

The Insolvency Act 1986

Administrator's progress report

Name of Company Mountgrange Land Limited
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Company number 04401506
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In the Royal Court of Justice  (full name of court)
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Court case number 12356/2009
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(a) Insert full name(s) and address(es) of administrator(s)

I/We (a)  
John Charles Reid  
Deloitte LLP  
Lomond House  
9 George Square  
Glasgow  
G2 1QQ

Carlton Malcolm Siddle  
Deloitte LLP  
Hill House  
1 Little New Street  
London  
EC4A 3WA

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From (b) 24 March 2011
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To (b) 23 September 2011
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Signed \_\_\_\_\_  
Joint / Administrator(s)

Dated \_\_\_\_\_  
21 October 2011

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 register

John Charles Reid Deloitte LLP Lomond House 9 George Square Glasgow G2 1QQ  DX Number DX GW 223	Tel 0141 204 2800 DX Exchange
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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

SATURDAY



A31 22/10/2011 249  
COMPANIES HOUSE

**Mountgrange Land Limited  
Mountgrange Stud Limited  
Mountgrange Farms and Stables Limited**

**Case No. 12356 of 2009  
Case No. 12352 of 2009  
Case No. 12357 of 2009**

**- All In Administration ("the Companies")**

**SIX MONTHLY PROGRESS REPORT TO CREDITORS  
PURSUANT TO RULE 2.47 OF THE INSOLVENCY RULES 1986 (AS AMENDED)**

**21 October 2011**

**This report has been prepared for the sole purpose of advising the Creditors. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by Creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.**

**John C Reid and Carlton M Siddle of Deloitte LLP were appointed Joint Administrators of the Companies on 23 March 2009. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability.**

**All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners.**

**John C Reid & Carlton M Siddle  
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- II. Joint Administrators' Abstract of Receipts and Payments accounts in respect of the Companies for the period from 24 March 2011 to 23 September 2011 and for the whole period from 24 March 2009 to 23 September 2011**
- III. Joint Administrators' time costs for the period 24 March 2009 to 23 September 2011 in respect of the Companies**

## **ABBREVIATIONS**

For the purpose of this report the following abbreviations shall be used

"the Act"	The Insolvency Act 1986 (as amended)
"The Rules"	The Insolvency Rules 1986 (as amended)
"Administrators or Joint Administrators"	John Charles Reid and Carlton Malcolm Siddle of Deloitte LLP
"the Bank"	Bank of Scotland plc
"Directors"	Martin Trevor Myers and Stephen Corner
"the Group"	the Mountgrange Land Group and the Mountgrange Capital Group
"Land Limited"	Mountgrange Land Limited
"the Mountgrange Capital Group"	Mountgrange Capital Plc, Mountgrange Limited, Mountgrange (Delphi) Limited, Mountgrange (St Helens) Limited, Mountgrange (Property Holdings) Limited, Mountgrange (Maidstone) Limited, Mountgrange (Linwood) Limited, Mountgrange (Hove) Limited, Mountgrange (Renaissance House) Limited, Mountgrange (New Street) Limited, Mountgrange (Carltongate) Limited and Residential Pensions Scotland Limited
"Stud"	Mountgrange Stud Limited
"Farms & Stables"	Mountgrange Farms and Stables Limited
"the Companies" or "the Land Group"	Mountgrange Land Limited, Mountgrange Stud Limited and Mountgrange Farms and Stables Limited
"RPO"	The Redundancy Payments Office
"ROT"	Retention of Title
"PP"	The Prescribed Part of the Companies net property subject to s176A of The Insolvency Act 1986 (as amended)
"QFCH"	Qualifying Floating Charge Holder
"SIP"	Statement of Insolvency Practice

## **1. INTRODUCTION**

### **1.1 Introduction**

This report has been prepared in accordance with Rule 2.47 of The Rules to provide creditors with an update on the progress of the Administrations of the Companies since our previous reports to creditors dated 19 May 2009, 23 October 2009, 22 April 2010, 19 October 2010 and 21 April 2011

Given the information previously provided to creditors in our previous reports, we have not included detailed background information in respect of the Companies and have focused instead on the progress of the Administrations

The Administrators' proposals as deemed approved following the issue of a notice under Paragraph 52(1) of Schedule B1 of the Act on 2 June 2009 and the expiry of 12 days thereafter are detailed in section 2.1 below

On the basis that there remained unrealised assets of the Companies which were not sold before 23 March 2010, the one year anniversary of the Administration, the Administrators submitted an application to the Court seeking to extend the period of the Administrations by 24 months, in terms of Paragraph 76(2)(a) of Schedule B1 of the Act. This is discussed further at section 5.1 below

