrator's proposals 2.17B

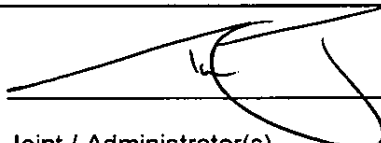
Name of Company Ablegrand (2) Limited (in Administration)	Company number 04294608
In the High Court of Justice, Chancery Division, Companies Court [full name of court]	Court case number 11728 of 2008

(a) Insert full name(s) and address(es) of administrator(s)
 I / We (a) Thomas Andrew Jack, Alan Michael Hudson and Simon Allport
Ernst & Young LLP, 100 Barbirolli Square, Manchester, M2 3EY

*Delete as applicable attach a copy of ~~my~~ our proposals in respect of the administration of the above company.

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

(b) Insert date (b) 17 February 2009

Signed 
 Joint / Administrator(s)

Dated 18/02/09

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

James Pollock	
Ernst & Young LLP, 1 More London Place, London, SE1 2AF	
	Tel: 0207 951 1241
DX Number:	DX Exchange:

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

Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

MONDAY



A08 23/02/2009 8 COMPANIES HOUSE

**Ablegrand Limited
Ablegrand (2) Limited
Piccadilly Entertainment Store Limited
VR Services Limited**

Administrators' statement of proposals
Pursuant to paragraph 49 of schedule B1 to the
Insolvency Act 1986

17 February 2009

Abbreviations

The following abbreviations are used in this report:

AL	Ablegrand Limited (In Administration)
A2L	Ablegrand (2) Limited (In Administration)
the Companies	Ablegrand Limited (in Administration), Ablegrand (2) Limited (in Administration), Piccadilly Entertainment Store Limited (in Administration) and VR Services Limited (in Administration)
CVL	Creditors' Voluntary Liquidation
DLA Piper	DLA Piper UK LLP
EUK	Entertainment UK Limited (In Administration)
HMRC	Her Majesty's Revenue and Customs
HMV	HMV Music Limited
Joint Administrators, the Administrators	Thomas Andrew Jack, Simon Allport and Alan Michael Hudson
MBO	Management Buy Out
PESL	Piccadilly Entertainment Store Limited (In Administration)
VAT	Value Added Tax
VAT group	The VAT group for the following companies: Zavvi Group Limited, Zavvi Retail Limited, VSpace Limited, Ablegrand Limited, Ablegrand (2) Limited, VR Services Limited, Piccadilly Entertainment Store Limited, Zavvi Entertainment Group Limited, Zavvi Limited and Broomco (4103) Limited
VHL	Virgin Holdings Limited
Virgin Megastore	The Virgin group of companies that ran the Virgin Megastore business
Virgin Group	All companies under the ultimate holding company Virgin Holdings Limited
VRSL	VR Services Limited (In Administration)
Zavvi	The trading name of Zavvi Retail Limited
Zavvi Group / Group	All companies under the ultimate holding company Zavvi Entertainment Group Limited
ZEGL	Zavvi Entertainment Group Limited (In Administration)
ZGL	Zavvi Group Limited (In Administration)
ZIL	Zavvi Ireland Limited
ZL	Zavvi Limited
ZOGL	Zavvi Online (Guernsey) Limited (In Liquidation)
ZRIL	Zavvi Retail (Ireland) Limited (In Liquidation)
ZRL	Zavvi Retail Limited (In Administration)

Contents

1. Introduction, background and circumstances giving rise to the appointment	1
2. Purpose, conduct and end of Administrations	4
3. Statement of Affairs	8
4. Prescribed part	11
5. Administrators' remuneration and disbursements, and payments to other professionals	12
6. Other matters	13
Appendix A Statutory information.....	14
Appendix B Directors' Statement of Affairs	18
Appendix C Statement of Administrators' charging policy for remuneration and disbursements pursuant to Statement of Insolvency Practice No. 9	19
Appendix D Administrators' receipts and payments account for the period from 24 December 2008 to 6 February 2009	22

1. Introduction, background and circumstances giving rise to the appointment

Introduction

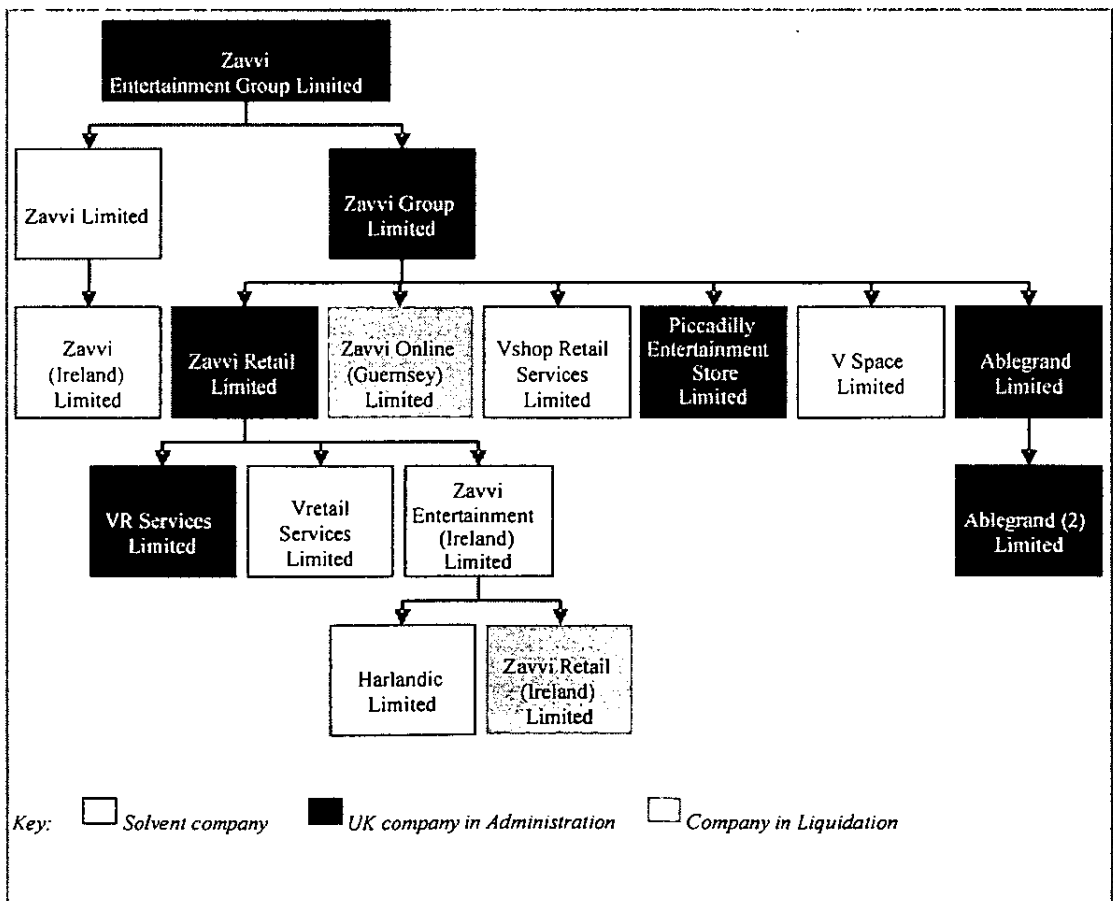
At 9.30am on 24 December 2008, Ablegrand Limited (AL) and Ablegrand (2) Limited (A2L), Piccadilly Entertainment Store Limited (PESL) and VR Services Limited (VRSL) (the 'Companies') entered Administration with T A Jack, AM Hudson and S Allport being appointed to act as Joint Administrators. Concurrently, the Joint Administrators were also appointed as Joint Administrators of other group companies being Zavvi Group Limited (ZGL) and Zavvi Retail Limited (ZRL). At the time of appointment a winding up petition had been presented against Zavvi Entertainment Group Limited (Z EGL), which was subsequently placed into Administration on 13 January 2009.

This document, including its appendices, constitutes the Joint Administrators' Statement of Proposals to creditors pursuant to paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986 for the Companies only. Separate proposals have been prepared for the other Group companies in Administration, which, other than the main trading entity ZRL, were non-trading entities.

Certain statutory information relating to the Companies and the appointment of the Joint Administrators is provided at Appendix A.

Background

The Companies are all non-trading entities. VRSL is a wholly owned subsidiary of the main trading company ZRL. PESL and AL are wholly owned subsidiaries of ZGL, the ultimate holding company prior to the MBO. A2L is a wholly owned subsidiary of AL. The chart below sets out the Zavvi Group of companies.



The Group was the UK's largest independent entertainment retailer trading from 114 stores across the UK and 11 in Ireland. The Group was formed from a MBO of the Virgin Megastore division of the Virgin Group in September 2007. The Zavvi Group had no debt facilities of its own but was financed since the MBO through a combination of cash generated from operations and funding provided to the Group at the time of the MBO. As mentioned above, ZRL was the main trading entity within the Group.

AL, A2L and PESL did not trade, however, they held numerous leases and were tenants of a number of the stores operated by ZRL. ZRL paid all the lease liabilities of these entities pursuant to agreements entered into by ZRL and the respective Group companies. We understand that these agreements were entered into in 2004. We are currently waiting to obtain signed copies of the respective agreements.

VRSL did not trade. The only asset of the company is a tax liability and corresponding inter-company debtor. VRSL was a member of the Zavvi VAT Group, and has an intercompany receivable from ZRL.

Trading history

Management did not maintain management accounts for the Companies due to the agreements mentioned above. As such, we have not been provided with profit and loss accounts for the Companies for the period prior to the appointment.

Other Group companies in Administration

On 24 December 2008, the Joint Administrators were also appointed over ZGL and ZRL. The Joint Administrators were appointed to ZEGL on 13 January 2009.

ZEGL was the ultimate holding company, formed at the time of the MBO. The only asset of ZEGL is a £55.3m unsecured loan to ZRL. It has a small number of trade creditors, with a value of approximately £0.2m.

ZGL was the original holding company prior to ZEGL's formation at the time of the MBO. ZGL did not trade, however, it was the Group's representative member for VAT purposes, being responsible for the submission of VAT returns. ZGL is also a guarantor of certain store leases.

ZRL was the main trading entity, employing the majority of the approximate 3,300 employees (excluding the directors) and was the tenant or sub-tenant of 101 of the 114 stores. ZRL, however, did not purchase any stock, nor did it own any stock but rather sold the stock as agent for ZL, a company which is not in Administration. All sale proceeds were received directly by ZL and the profit margin on those sales was remitted to ZRL pursuant to an agency agreement made between the two parties dated 14 September 2007. This agency agreement was replaced during the period of Administration, with a new agreement made between ZL and the Joint Administrators of the Zavvi companies in Administration. This is discussed further at Section 2. The majority of the unsecured creditor claims, including voucher claims, sit within ZRL.

The financial position of the other Group companies, per the Statement of Affairs book value completed by the directors is set out below:

£m	ZEGL	ZGL	ZRL
Total assets	55.3	0.2	63.9
Total liabilities	(0.2)	-	(192.3)
Net assets/(liabilities)	55.1	0.2	(128.4)

Circumstances giving rise to the appointment of the Administrators

The Group has traded at a loss for a number of years because of changing customer trends and significant lease commitments. The Group's business is highly seasonal, with peak demand occurring across November and December. However, ZRL experienced

considerable cash flow difficulties when EUK, the sole supplier of stock to ZL, was placed into Administration on 27 November 2008. EUK was a subsidiary of Woolworths PLC and Daniel Butters, Nicholas Dargan and Neville Kahn, all partners of Deloitte LLP, were appointed Administrators. We understand the Administrators of EUK believe that there is no prospect of EUK being sold as a going concern.

As a result of the Administration of EUK, ZL was not able to source stock in its usual way. ZL sought supplies from alternative suppliers but experienced significant difficulty in obtaining stock at acceptable prices or on favourable credit terms. This placed considerable pressure on ZRL's working capital and with quarterly rent payments totalling approximately £13m falling due on 25 December 2008, the directors considered that ZRL and other group companies with lease liabilities were unable to meet their creditor liabilities as they fell due.

Accordingly, on 23 December 2008, the directors applied to the High Court for Administration Orders. As the applications were heard outside normal court hours, the Administration Orders took effect from 9:30 a.m. on 24 December 2008.

Group companies in Liquidation

Ireland

On 30 December 2008 Zavvi Retail (Ireland) Limited (ZRIL) was placed into liquidation and David Hughes of Ernst & Young was appointed Liquidator. This company operated 11 stores throughout Ireland and similarly to ZRL it did not own any stock. It sold stock as agent for Zavvi (Ireland) Limited (ZIL).

Guernsey

On 24 December 2008, Zavvi Online Guernsey Limited (ZOGL) entered liquidation and Andrew Dann and Tom Jack were appointed Liquidators. ZOGL operated the Group's transaction website (zavvi.co.uk). ZOGL employed two employees, as well as utilising ZRL staff support for which ZRL recharged along with other operating expenses to ZOGL.

Other Group companies not in Administration

There are an additional seven companies in the Zavvi Group which the directors do not believe are insolvent. These companies are ZL, ZIL, VRetail Services Limited, Zavvi Entertainment Group (Ireland) Limited, Harlandic Limited, VShop Retail Services Limited and V Space Limited.

2. Purpose, conduct and end of Administrations

Purpose of the Administration

The purpose of an Administration is to achieve one of three objectives:

- a) To rescue the company as a going concern.
- b) 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 being in Administration).
- c) To realise property in order to make a distribution to one or more secured or preferential creditors.

Insolvency legislation provides that objective (a) should be pursued unless it is not reasonably practicable to do so or if objective (b) would achieve a better result for the company's creditors as a whole. Objective (c) may only be pursued if it is not reasonably practicable to achieve either objective (a) or (b) and can be pursued without unnecessarily harming the interests of the creditors of the company as a whole.

At the date of appointment, the prospect of achieving purpose (a) did not appear realistic as the Companies were non-trading entities with little to no assets and were reliant on ZRL to pay their lease liabilities and any other liabilities of the Companies. Therefore, the ability to sell the Companies as a going concern would have been dependent upon the ability to achieve a going concern sale of the Zavvi Group and in particular ZRL.