Summaries of Statutory Information in respect of the Companies is attached at Appendix I

### **1.2 Details of the appointment of the Administrators**

John Reid and Carlton Siddle of Deloitte LLP were appointed Joint Administrators of the Companies by the Directors on 24 March 2009

The Court of the proceedings is High Court of Justice and the case numbers are 12356 of 2009 for Land Limited, 12352 of 2009 for Stud and 12357 of 2009 for Farms & Stables

For the purposes of Paragraph 100(2) of Schedule B1 of the Act, the Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally

## 2. THE ADMINISTRATORS' PROPOSALS

### 2.1 Introduction

As previously reported to creditors the Companies had significant secured and unsecured creditor liabilities and therefore a restructuring of their creditors would have been required to meet the first objective. It was apparent that there were insufficient ascribed value by 3<sup>rd</sup> parties in order to affect a restructuring of the Companies considerable debt and the Administrators concluded, that the first option was not possible to achieve. Therefore, the Administrators concluded that the objective of the Administrations to be pursued was that of achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up without first being in Administration.

The Administrators' proposals in order to achieve this objective, which were approved by the creditors of the Companies' on 2 June 2009 are as follows

#### **STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (as amended)**

- 1 the Administrators continue to manage the affairs and any remaining assets of the Companies and the settlement of all Administration expenses,
- 2 the Administrators continue with their enquiries into the conduct of the Directors of the Companies and continue to assist any regulatory authorities with their investigation into the affairs of the Companies,
- 3 the Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against each of the Companies unless the Administrators conclude, in their reasonable opinion, that the Companies will have no assets available for distribution,
- 4 the Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,
- 5 that, in the event the creditors of each Company so determine, at meetings of creditors, a Creditors' Committee be appointed in respect of each or any Company comprising of not more than five and not less than three creditors of that Company or Companies,
- 6 that, in respect of each Company, the Creditors' Committee, if one is appointed, shall be asked to agree that the Administrators' fees be fixed by reference to the time given in attending to matters arising in the Administrations and asked to agree the Administrators' expenses,
- 7 that, if a Committee is not appointed at a meeting of creditors, the meeting of creditors shall be asked to agree the Administrators' fees as well as the Administrators' expenses to be drawn from the Companies' assets and that the Administrators' expenses for mileage be calculated by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising in the Administrations, at the prevailing standard mileage rate used by Deloitte LLP at the time when the mileage is incurred (presently up to 45p per mile),
- 8 that, if a Creditors' Committee is not appointed, the secured and preferential creditors of each Company shall be asked to agree the Administrators' fees, in accordance with Rule 2.106(5A)(a) of the Rules, by reference to the time given in attending to matters arising in the Administration and that the Administrators' expenses for mileage be calculated by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising in the Administrations, at the prevailing standard mileage rate used by Deloitte LLP at the time when the mileage is incurred (presently up to 45p per mile),

- 9 that, following the realisation of assets and resolution of all matters in the Administrations, and as quickly and efficiently as is reasonably practicable, the Administrators implement the most cost effective steps to formally conclude the Administrations. This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Companies or alternatively, seeking to put each or any of the Companies into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors,
- 10 that, if each or any of the Companies were to be placed into CVL, the Administrators propose to be appointed Liquidators and any Creditors' Committees appointed will become Liquidation Committees pursuant to R4 174 of The Rules. As per paragraph 83(7) of Schedule B1 of the Act and R2 117 (3) of The Rules, the creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the proposals are approved by creditors. For the purposes of s231 of the Act the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally,
- 11 in the absence of Creditors' Committees, the secured and preferential creditors (to the extent that they exist) of each Company shall be asked to agree that the Administrators be discharged from liability per paragraphs 98 and 99 of Schedule B1 of the Act immediately upon the Administrators' filing their final report to creditors.

## 2.2 Progress on and achievement of the approved proposals

We have summarised below the progress and current status in respect of each of the approved proposals. The progress is consistent across the Land Group -

Proposal	Current status in respect of the Companies
1	Ongoing
2	Completed Returns sent 15 01 10
3	Ongoing
4	Ongoing
5	Not Applicable No Committee appointed in any Company
6	Not Applicable No Committee appointed in any Company
7	Not Applicable
8	Ongoing Fees being approved by preferential and secured creditors as appropriate
9	Ongoing/To be confirmed
10	Ongoing
11	Ongoing

Further information in respect of realisation of assets, the status of liabilities and the estimated outcome for creditors is contained in the following section of this report