At the date of appointment, the prospect of achieving a going concern sale for ZRL and the rest of the Zavvi Group did not appear realistic for the following reasons:

- ▶ The significant operating losses incurred by ZRL made it unlikely that equity investment could be secured.
- ▶ Following the failure of EUK it would be difficult for ZRL to be able to secure stable and competitive supplies.

As the primary objective (a) was not viable objective (b) was pursued, namely to achieve a better result for creditors than if the Group had been wound up (without first being in Administration) and in the event that this could not be achieved (c) to realise property in order to make a distribution to one or more secured or preferential creditors.

The inclusion of the Companies in the Administration Order was considered to achieve a better result for creditors than if the Companies had been wound up (without first being in Administration). The Administration strategy reflects the following:

- ▶ The Joint Administrators were able to secure contributions totalling £0.6m for the Companies from ZL to support the Administration strategy. This would not have been available in a liquidation scenario.
- ▶ The Joint Administrators were aware of interested parties who may seek to acquire certain operations and assets of the Zavvi Group, which would be best achieved through enabling such operations to continue to trade for a limited period whilst negotiations were ongoing. This included the potential to assign leases held by AL, A2L and PESL.
- ▶ VRSL was a member of the Zavvi tax group and allowed the Joint Administrators to deal with the corporation tax liability on a Group-wide basis. This was expected to produce a better result for creditors than if VRSL had not been in Administration.

The sections that follow set out the actions taken in the Administration and how it is envisaged that the purpose of the Administration will be achieved.

Conduct of the Administration

Compromise agreement and New Agency Agreement

On 23 December 2008, a confidential Compromise Agreement was entered into between the Administrators of EUK, ZL, ZIL and VHL, subject to a New Agency Agreement being entered into between ZL and ZRL (in Administration), for amounts outstanding to EUK from ZL. At the time of the Compromise Agreement, ZL owed ZRL approximately £12.6m for margin payments. The Compromise Agreement avoided insolvency of ZL, which was otherwise likely, and if it had occurred ZRL would likely have received no dividend. This in turn, would have resulted in no dividend for the unsecured creditors of ZRL, including VRSL, and reduced the likelihood to assign the leases of AL, A2L and PESL.

The New Agency Agreement was entered into on 24 December 2008 by the Joint Administrators with ZL, to enable ZRL to continue to sell ZL's stock and preserve value in ZRL's assets, which the Joint Administrators considered to be of more value as a going concern. The main terms of the New Agency Agreement are as follows:

- ▶ ZRL would continue to trade its stores and sell ZL stock up until 23 February 2009, with proceeds being remitted to ZL.
- ▶ The Joint Administrators would continue to manage the stores, including managing the sale process of stores and store closures.
- ▶ ZL would make a payment of £11.1m to ZRL in lieu of any margin payments owing under the original agency agreement and in consideration of earnings for the period 24 December 2008 to 23 February 2009, plus pay an additional £1.15m in funding to the various Group companies in Administration. Of this AL and A2L were paid an amount of £0.2m each and PESL and VRSL were paid an amount of £0.1m each.
- ▶ ZL would pay all certified operational costs in relation to the performance of the Agency Agreement by ZRL and other Group companies, including but not limited to employees, security, leases, IT, insurance and utilities, with £6m being paid on account in advance.

As a result of the Compromise Agreement, the Joint Administrators were able to negotiate the New Agency Agreement and secure £0.6m for the creditors of the Companies.

Asset realisations

Agency services

As stated above, as a result of the New Agency Agreement the Joint Administrators were able to securing funding for the Companies as follows:

Company	Agency Fee (£000)
AL	200
A2L	200
PESL	100
VRSL	100

This would not have been available if the Companies had gone into liquidation.

VRSL inter-company debtor

The only asset of VRSL, identified by the directors, was an intercompany receivable from ZRL for approximately £1.2m, which relates to a corresponding external tax liability of £1.2m. We have been advised by management that the balance relates to an amount that existed prior to the MBO.

Due to the historic nature of this balance, further work will need to be undertaken by the Joint Administrators to establish the basis of this claim against ZRL. If the Joint Administrators are able to establish the claim against ZRL, the amount recoverable by VRSL will be dependent upon any distribution made by ZRL. Due to the large number of potentially high value

contingent creditors of ZRL, primarily landlords, it is difficult to estimate with accuracy the potential dividend that may be payable to unsecured creditors. However, at this stage of the Administration it is hoped that a dividend could be payable of around £0.05p/£, equivalent to £0.06m in respect of this balance.

Initial meeting of creditors

The Joint Administrators are of the opinion that the Companies have insufficient property to enable a distribution to be made to unsecured creditors and consequently, in accordance with the provisions of paragraph 52(1) of Schedule B1 to the Act, they do not intend to call an initial creditors' meeting.

The Joint Administrators will be obliged to call an initial meeting of creditors if it is requested by creditors of the Companies whose debts amount to at least 10% of the total debts of the individual Companies. The request must be made within 12 days of the date on which these proposals are sent out (or such longer period as the Court may allow) and must be in the prescribed form. The creditor summoning the meeting must lodge with the Joint Administrators a deposit as security for the expenses of summoning and holding the meeting. Further information is provided in the covering letter accompanying these proposals.

Future conduct of the Administrations

In order to achieve the purposes of the Administrations, it is proposed that the Joint Administrators will continue to manage the affairs, business and property of the Companies in the manner outlined above, including the following:

- ▶ Collect the Companies' book debts
- ▶ Finalise the Administrations, including the payment of all Administration liabilities
- ▶ Review the tax affairs of the Companies
- ▶ Deal with unsecured creditor claims as necessary
- ▶ Deal with intercompany claims between the Companies and any other Zavvi Group companies.

The end of the Administrations

In respect of the Companies:

It is proposed that if at the end of the Administrations the Companies have no property which might permit a distribution to their respective creditors and there are no further matters to be dealt with, the Joint Administrators will send a notice to that effect to the registrar of companies. On registration of the notice the Joint Administrators' appointment will come to an end. In accordance with the provisions of paragraph 84(6) of Schedule B1 to the Insolvency Act 1986 the Companies will be deemed to be dissolved three months after the registration of the notice.

It is proposed that if there remain matters to be dealt with at the end of the Administrations, but there is insufficient funds to enable a distribution to be made in a Creditors' Voluntary Liquidation, the Joint Administrators will petition the Court, pursuant to paragraph 79 of Schedule B1 to the Insolvency Act 1986, for an order to bring the Administrations to an end with a consequential order for the compulsory winding up of the Companies.

If sufficient funds become available to create a surplus available for distribution to unsecured creditors, if a dividend distribution is not made in the Administrations, it is proposed that, at the end of the Administrations, one or all of the Companies will move straight into Creditors' Voluntary Liquidation upon the filing with the registrar of companies of a notice pursuant to paragraph 83 of Schedule B1 to the Insolvency Act 1986. It is proposed that the Liquidators will be Tom Jack and Simon Allport of Ernst & Young LLP. In accordance with paragraph 83(7)

of Schedule B1 to the Insolvency Act 1986 and Rule 2.117(3) of the Insolvency Rules 1986, creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of these proposals and before the proposals are approved. It should be noted in this regard that a person must be authorised to act as an insolvency practitioner in order to be appointed as Liquidator.