Please note there have been no revisions to the proposals stated in the aforementioned report

### **3. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNTS AND ESTIMATED OUTCOME STATEMENTS**

#### **3.1 Introduction**

Attached at Appendix II is a Joint Administrators' Abstract of Receipts and Payments account for each Company, covering the period from 24 March 2009, the date of the Administrators' appointment to 23 September 2011, together with details of the transactions in the interim period, 24 March 2011 to 23 September 2011, in accordance with SIP 7

The Administrators have determined that the disclosure of an estimate of the realisable value of certain of the Companies' assets would seriously prejudice the commercial interests of the Companies. Accordingly pursuant to Rule 2.33(3) of The Rules this information was not disclosed in the Administrators Proposals and is not disclosed in this progress report

In this section, we have summarised the main asset realisations during the 6 month period and an estimation of those assets yet to be realised in respect of each Company

#### **3.2 Asset realisations**

The principal realisable assets held by the Land Group which were realised during the 6 month period are -

- Deferred consideration following sale of shares in Cashcade Limited,

Land Limited also held shares in a number of dormant companies none of which are listed here as they have no realisable value

##### **Land Limited**

##### **Cashcade Limited**

As noted in our previous reports Land Limited held a 17.4% interest in Cashcade whose principal activity was the operation of online bingo and casinos, following an extensive marketing process a deal was concluded with Party Gaming which resulted in the following realisations for Land Limited,

- £12.8m net proceeds,
- £1.1m deferred consideration received under the 2009 EBITDA earn-out, and
- £907k deferred consideration received under the 2010 EBITDA earn-out which was received in May 2011

With the exception of potential recoveries from a directors loan, no further recoveries are anticipated within Land Limited

##### **Farms and Stables**

Funds of £20k were received in the period relating to monies held in an escrow account following the sale of Kingsdown House, pending conclusion of a legal matter. As this matter is now concluded, the funds were released to Farms and Stables



## 4. DISTRIBUTIONS TO CREDITORS

### 4.1 Secured creditors

The Companies' Bank debt at the date of the appointment of the Administrators, can be summarised as follows

	<b>£m</b>
Term loan facility	20.7
Net cash balances	<u>(0.5)</u>
	<b><u>20.2</u></b>

The above figures are inclusive of £8.2m of Martin Myers personal debt that has been guaranteed by the Group. The above figures have been confirmed by the Bank as at the date of appointment and a cross guarantee exists between each of the Companies.

The Administrators have distributed £2,025m to the Bank in this period.

### 4.2 Preferential creditors

Preferential claims relating to employee deductions are expected to be submitted by the RPO in Farms and Stables. We do not anticipate that there will be funds available from floating charge assets for distribution to preferential creditors in Farms and Stables Land Limited and Stud had no employees and therefore there will be no preferential claim in those Companies.

### 4.3 Prescribed Part ("PP")

By virtue of Section 176A (2)(a) of the Act, the Administrators must make a PP of the Companies net property available for the satisfaction of unsecured debts. Net property is the amount of the Companies' property which would, but for this section, be available for the holders of floating charges created by the Companies. This equates to

- 50% of net property up to £10,000,
- Plus, 20% of net property in excess of £10,000
- Subject to a maximum of £600,000

The value of the PP cannot exceed £600k per Company.

For certain of the Companies in Administration, it may be necessary to make an application to court to disapply the PP under Section 176A(5) of the Act where the cost of making a PP distribution is deemed to be disproportionate to the benefits.

#### 4.4 Unsecured creditors

The unsecured creditors' positions for the Land Group as at 24 March 2009 per the Directors' Statements of Affairs (excluding any shortfall to floating charge holders) is summarised in the table below

	<b>£000</b>
Land Limited	611
Stud Limited	8,693
Farms & Stables Limited	<u>4,363</u>
	<b><u>13,667</u></b>

After discharging the costs of the Administrations, there will be insufficient realisations from fixed charge and floating charge assets to fully repay the Bank

Accordingly, no funds will be available to pay a dividend to the unsecured creditors other than the PP

These figures include intercompany debts of £12,965k

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## **5. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS**

### **5.1 Extensions to the initial appointment period**

In accordance with the provisions of the Act incorporated by the Enterprise Act 2002, all Administrations automatically come to an end after one year, unless an extension is granted by the Court or with consent of the creditors. An extension was granted on 22 March 2010 for a period of 24 months to 23 March 2012 in respect of all Companies.

### **5.2 Investigations**

All investigations into the conduct of the Directors of the Companies has now been completed and a report has been submitted to the Insolvency Service a division of the Department for Business, Innovation & Skills on 15 January 2010.