3. Statement of Affairs

The directors have submitted their Statement of Affairs in respect of the Companies as at 24 December 2008 and a summary is attached at Appendix B.

Please note that the Statement of Affairs represent the directors' estimates of the realisable value of the Group's assets and may differ from actual amounts realised. Similarly, a number of creditor claims have yet to be quantified and may be higher than indicated. All values are shown before applicable costs of realisations.

The figures have been compiled by the Group's management and have not been subject to independent review or statutory audit.

We provide below, further information relating to the assets and liabilities in the Statement of Affairs, prepared by the directors. The figures have been compiled by management and have not been subject to independent review or statutory audit.

AL

Summary of assets

The directors consider there to be no assets in AL.

Summary of liabilities

Secured creditors

AL does not have any secured creditors.

Preferential creditors

AL does not have any preferential creditors.

Non-preferential unsecured creditors

Lease exit costs – £2.91m

Lease exit costs are a contingent liability of the Administration and have been calculated based on the assumption that it takes landlords two years to re-let the properties. It excludes leases subject to a sale agreement with HMV, however, includes full amounts for leases that have been surrendered.

The actual value of such claims will vary by lease and will be affected by individual lease terms, ability of the landlord to re-let the property and other mitigating steps. It should be noted that landlords have an obligation to seek and mitigate losses in respect of such claims.

A2L

Summary of assets

The directors consider there to be no assets in A2L.

Summary of liabilities

Secured creditors

A2L does not have any secured creditors.

Preferential creditors

A2L does not have any preferential creditors.

Non-preferential unsecured creditors

Property creditors — £0.43m

This relates to unpaid property costs at the date of appointment.

Lease exit costs – £3.99m

Lease exit costs are a contingent liability of the Administration and have been calculated based on the assumption that it takes landlords two years to re-let the properties. It excludes leases subject to a sale agreement with HMV, however, includes full amounts for leases that have been surrendered.

The actual value of such claims will vary by lease and will be affected by individual lease terms, ability of the landlord to re-let the property and other mitigating steps. It should be noted that landlords have an obligation to seek and mitigate losses in respect of such claims.

PESL

Summary of assets

The directors consider there to be no assets in PESL.

Summary of liabilities

Secured creditors

PESL does not have any secured creditors.

Preferential creditors

PESL does not have any preferential creditors.

Non-preferential unsecured creditors

Lease exit costs - £1.49m

Lease exit costs are a contingent liability of the Administration and have been calculated based on the assumption that it takes the landlord two years to re-let the property.

The actual value of such claims will vary by lease and will be affected by individual lease terms, ability of the landlord to re-let the property and other mitigating steps. It should be noted that landlords have an obligation to seek and mitigate losses in respect of such claims.

VRSL

Summary of assets

Intercompany debtors

Intercompany debtor balances are set out below:

	£(m)
Zavvi Retail Limited	1.23

The directors have not made an estimate of realisable value as the recoverable amounts will depend on whether any dividends are payable from the ZRL Administration.

Summary of liabilities

Secured creditors

VRSL does not have any secured creditors.

Preferential creditors

VRSL does not have any preferential creditors.

Non-preferential unsecured creditors

Historic corporation tax liability of £1.23m

4. Prescribed part

The prescribed part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Insolvency Act 1986. The prescribed part applies to floating charges created on or after 15 September 2003.

There are no floating charges granted by the Companies. As such, the prescribed part does not apply to the Companies.

5. Administrators' remuneration and disbursements, and payments to other professionals

Remuneration

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Insolvency Rules 1986. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Insolvency Practitioners Association at <http://www.insolvency-practitioners.org.uk> (follow 'Regulation and Guidance' then 'Creditors' Guides to Fees'), or is available in hard copy upon written request to the Joint Administrators.

For each of the Companies, the Joint Administrators propose the respective creditors of each company, being AL, AL2, PESL and VRSL, vote on the following resolutions to agree the basis of charging and drawing payment for remuneration and disbursements by way of correspondence.

In respect of each of the Companies:

The Joint Administrators propose that their remuneration be fixed on the basis of time properly spent by them and their staff in dealing with matters arising in the Administration and that they be permitted to charge for and draw fees in respect of such time costs on a monthly basis.

Attached at appendix C is a detailed analysis of time spent, and charge out rates, for each grade of staff for the various areas of work carried out to 6 February 2009, as required by the Association of Business Recovery Professionals' Statement of Insolvency Practice No. 9.

Details of the Administrators' time costs and charge out rates will also be provided to the creditors in progress reports.

A statement of the Administrators' charging policy is also provided at appendix C.

Disbursements

Appendix C also includes a statement of the Joint Administrators' policy for charging disbursements. The Joint Administrators propose to charge and draw payment for all Category 1 expenses from time to time but do not propose to seek approval for their payment.

The Joint Administrators propose that they be permitted to charge and draw payment for Category 2 expenses from time to time during the Administration.

Payments to other professionals

The Joint Administrators have engaged DLA Piper to provide them with legal services. They were chosen on the basis of their experience in similar assignments.

6. Other matters

Administrators' receipts and payments

A summary of the Administrators' receipts and payments for the period from 24 December 2008 to 6 February 2009 is attached at Appendix C.

Appendix A Statutory information

AL

Company information

Company name:	Ablegrand Limited
Registered Office Address:	c/o Ernst & Young LLP 100 Barbirolli Square Manchester M2 3EY
Registered number:	04272226
Trading name(s):	Dormant
Trading address(es):	Horatio House 77-85 Fulham Palace Road London W6 8JA

Details of the Administrators and of their appointment

Administrators:	T A Jack, A M Hudson and S Allport
Date of Appointment:	24 December 2008
By Whom Appointed:	The appointment was made by a directors' application to Court under the provisions of paragraph 10 of Schedule B1 to the Insolvency Act 1986.
Court Reference:	11726 of 2008 High Court of Justice, Chancery Division, Companies Court

Any of the functions to be performed or powers exercisable by the Administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting severally.

Statement concerning the EC Regulation

The EC Council Regulation on Insolvency Proceedings does apply to this Administration and the proceedings are main proceedings. This means that this Administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union Member State.

Share capital

Class	Authorised		Issued and fully paid	
	Number	£	Number	£
Ordinary	1	1	1	1

Directors and secretary and shareholdings

Name	Director or secretary	Date appointed	Current shareholding
Steve Peckham	Both	29 August 2001	Nil
Simon Douglas	Director	4 October 2004	Nil
Zavvi Group Limited	Parent company	N/A	1

A2L

Company information

Company name:	Ablegrand 2 Limited
Registered office address:	c/o Ernst & Young LLP 100 Barbirolli Square Manchester M2 3EY
Registered number:	04294608
Trading name(s):	Dormant
Trading address(es):	Horatio House 77-85 Fulham Palace Road London W6 8JA

Details of the Administrators and of their appointment

Administrators:	T A Jack, A M Hudson and S Allport
Date of appointment:	24 December 2008
By Whom appointed:	The appointment was made by a directors' application to Court under the provisions of paragraph 10 of Schedule B1 to the Insolvency Act 1986.
Court reference:	11728 of 2008 High Court of Justice, Chancery Division, Companies Court

Any of the functions to be performed or powers exercisable by the Administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting severally.

Statement concerning the EC regulation

The EC Council Regulation on Insolvency Proceedings does apply to this Administration and the proceedings are main proceedings. This means that this Administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union Member State.

Share capital

Class	Authorised		Issued and fully paid	
	Number	£	Number	£
Ordinary	1	1	1	1

Directors and secretary and shareholdings

Name	Director or secretary	Date appointed	Current shareholding
Steve Peckham	Both	10 October 2001	Nil
Simon Douglas	Director	4 October 2004	Nil
Ablegrand Limited	Parent company	N/A	1

PESL

Company Information

Company name:	Piccadilly Entertainment Store Limited
Registered office address:	c/o Ernst & Young LLP 100 Barbirolli Square Manchester M2 3EY
Registered number:	04617728
Trading name(s):	Dormant
Trading address(es):	Horatio House 77-85 Fulham Palace Road London W6 8JA

Details of the Administrators and of their appointment

Administrators:	T A Jack, A M Hudson and S Allport
Date of appointment:	24 December 2008
By Whom appointed:	The appointment was made by a directors' application to Court under the provisions of paragraph 10 of Schedule B1 to the Insolvency Act 1986.
Court reference:	11725 of 2008 High Court of Justice, Chancery Division, Companies Court

Any of the functions to be performed or powers exercisable by the Administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting severally.

Statement concerning the EC Regulation

The EC Council Regulation on Insolvency Proceedings does apply to this Administration and the proceedings are main proceedings. This means that this Administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union Member State.

Share capital

Class	Authorised		Issued and fully paid	
	Number	£	Number	£
Ordinary	1	1	1	1

Directors and secretary and shareholdings

Name	Director or secretary	Date appointed	Current shareholding
Steve Peckham	Both	4 February 2003	Nil
Simon Douglas	Director	4 October 2004	Nil
Zavvi Group Limited	Parent Company	N/A	1

VRSL

Company information

Company name:	VR Services Limited
Registered office address:	c/o Ernst & Young LLP 100 Barbirolli Square Manchester M2 3EY
Registered number:	04038928
Trading name(s):	Dormant
Trading address(es):	Horatio House 77-85 Fulham Palace Road London W6 8JA

Details of the Administrators and of their appointment

Administrators:	T A Jack, A M Hudson and S Allport
Date of appointment:	24 December 2008
By whom appointed:	The appointment was made by a directors' application to Court under the provisions of paragraph 10 of Schedule B1 to the Insolvency Act 1986.
Court reference:	11732 of 2008 High Court of Justice, Chancery Division, Companies Court

Any of the functions to be performed or powers exercisable by the Administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting severally.

Statement concerning the EC Regulation

The EC Council Regulation on Insolvency Proceedings does apply to this Administration and the proceedings are main proceedings. This means that this Administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union Member State.

Share capital

Class	Authorised		Issued and fully paid	
	Number	£	Number	£
Ordinary	1	1	1	1

Directors and secretary and shareholdings

Name	Director or secretary	Date appointed	Current shareholding
Steve Peckham	Both	4 October 2004	Nil
Simon Douglas	Director	20 November 2001	Nil
Zavvi Retail Limited	Parent Company	N/A	1

Appendix B Directors' Statement of Affairs

Statement of affairs

Name of Company Ablegrand Limited (in Administration)
--

Company number 04272226

In the High Court of Justice, Chancery Division, Companies Court <small>[full name of court]</small>

Court case number 11726 of 2008

(a) Insert name and address of registered office of the company

Statement as to the affairs of (a) Ablegrand Limited (in Administration)
c/o Ernst & Young LLP, 100 Barbirolli Square, Manchester, M2 3EY


(b) Insert date on the (b) 24 December 2008, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs

of the above named company as at (b) 24 December 2008 the date that the company entered administration.

Full name STEPHEN PECKHAM

Signed 

Dated 26-1-09

A – Summary of Assets

Assets

Assets subject to fixed charge:


Assets subject to floating charge:

Uncharged assets:

Estimated total assets available for preferential creditors

Book Value (£)	Estimated to Realise (£)
NIC	NIC

Signature



Date

26-1-09

COMPANY CREDITORS

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

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
PARTIALY DIVIDEND	SEE SHEET 1	5705	NONE		
ESTIMATED LEASE BACK COST	SEE SHEET 2	2110247	NONE		
		2,515,952			

Signature  _____

Date 26-1-09

A1 – Summary of Liabilities

		Estimated to realise (£)
Estimated total assets available for preferential creditors (carried from page A)	£	NIL
Liabilities	£ NIL	
Preferential creditors:-		
Estimated deficiency/surplus as regards preferential creditors	£	NIL
Estimated prescribed part of net property where applicable (to carry forward)	£ NIL	
Estimated total assets available for floating charge holders	£	NIL
Debts secured by floating charges	£ NIL	
Estimated deficiency/surplus of assets after floating charges	£	NIL
Estimated prescribed part of net property where applicable (brought down)	£ NIL	
Total assets available to unsecured creditors	£	NIL
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ 2,915,952	
Estimated (deficiency) surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£	(2,915,952)
Shortfall to floating charge holders (brought down)	£ NIL	
Estimated (deficiency) surplus as regards creditors	£	(2,915,952)
Issued and called up capital	£ 1	
Estimated total (deficiency) surplus as regards members	£	(2,915,953)

Signature



Date

26.1.09

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
ZAVVI GROUP LIMITED	MORRIS HOUSE 77-81 FULHAM PALACE ROAD, LONDON W6 8JA	1	£1	A ORDINARY
TOTALS		1	£1	