### **5.3 Exit**

The exit routes available to the Administrators were detailed in the Administrators' Report and Proposals dated 19 May 2009.

Following realisation of the remaining assets and conclusion of the Administration, it is anticipated that the Administrators will file notices with the Court and Companies House stating that the purpose of the Administration has been sufficiently achieved and request the dissolution of the Company.

### **5.4 SIP 13 – Transactions with connected parties**

In accordance with SIP Number 13, we confirm that there have been no transactions with connected parties in the period.

### **5.5 EC Regulations**

As stated in the Administration Order in respect of each Company, Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

## 6. JOINT ADMINISTRATORS' FEES AND EXPENSES

### 6.1 Joint Administrators' Fees

There were no funds available to the unsecured creditors other than by virtue of Section 176A(2)(a) of the Act, therefore, fixing of the Administrators' remuneration was approved in accordance with Rule 2 106 of The Rules, which is outlined as follows

- Where the Administrators have made a statement under Paragraph 52(1)(b) of Schedule B1 of the Act the Administrators' remuneration may be fixed by the approval of
  - each secured creditor, or
  - if the Administrators intend to make a distribution to preferential creditors, with the approval of each secured creditor and 50% of preferential creditors who respond to an invitation to consider approval

The total time incurred to 23 September 2011, total hours charged and average hourly rate for each Company is shown below

Company	Total time incurred £	Total Hours Charged	Average Hourly Rate £
Land Limited	431,360.15	942.78	457.54
Stud	268,924.65	856.68	313.91
Farms & Stables	432,075.75	1,169.54	369.44
	<b>1,132,360.55</b>	<b>2,969.00</b>	<b>381.39</b>

Fees were drawn of £40k in Land Limited, £38k in stud and £45k in Farms and Stables in this period, these were approved by Creditors in line with the provisions above

The Administrators have drawn fees of £225.3k in Land Limited, £229.3k in Stud and £318.3k in Farms and Stables against total time costs in the Land Group of £1,132k

- **Administration and planning** includes case planning, case set-up, notification of appointment, maintenance of our case files and insolvency case record, statutory reporting, compliance, cashiering and accounting
- **Investigations** includes investigating the companies affairs and in particular any antecedent transactions and also reporting on the conduct of its directors
- **Realisation of assets** includes identifying, securing and insuring assets, sale of business, transition of contracts, property issues, disposal of stocks, collection of debts, realisation of other fixed assets and VAT and taxation matters
- **Trading** includes planning, identifying strategy, preparation of trading forecasts, monitoring of performance against the forecasts, managing operations, dealing with supplier and landlord issues to ensure continuity of operations, accounting and employees (including pensions and other staff benefits)
- **Creditors** includes set-up of creditor records, creditor communications, preferential claims, unsecured claims, secured and employee claims

"A Creditors' Guide to Administrators' Remuneration" is available for download at

[http://www.r3.org.uk/media/documents/technical\\_library/SIPS/SIP%209%20E&%20W%20INT%20ER.pdf](http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%209%20E&%20W%20INT%20ER.pdf)

Should you require a paper copy, please send your request in writing to the Administrators at the address on the front of this report and this will be provided to you at no cost

## 6.2 Disbursements

The Administrators' direct disbursements in the Administrations of the Land Group are as follows

<b>Nature of disbursement</b>	<b>Total (£)</b>
Travel	3,713 25
Subsistence	724 08
Business Telephone	43 76
Accommodation	78 39
Couriers	320 43
Postage	76 81
<b>Total</b>	<b>4,956 72</b>

Note that Deloitte policy is to seek approval of both Category 1 and 2 disbursements and therefore there is no need to distinguish between the two. Disclosure is required where we have incurred Category 2 expenses such as mileage and internal copying.

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred.

## 6.3 Charge out rates

The range of charge out rates for the separate categories of staff is based on our 2010 and 2011 charge out rates as summarised below. Manager rates include all grades of assistant manager.

<b>Grade</b>	<b>2011 £</b>	<b>2010 £</b>
<b>Partners/Directors</b>	560 to 895	535 to 895
<b>Managers</b>	280 to 670	265 to 640
<b>Assistants and Support Staff</b>	175 to 280	165 to 265

For time incurred prior to 2010, the time incurred will fall outwith these bands, but such bands have been provided in earlier reports.

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Corporate Finance or Drivers Jonas Deloitte may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands.

All partners and technical staff (including cashiers) assigned to the case record their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case, based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

With effect from 1 January 2011, charge out rates were increased by an average 5% and the charge out rate bandings have been amended, where applicable, to reflect this change.

#### 6.4 Other professional costs

As previously advised, Shepherd & Wedderburn LLP were instructed by the Administrators to advise on appropriate legal matters across the Land Group. In addition, Go Industry, a firm of valuers, were instructed by the Administrators in respect of Farms and Stables, to undertake inventories and valuations of stock, plant and equipment, fixtures and fittings and other chattel assets where appropriate.

Tattersalls Limited and Doncaster Bloodstock Sales Limited were also engaged to value and sell the bloodstock in Stud. Barnes Roffe LLP were instructed to carry out payroll functions in Farms & Stables and assist with the preparation of the Statement of Affairs across the Land Group. Blake Laphorn LLP were engaged in the sale of the business and assets of Farms & Stables.

The professional costs for the Land Group to date are summarised in the table below. All professional costs are reviewed and analysed before payment is approved. These costs have all been paid in full.

Name of lawyer/agent	NET £	VAT £	GROSS £
Shepherd & Wedderburn LLP	151,437 63	23,837 09	175,274 72
Tattersalls Limited	46,522 75	6,981 40	53,504 15
Barnes Roffe LLP	3,800 00	576 25	4,376 25
Doncaster Bloodstock Sales Limited	3,240 00	486 00	3,726 00
Go Industry	1,600 00	240 00	1,840 00
Blake Laphorn LLP	151,487 50	22,767 40	174,254 90
<b>Total</b>	<b>358,087 88</b>	<b>54,888 14</b>	<b>412,976 02</b>

**MOUNTGRANGE LAND LIMITED**  
**(IN ADMINISTRATION)**  
**SUMMARY OF STATUTORY INFORMATION**

<b>Company name</b>	Mountgrange Land Limited – In Administration
<b>Previous names</b>	N/A
<b>Court Proceeding – In Administration</b>	Royal Court of Justice
<b>Court Reference</b>	12356 of 2009
<b>Date of Appointment</b>	24 March 2009
<b>Joint Administrators</b>	John C Reid & Carlton M Siddle Deloitte LLP Lomond House 9 George Square Glasgow G2 1QQ
<b>Appointed by</b>	The Directors of the Company (under paragraphs 22-34 of Schedule B1 of the Insolvency Act 1986 (as amended))
<b>Company number</b>	04401506
<b>Incorporation date</b>	22 March 2002
<b>Registered office</b>	c/o Deloitte LLP Hill House 1 Little New Street London EC4A 3TR
<b>Ordinary issued and called up share capital</b>	200 Ordinary Shares
<b>Shareholders</b>	Martin Myers – 200 Ordinary Shares
<b>Directors at date of Appointment</b>	Martin Myers Stephen Corner
<b>Company secretary</b>	Nicholas Berry
<b>Bankers</b>	Bank of Scotland plc
<b>Auditors</b>	Brett Adams 25 Manchester Square London, W1V 3PY

**MOUNTGRANGE STUD LIMITED**  
**(IN ADMINISTRATION)**  
**SUMMARY OF STATUTORY INFORMATION**

<b>Company name</b>	Mountgrange Stud Limited – In Administration
<b>Previous names</b>	N/A
<b>Court Proceedings – In Administration</b>	Royal Court of Justice
<b>Court Reference</b>	12352 of 2009
<b>Date of Appointment</b>	24 March 2009
<b>Joint Administrators</b>	John C Reid & Carlton M Siddle Deloitte LLP Lomond House 9 George Square Glasgow G2 1QQ
<b>Appointed by</b>	The Directors of the Company (under paragraphs 22-34 of Schedule B1 of the Insolvency Act 1986 (as amended))
<b>Company number</b>	03560526
<b>Incorporation date</b>	8 May 1998
<b>Registered office</b>	c/o Deloitte LLP Hill House 1 Little New Street London EC4A 3TR
<b>Ordinary issued and called up share capital</b>	2 Ordinary Shares
<b>Shareholders</b>	Mountgrange Land Limited – 2 Ordinary Shares
<b>Directors at date of Appointment</b>	Martin Myers Stephen Corner
<b>Company secretary</b>	Nicholas Berry
<b>Bankers</b>	Bank of Scotland plc
<b>Auditors</b>	Brett Adams 25 Manchester Square London, W1V 3PY