Signature



Date

26-1-07

STORE	ADDRESS (REF)	ADDRESS	STATUS	LEASE END (EEB)	CURRENT RENT	RE BUDGET NEXT 30 YEAR	RENTS BUDGET NEXT YEAR	LEASHOLDER	CREATOR Ref	CREATOR Name	Address	Rent	Service Charge	Rates
AYR	187-193 High Street AYR Strathclyde KA1 1QT	Unit 1 187/193 High Street	SELF OCCUPIED	01/10/2012	77,400	nil	34,500	Abeyland	L15012	Sun Life Protections Management Limited	4th 187 Road E Unit 25 Strathclyde Street London W15 3HG	77,400	nil	34,500
BISHOPSGATE	152 Bishopsgate LONDON EC2N 3JP	152/154 Bishopsgate	SELF OCCUPIED	23/06/2012	191,500	5,750	63,604	Abeyland	L15008	Concessions	4th Floor and Grounds 1st Half Floor 9th Floor 10th Floor London W1B 5AH	191,500	5,750	63,604
BROMTHREE	9 George Yard Bromthree Essex CM1 1SB	9 George Yard	SELF OCCUPIED	20/02/2014	44,825	21,338	18,480	Abeyland	L15015	Oxford Energy Ltd Ltd	4th Floor 235 Safford Place London W1A 0AA	44,825	21,338	18,480
CHATHAM	175 117 High Street CHATHAM ME1 6BA	175/117 High Street	SELF OCCUPIED	20/05/2014	65,000	0	25,648	Abeyland	L15007	Meridian Investment Ltd	2 Cornhill Lodge 43 Station Square London SW1W 0AT	65,000	0	25,648
CHARTFORD	Unit 7 The Orchard Shopping Centre CHARTFORD Kent DA1 1DN	Unit 7 The Orchard Shopping Centre	SELF OCCUPIED	14/03/2015	50,000	21,064	10,200	Abeyland	L15013	CVA GRIMLEY DE DAE	4th GVA Group PO Box 930 3 Bredonplace Birmingham B3 8L 2BE	50,000	21,064	10,200
HIGHWYCOMBE (POLLING)	Unit D10 Oregon Shopping Centre HIGHWYCOMBE Buckinghamshire HP11 2NU	Unit D10 Oregon Shopping Centre	SELF OCCUPIED	24/12/2014	142,300	27,878	61,415	Abeyland	L15018	DTZ DTL Ltd	4th D17 128 Edward Street Birmingham West Midlands B3 2ED	142,300	27,878	61,415
HUDDESFIELD	61-63 New Street HUDDESFIELD West Yorkshire WF1 2BU	61/63 New Street	SELF OCCUPIED	24/12/2010	91,000	100,000	38,160	Abeyland	L15106	Dunelm Property Investment Ltd	15-17 Conqueror Green London SW1W 9DD	91,000	100,000	38,160
MANCHESTER (HMS S1)	25 King Street MANCHESTER M2 1AJ	25 King Street	VACANT	27/09/2017	200,000	nil	81,200	Abeyland	L15016	Victory Corporation PLC	Station House City Centre Liverpool Cheshire M50 2SR PO20 RFP	200,000	nil	81,200
TONBRIDGE (RENOTE)	Unit 6 The Pavilion TONBRIDGE Kent TN11 7EL	Unit 6 The Pavilion	STABLE	30/09/2010	31,250	5,951	nil	Abeyland	L15014	Pavilion Partnership Limited LP	4th 8th 9th 10th 11th 12th 13th 14th 15th 16th 17th 18th 19th 20th 21st 22nd 23rd 24th 25th 26th 27th 28th 29th 30th Northern Ireland BT1 6NJ	31,250	5,951	nil
												918,275	186,882	331,164
												Two Year Rent Corridor start		
												2,810,247		

Statement of affairs

Name of Company Ablegrand (2) Limited (in Administration)
--

Company number 04294608

In the High Court of Justice, Chancery Division, Companies Court [full name of court]

Court case number 11728 of 2008

(a) Insert name and address of registered office of the company

Statement as to the affairs of (a) Ablegrand (2) Limited (in Administration)
c/o Ernst & Young LLP, 100 Barbirolli Square, Manchester, M2 3EY


(b) Insert date on the (b) 24 December 2008, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs

of the above named company as at (b) 24 December 2008 the date that the company entered administration.

Full name STEPHEN PECKHAM

Signed 

Dated 26-1-09

A – Summary of Assets

Assets

Assets subject to fixed charge:

Assets subject to floating charge:

Uncharged assets:

Estimated total assets available for preferential creditors

Book Value (£)	Estimated to Realise (£)
NIL	NIL

Signature



Date

26-1-09

A1 – Summary of Liabilities

		Estimated to realise (£)
Estimated total assets available for preferential creditors (carried from page A)	£	NIL
Liabilities	£ NIL	
Preferential creditors:-		
Estimated deficiency/surplus as regards preferential creditors	£	
Estimated prescribed part of net property where applicable (to carry forward)	£	
Estimated total assets available for floating charge holders	£	
Debts secured by floating charges	£	
Estimated deficiency/surplus of assets after floating charges	£	
Estimated prescribed part of net property where applicable (brought down)	£	
Total assets available to unsecured creditors	£	
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ 4,426,269	
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£	(4,426,269)
Shortfall to floating charge holders (brought down)	£ NIL	
Estimated deficiency/surplus as regards creditors	£	(4,426,269)
Issued and called up capital	£ (
Estimated total deficiency/surplus as regards members	£	(4,426,270)

Signature



Date

26-1-09

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
ABLEBRAND LTD	MORRIS HOUSE, 77-85 FULHAM PALACE ROAD LONDON W6 8DA.	1	£1	A ORDINARY
TOTALS		1	£1	

Signature



Date

20-1-09

STORE	ADDRESS (IND)	ADDRESS	STATUS	LEASE END (YMD)	CURRENT RENT	5% BUDGET RENT TO YEAR	WATER BUDGET RENT TO YEAR	LEASER/OWNER	Creditor Ref	Creditor Name	Address	Rent	Service Charge	Notes
ABEQUETU (24-42204)	Unit 27 Non-Accred Center 4215 E. 1st Ave. #27 Portland, OR 97214	500 Adams (High) Unit 27 Portland, OR 97201	SELF OCCUPIED	5/31/2015	11,500	39,701	19,800	Abeyward, J	17502	Abeyward Property (Unit 27)	201 Industrial Building, 3710 SW Canyon Road, WGN MI	13,800	4,700	69,800
CAMERON (41)	Unit 18 Cameron 1st Center (41-24) 1801 E. 1st Ave. #18 Portland, OR 97232	Unit 18 Cameron 1st Center Portland, OR 97232	SELF OCCUPIED	5/31/2015	14,800	15,449	17,200	Abeyward, J	17501	Cameron 1st Center (41-24)	1801 E. 1st Ave. #18 Portland, OR 97232	14,800	1,700	17,200
DESBY (20-111-1)	Unit 22 Desby (20-111-1) 1111 Desby Ave. #22 Portland, OR 97201	Unit 22 Desby (20-111-1) 1111 Desby Ave. #22 Portland, OR 97201	VACANT	7/31/2015	8,500	13,427	30,700	Abeyward, J	17503	Garman & Washburn (Unit 22)	1111 Desby Ave. #22 Portland, OR 97201	8,500	1,100	30,700
EDMUND (21-1)	Unit 21 Edmund 2nd Center (21-1) 2101 E. 2nd Ave. #21 Portland, OR 97232	Unit 21 The Edge Edmund 2nd Center Portland, OR 97232	SELF OCCUPIED	12/31/2018	27,800	31,700	126,100	Abeyward, J	17502	Edmund 2nd Center (21-1)	2101 E. 2nd Ave. #21 Portland, OR 97232	27,800	3,700	126,100
GATESHEAD (21-1)	20 Gateshead (21-1) 2011 Gateshead Ave. #20 Portland, OR 97232	20 Gateshead (21-1) 2011 Gateshead Ave. #20 Portland, OR 97232	SELF OCCUPIED	2/28/2017	50,000	61,500	75,000	Abeyward, J	17501	McIntyre Property (21-1)	2011 Gateshead Ave. #20 Portland, OR 97232	50,000	4,500	75,000
SCOTTSMITH (21-1)	35 Scott Smith (21-1) 3501 Scott Smith Ave. #35 Portland, OR 97232	35 Scott Smith (21-1) 3501 Scott Smith Ave. #35 Portland, OR 97232	SUBLET	2/28/2019	100,000	5,300	2,400	Abeyward, J	17504	Professional Property (Scott Smith 21-1)	3501 Scott Smith Ave. #35 Portland, OR 97232	1,221,100	140,100	578,100
<p>New Year Rent Cost to rent ScotSmith to 3 months</p>														
<p>TOTAL RENT COST ESTIMATE</p>														
												7,444,800		
												231,488		
												75,000		
												3,900		
												297,400		
												3,983,388		