**MOUNTGRANGE FARMS & STABLES LIMITED**  
**(IN ADMINISTRATION)**  
**SUMMARY OF STATUTORY INFORMATION**

<b>Company name</b>	Mountgrange Farms & Stables Limited – In Administration
<b>Previous names</b>	N/A
<b>Court Proceedings – In Administration</b>	Royal Court of Justice
<b>Court Reference</b>	12357 of 2009
<b>Date of Appointment</b>	24 March 2009
<b>Joint Administrators</b>	John C Reid & Carlton M Siddle Deloitte LLP Lomond House 9 George Square Glasgow G2 1QQ
<b>Appointed by</b>	The Directors of the Company (under paragraphs 22-34 of Schedule B1 of the Insolvency Act 1986 (as amended))
<b>Company number</b>	03122354
<b>Incorporation date</b>	6 November 1995
<b>Registered office</b>	c/o Deloitte LLP Hill House 1 Little New Street London EC4A 3TR
<b>Ordinary issued and called up share capital</b>	100 Ordinary Shares
<b>Shareholders</b>	HSDL Nominees Limited – 100 Ordinary Shares
<b>Directors at date of Appointment</b>	Martin Myers Stephen Corner
<b>Company secretary</b>	Nicholas Berry
<b>Bankers</b>	Bank of Scotland plc
<b>Auditors</b>	Brett Adams 25 Manchester Square London, W1V 3PY

<b>Mountgrange Land Limited (In Administration)</b>			
<b>Joint Administrators' Abstract Receipts and Payments Account for Period 24 March 2009 to 23 September 2011</b>			
<b>RECEIPTS</b>	<b>Statement of Affairs Estimated to Realise (£)</b>	<b>Interim Period 24/03/11 to 23/09/11 (£)</b>	<b>Cumulative to date (£)</b>
Shareholding Malaysia Hotel	500,000 00		450,007 40
Other Realisations			386 97
Other Debtors			300 00
Shares & Investments	15,015,000 00	906,849 46	15,059,667 63
Uncalled Share Capital			42,348 66
Bank Interest Gross		1,970 99	13,878 71
Buxstat Investments I/C Settlement			45 00
		<b><u>908,820.45</u></b>	<b><u>15,566,634.37</u></b>
<b>PAYMENTS</b>			
Professional Fees			2,250 00
Administrators' Fees		40,000 00	225,228 33
Administrators' Expenses			824 83
Legal Fees (1)		2,003 00	67,625 27
Legal Fees Shares			250,263 73
Distnbuton to Bank		1,621,000 00	14,970,510 83
		<b><u>1,663,003 00</u></b>	<b><u>15,516,702.99</u></b>
Balance		<b><u>(754,182 55)</u></b>	<b><u>49,931 38</u></b>
<b>REPRESENTED BY</b>			
Vat Receivable			49,325 43
Floating IB A/C			605 95
			<b><u>49,931 38</u></b>

<b>Mountgrange Stud Limited (In Administration)</b>			
<b>Joint Administrators' Abstract Receipts and Payments Account for Period 24 March 2009 to 23 September 2011</b>			
<b>RECEIPTS</b>	<b>Statement of Affairs Estimated to Realise (£)</b>	<b>Interim Period 24/03/11 to 23/09/11 (£)</b>	<b>Cumulative to date (£)</b>
Book Debts			1,729 27
VAT Refund	48,899 00		11,192 25
Insurance Refund			4,655 89
Bloodstock Sales Proceeds	1,685,000 00		1,092,469 08
Bank Interest Gross		743 79	4,588 46
		<u>743.79</u>	<u>1,114,634.95</u>
<b>PAYMENTS</b>			
Insurance			12,373 27
Lien Payments			263,984 88
C Kilgour Expenses			3,453 75
Training Fees			110,815 34
British Horse Racing Authority Fees			2,564 06
Searchers Partnership Fees			12,871 68
Dispersal Sale Expenses			32,467 58
Tattersalls Entry Fees & Commission			46,402 75
Administrators' Fees		38,000 00	229,375 00
Administrators' Expenses			1,564 06
Agents/Valuers Fees			4,785 00
Legal Fees			47,977 93
Bank Charges			260 00
Debit Interest			113 78
Distribution to Bank		320,000 00	320,000 00
		<u>358,000.00</u>	<u>1,089,009.08</u>
Balance		<u>(357,256.21)</u>	<u>25,625.87</u>
<b>REPRESENTED BY</b>			
VAT Receivable			7,600 00
Floating IB Current A/C			18,025 87
			<u>25,625.87</u>

<b>Mountgrange Farms and Stables Limited</b> <b>(In Administration)</b>			
<b>Joint Administrators' Abstract Receipts and Payments Account</b> <b>for Period 24 March 2009 to 23 March 2011</b>			
<b>RECEIPTS</b>	<b>Statement of Affairs Estimated to Realise (£)</b>	<b>Interim Period 24/09/10 to 23/03/10 (£)</b>	<b>Cumulative to date (£)</b>
Gallop Fees			49,475 15
Jame Osborne Rent			48,800 00
Miscellaneous Income			65 00
Bank Interest Gross		95 96	5,957 02
Subject to a charge	4,500,000 00		4,390,061 51
Other Refunds			17,738 67
Refunds		20,354 39	20,354 39
Plant & Machinery	15,000 00		60,000 00
Book Debts	6,000 00		24,375 38
Insurance Refund			2,517 59
Bank Interest Gross		289 62	7,762 50
		<u>20,739.97</u>	<u>4,627,107.21</u>
<b>PAYMENTS</b>			
Sub Contractors			4,335 00
Direct Labour			101,936 21
Rates			2,613 35
Heat, Water & Light			1,105 83
Telephone			823 39
Insurance			8,860 32
Professional Fees			1,550 00
Repairs & Maintenance			5,936 42
Vehicle Running Costs			1,717 52
Petty Cash			200 00
Property Expenses			1,648 60
C Kilgour Expenses		13,889 80	46,651 27
IT Consultant			429 90
Other Property Costs		1,500 00	1,500 00
Professional Fees			3,760 44
Specific Bond			30 00
Administrators' Fees		45,000 00	318,397 00
Administrators' Expenses			1,238 57
Agents/Valuers Fees (1)		801 00	1,600 00
Agents/Valuers Fees (2)			149,713 01
Legal Fees (1)			37,209 13
Bank Charges			695 10
Debit Interest			473 41
Distribution to Bank		84,000 00	3,834,000 00
		<u>145,190.80</u>	<u>4,526,424.47</u>
Balance		<u>(124,450 83)</u>	<u>100,682.74</u>
<b>REPRESENTED BY</b>			
Trade Debtors			82,064 96
VAT Receivable			9,000 00
Fixed IB Current Account			996 80
Floating IB Current Account			972 98
Due to Blake Laphorne			(111 38)
Pension Contributions			7,789 38
Due to Deloitte			(30 00)
			<u>100,682.74</u>

Mountgrange Land Limited  
(In Administration)

Time costs for the period 24/03/09 to 23/09/11

Appendix 3

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate Cost (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
<b>Administration and Planning</b>									
Cashiering and Statutory Filing	-	-	7 00	3,146 50	31 00	7,818 50	38 00	10,965 00	288 55
Case Supervision, Management and Closure	14 45	8,683 25	26 95	8,247 15	22 45	4,111 00	63 85	21,041 40	329 54
Initial Actions (e.g. Notification of Appointment, Securing Assets)	-	-	-	-	-	-	-	-	-
General Reporting	27 25	17,298 75	14 20	4,489 00	45 40	8,271 00	86 85	30,058 75	348 10
Liaison with Other Insolvency Practitioners	-	-	25 35	6,952 50	-	-	25 35	6,952 50	274 28
	41 70	25,982 00	73 50	22,835 15	98 85	20,200 50	214 05	69,017 65	322 44
<b>Investigations</b>									
Investigations	-	-	3 50	1,627 50	-	-	3 50	1,627 50	465 00
Reports on Directors' Conduct	2 00	1,050 00	8 00	3,022 50	3 00	519 00	13 00	4,591 50	353 19
	2 00	1,050 00	11 50	4,650 00	3 00	519 00	16 50	6,219 00	376 91
<b>Trading</b>									
Day 1 Control of Trading	-	-	-	-	-	-	-	-	-
Ongoing Trading	-	-	-	-	-	-	-	-	-
Monitoring Trading	-	-	-	-	-	-	-	-	-
Closure of Trade	-	-	-	-	-	-	-	-	-
<b>Realisation of Assets</b>									
Book Debts	-	-	2 00	590 00	-	-	2 00	590 00	295 00
Other Assets (e.g. Stock)	71 70	42,772 00	71 70	24,485 25	6 10	1,077 00	149 50	68,334 25	457 09
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	-	-	-	-	-	-	-
Property - Freehold and Leasehold	47 00	27,810 00	17 50	8,137 50	1 00	170 00	65 50	36,117 50	551 41
Retention of Title	54 00	33,210 00	-	-	-	-	54 00	33,210 00	615 00
Sale of Business / Assets	-	-	-	-	-	-	-	-	-
Third Party Assets	172 70	103,792 00	81 20	33,212 75	7 10	1,247 00	271 00	138,251 75	510 15
<b>Creditors</b>									
Employees	-	-	-	-	0 20	34 00	0 20	34 00	170 00
Preferential	-	-	-	-	-	-	-	-	-
Secured	108 75	58,258 75	111 00	40,767 75	6 30	1,137 00	224 05	100,163 50	447 06
Shareholders	-	-	35 70	6,624 00	23 40	4,092 00	59 10	10,716 00	181 32
Unsecured	108 75	58,258 75	146 70	47,391 75	29 80	5,263 00	283 35	110,913 50	391 44
<b>Other Matters Include</b>									
Litigation	-	-	-	-	-	-	-	-	-
Pensions	14 85	12,980 75	138 63	93,058 00	4 40	909 50	157 88	106,958 25	677 47
Tax and VAT	14 85	12,980 75	138 63	93,058 00	4 40	909 50	157 88	106,958 25	677 47
<b>TOTAL HOURS &amp; COST</b>	338 00	202,073 50	461 53	201,147 65	143 25	28,139 00	942 78	431,360 15	457 54