20-1-09

Statement of affairs

Name of Company
 Piccadilly Entertainment Store Limited
 (in Administration)

Company number
 04617728

In the
 High Court of Justice, Chancery Division, Companies
 Court (full name of court)

Court case number
 11731 of 2008

(a) Insert name and address of registered office of the company

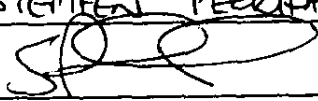
Statement as to the affairs of (a) Piccadilly Entertainment Store Limited (in Administration)
c/o Ernst & Young LLP, 100 Barbirolli Square, Manchester, M2 3EY

(b) Insert date on the (b) 24 December 2008, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs

of the above named company as at (b) 24 December 2008 the date that the company entered administration.

Full name STEPHEN PECKHAM
 Signed 
 Dated 26-1-09

A – Summary of Assets

Assets

Assets subject to fixed charge:

Assets subject to floating charge:

Uncharged assets:

Estimated total assets available for preferential creditors

Book Value (£)	Estimated to Realise (£)
NIL	NIL.

Signature



Date

26-1-09

A1 – Summary of Liabilities

		Estimated to realise (£)
Estimated total assets available for preferential creditors (carried from page A)	£	
Liabilities	£	
Preferential creditors:-		
Estimated deficiency/surplus as regards preferential creditors	£	
Estimated prescribed part of net property where applicable (to carry forward)	£	
Estimated total assets available for floating charge holders	£	
Debts secured by floating charges	£	
Estimated deficiency/surplus of assets after floating charges	£	
Estimated prescribed part of net property where applicable (brought down)	£	
Total assets available to unsecured creditors	£	
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ 1,492,750	
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£	(1,492,750)
Shortfall to floating charge holders (brought down)	£	
Estimated deficiency/surplus as regards creditors	£	(1,492,750)
Issued and called up capital	£ i	
Estimated total deficiency/surplus as regards members	£	(1,492,751)

Signature



Date

26-1-09

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
ZAVVI GROUP LIMITED	MORRIS HOUSE 27-45 FULHAM PALMER ROAD, LONDON W6 8JA	1	£1	A ORDINARY
TOTALS		1	£1	

Signature




Date

26-1-09

COMPANY CREDITORS

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

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
PROPERTY CASUALTY	SEE STREET 1	-			
ESTIMATED LEASE EXIT COSTS	SEC STREET 2	1,492,750			
		1,492,750			

Signature 

Date 26-1-09

STORE	ADDRESS IN	ADDRESS	STATUS	LEASE END (YR)	CURRENT RENT	RE BUDGET NEXT SY YEAR	RATE BUDGET NEXT YEAR	LEASHOLDER	Debtor Ref	Creditor Name	Address	Rent	Service Charge	Rece
KENSINGTON	67-70 Kensington High Street LONDON W8 4PE	67-74 Kensington	SELF OCCUPIED	30/09/2010	685,000	0	104,000	Pocahonty Entertainment Stores Limited	(1798)	Ken High Street Ltd	One Overmanning Management Ltd 2nd Floor 145 St Vincent Street Glasgow G2 3JF	685,000	0	104,000
TOTAL ESTIMATED ENT COST - 21 months												685,000	0	104,000
												1,482,120		

20-1-07

Statement of affairs

Name of Company

VR Services Limited (in Administration)

Company number

04038928

In the

High Court of Justice, Chancery Division, Companies
Court [full name of court]

Court case number

11732 of 2008

(a) Insert name and
address of registered
office of the company

Statement as to the affairs of (a) VR Services Limited (in Administration)

c/o Ernst & Young LLP, 100 Barbirolli Square, Manchester, M2 3EY

(b) Insert date on the (b) 24 December 2008, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs

of the above named company as at (b) 24 December 2008 the date that the company entered administration.

Full name

STEPHEN PECKHAM

Signed



Dated

26-1-09

A – Summary of Assets

Assets

Assets subject to fixed charge:

Assets subject to floating charge:

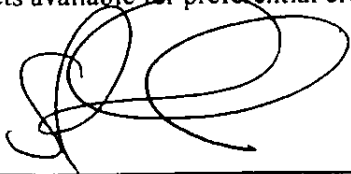
Uncharged assets:

AMOUNT PAYABLE BY ZANVI RETAIL LIMITED

Book Value (£)	Estimated to Realise (£)
1230638	-
1230638	NIL

Estimated total assets available for preferential creditors

Signature



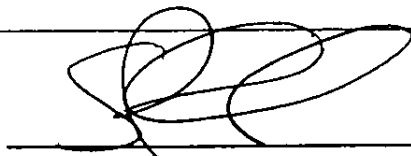
Date

26-1-07

A1 – Summary of Liabilities

		Estimated to realise (£)
Estimated total assets available for preferential creditors (carried from page A)	£	NIL
Liabilities	£	
Preferential creditors:-		
Estimated deficiency/surplus as regards preferential creditors	£	NIL
Estimated prescribed part of net property where applicable (to carry forward)	£	
Estimated total assets available for floating charge holders	£	NIL
Debts secured by floating charges	£	
Estimated deficiency/surplus of assets after floating charges	£	NIL
Estimated prescribed part of net property where applicable (brought down)	£	
Total assets available to unsecured creditors	£	NIL
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ 1230638	
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£	(1230638)
Shortfall to floating charge holders (brought down)	£	
Estimated deficiency/surplus as regards creditors	£	(1230638)
Issued and called up capital	£ 1	
Estimated total deficiency/surplus as regards members	£	(1230637)

Signature



Date

26-1-09

COMPANY CREDITORS

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

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
CORPORATION TAX		1130638	-	-	-



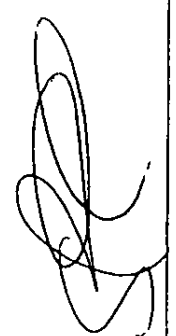
Signature

Date 26-1-09

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
ZANVI RETAIL LIMITED	MOULTON HOUSE, 77-85 FULHAM PALACE ROAD, LONDON W6 8JA	1	£1	ORDINARY
TOTALS		1	£1	

Signature



Date

26-1-09

Appendix C Statement of Administrators' charging policy for remuneration and disbursements pursuant to Statement of Insolvency Practice No. 9

Charging and disbursement policy

Administrator's charging policy for remuneration

The Administrators have engaged managers and other staff to work on the Administration. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the Group companies' bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Administrators.

All time spent by staff working directly on case-related matters is charged to a time code established for the case. Each member of staff has a specific hourly rate, which is subject to change over time. Details of hourly rates will be provided to the Creditors' Committee or other body responsible for approving remuneration. In the event that a Creditors' Committee is not formed and the Joint Administrators' remuneration fails to be agreed by a resolution of creditors, the Joint Administrators' remuneration shall, on application, be fixed by the Court.

AL

Administrators' remuneration for the period 24 December 2008 to 6 February 2009.

Activity	Staff Grade					Total Hours	Total Cost (£)	Average hourly rate
	Partner / Director	Senior Manager / Manager	Executive	Analyst	Other			
Accounting & Administration	1.0	3.4	3.3	0.2	-	7.9	2,112	267
Creditors	-	3.5	4.0	-	-	7.5	2,320	309
Other Assets	2.0	-	-	-	-	2.0	990	495
Property Issues	9.0	1.0	13.5	-	-	23.5	7,160	305
Site Closures	-	-	45.5	9.5	-	55.0	12,660	230
Statutory Duties	-	1.0	12.0	0.3	-	13.3	2,916	219
Trading	-	-	1.0	-	-	1.0	205	205
VAT and Taxation	-	-	-	0.1	-	0.1	12	120
Total Hours	12.0	8.9	79.3	10.1	-	110.3		
Time Cost (£)	5,670	2,830	18,670	1,205	-		28,375	
Average Hourly Rate (£)	473	318	235	119	-		257	
Category 1 Disbursements	28							
Category 2 Disbursements	64							
	<u>92</u>							

A2L

Administrators' remuneration for the period 24 December 2008 to 6 February 2009.

Activity	Staff Grade					Total Hours	Total Cost (£)	Average hourly rate
	Partner / Director	Senior Manager / Manager	Executive	Analyst	Other			
Accounting & Administration	1.0	3.4	3.0	0.2	-	7.6	2,052	270
Creditors	-	4.2	4.0	-	-	8.2	2,572	314
Other Assets	2.0	-	-	-	-	2.0	990	495
Property Issues	9.0	-	11.0	-	-	20.0	6,385	319
Site Closures	-	10.5	-	-	-	10.5	4,935	470
Statutory Duties	-	0.5	12.0	0.3	-	12.8	2,736	214
Trading	-	-	1.0	-	-	1.0	205	205
VAT and Taxation	-	-	-	0.1	-	0.1	12	120
Total Hours	12.0	18.6	31.0	0.6	-	62.2		
Time Cost (£)	5,670	7,562	6,590	65	-		19,887	
Average Hourly Rate (£)	473	407	213	108	-		320	
Category 1 Disbursements	-	-	-	-	-	-	-	-
Category 2 Disbursements	-	-	-	-	-	-	-	-

PESL

Administrators' remuneration for the period 24 December 2008 to 6 February 2009.

Activity	Staff Grade					Total Hours	Total Cost (£)	Average hourly rate
	Partner / Director	Senior Manager / Manager	Executive	Analyst	Other			
Accounting & Administration	1.0	3.1	0.9	0.2	-	5.2	1,549	298
Creditors	-	-	4.0	-	-	4.0	1,060	265
Other Assets	2.0	-	-	-	-	2.0	990	495
Property Issues	7.0	-	7.5	-	-	14.5	4,785	330
Statutory Duties	-	1.0	12.0	0.3	-	13.3	2,916	219
Trading	-	-	1.0	-	-	1.0	205	205
VAT and Taxation	-	-	-	0.1	-	0.1	12	120
Total Hours	10.0	4.1	25.4	0.6	-	40.1		
Time Cost (£)	4,770	1,213	5,470	65	-		11,517	
Average Hourly Rate (£)	477	296	215	108	-		287	
Category 1 Disbursements	-	-	-	-	-	-	-	-
Category 2 Disbursements	-	-	-	-	-	-	-	-

VRSL

Administrators' remuneration for the period 24 December 2008 to 6 February 2009.

Activity	Staff Grade					Total Hours	Total Cost (£)	Average hourly rate
	Partner / Director	Senior Manager / Manager	Executive	Analyst	Other			
Accounting & Administration	1.0	3.1	0.9	0.2	-	5.2	1,549	298
Creditors	-	4.5	4.0	-	-	8.5	2,680	315
Statutory Duties	3.0	-	12.0	0.3	-	15.3	4,041	264
Trading	-	-	1.0	-	-	1.0	205	205
VAT and Taxation	-	-	-	0.1	-	0.1	12	120
Total Hours	4.0	7.6	17.9	0.6	-	30.1		
Time Cost (£)	1,980	2,473	3,970	65	-		8,487	
Average Hourly Rate (£)	495	325	222	108	-		282	
Category 1 Disbursements	-	-	-	-	-	-	-	-
Category 2 Disbursements	-	-	-	-	-	-	-	-

Current average hourly charge out rates

Grade	Standard hourly rates 2008/2009
Partner	495-700
Director	405-635
Assistant Director	350-490
Senior Executive	275-360
Executive	200-265
Analyst	85-170

Administrators' charging policy for disbursements

Statement of Insolvency Practice No.9 divides disbursements into two categories.

Category 1 disbursements are defined as specific expenditure relating to the Administration of the insolvent's affairs and referable to payment to an independent third party. Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No.9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

Category 2 disbursements are charges made by the office holder's firm that include elements of shared or overhead costs. Statement of Insolvency Practice No.9 provides that such disbursements are subject to approval as if they were remuneration.

It is our policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn. It will be proposed to the creditors that the Joint Administrators be permitted to draw Category 2 expenses.

Appendix D Administrators' receipts and payments account for the period from 24 December 2008 to 6 February 2009

AL

Estimated to realise as per directors' Statement of Affairs

Statement of Affairs estimated to realise

£	£
Receipts	
Non-trading receipts	
Agency services	200,000
Interest	159
	200,159
Payments	
Non-trading payments	
Specific bond	264
	264
Balance on hand	199,895
Represented by	
Current account	31,895
Money market account	198,000
Net VAT receivable / (payable)	(30,000)
	199,895

A2L

Estimated to realise as per directors' Statement of Affairs

Statement of Affairs estimated to realise

£	£
Receipts	
Non-trading receipts	
Agency services	200,000
Interest	159
	200,159
Payments	
Non-trading payments	
Specific bond	264
	264
Balance on hand	199,895
Represented by	
Current account	31,895
Money market account	198,000
Net VAT receivable / (payable)	(30,000)
	199,895

PESL

Estimated to realise as per directors' Statement of Affairs

Statement of
Affairs
estimated to
realise
£

	£
Receipts	
Non-trading receipts	
Agency services	100,000
Interest	79
	<u>100,079</u>
Payments	
Non-trading payments	
Specific bond	264
	<u>264</u>
Balance on hand	<u>99,815</u>
Represented by	
Current account	16,815
Money market account	98,000
Net VAT receivable / (payable)	(15,000)
	<u>99,815</u>

VRSL

Estimated to realise as per directors' Statement of Affairs

Statement of
Affairs
estimated to
realise
£

	£
Receipts	
Non-trading receipts	
Agency services	100,000
Interest	79
	<u>100,079</u>
Payments	
Non-trading payments	
Specific bond	264
	<u>264</u>
Balance on hand	<u>99,815</u>
Represented by	
Current account	16,815
Money market account	98,000
Net VAT receivable / (payable)	(15,000)
	<u>99,815</u>

Notes

- ▶ Receipts and payments are stated net of VAT.
- ▶ The receipts and payments account has been prepared on a cash basis and does not take account of future receipts and payments.