TOTAL FEES DRAWN TO DATE

225,288.00

Appendix 3

Time costs for the period 24/03/09 to 23/09/11

Mountgrange Stud Limited  
(In Administration)

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate Cost (£) x
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
<b>Administration and Planning</b>									
Cashiering and Statutory Filing	-	-	11 80	5,331 00	40 60	9,453 40	52 40	14,784 40	282 15
Case Supervision, Management and Closure	3 00	1,828 00	6 35	2,179 40	25 45	4,707 25	34 80	8,714 65	250 42
Initial Actions (e.g. Notification of Appointment, Securing Assets)	-	-	-	-	4 50	733 50	4 50	733 50	163 00
General Reporting	-	-	30 70	7,026 50	0 10	19 00	30 80	7,045 50	228 75
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-
	3 00	1,828 00	48 85	14,538 90	70 65	14,913 15	122 50	31,278 05	255 33
<b>Investigations</b>									
Investigations	-	-	-	-	-	-	-	-	-
Reports on Directors' Conduct	-	-	21 00	6,415 00	3 00	519 00	24 00	6,934 00	288 92
	-	-	21 00	6,415 00	3 00	519 00	24 00	6,934 00	288 92
<b>Trading</b>									
Day 1 Control of Trading	-	-	-	-	5 50	877 25	5 50	877 25	159 50
Ongoing Trading	3 25	1,706 25	2 05	674 50	18 70	2,982 67	24 00	5,363 42	223 48
Monitoring Trading	-	-	24 85	7,470 25	28 15	4,489 94	53 00	11,960 19	225 66
Closure of Trade	-	-	0 70	185 50	-	-	0 70	185 50	265 00
	3 25	1,706 25	27 60	8,330 25	52 35	8,349 86	83 20	18,386 36	220 99
<b>Realisation of Assets</b>									
Book Debts	-	-	1 00	265 00	-	-	1 00	265 00	265 00
Other Assets (e.g. Stock)	133 25	71,761 25	251 80	89,906 00	32 85	5,278 60	417 90	166,945 85	399 49
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	-	-	0 55	87 73	0 55	87 73	159 51
Property - Freehold and Leasehold	6 80	4,302 00	-	-	3 50	805 00	10 10	5,107 00	505 64
Retention of Title	0 50	262 50	6 55	1,833 25	11 60	1,850 20	18 65	3,946 95	211 56
Sale of Business / Assets	-	-	-	-	111 30	17,752 38	111 30	17,752 38	159 50
Third Party Assets	-	-	-	-	-	-	-	-	-
	140 35	76,325 75	259 35	92,004 25	159 80	25,773 91	559 50	194,103 91	348 92
<b>Creditors</b>									
Employees	-	-	-	-	-	-	-	-	-
Preferential	-	-	-	-	-	-	-	-	-
Secured	1 50	787 50	18 00	6,005 25	-	-	19 50	6,792 75	348 35
Shareholders	-	-	-	-	-	-	-	-	-
Unsecured	1 50	787 50	10 25	1,742 50	24 45	3,996 58	34 70	5,739 08	165 39
	1 50	787 50	28 25	7,747 75	24 45	3,996 58	54 20	12,531 83	231 21
<b>Other Matters Include</b>									
Litigation	-	-	-	-	-	-	-	-	-
Pensions	0 50	447 50	6 98	4,214 00	5 80	1,029 00	13 28	5,690 50	428 50
Tax and VAT	0 50	447 50	6 98	4,214 00	5 80	1,029 00	13 28	5,690 50	428 50
	0 50	447 50	6 98	4,214 00	5 80	1,029 00	13 28	5,690 50	428 50
<b>TOTAL HOURS &amp; COST</b>	148 60	81,095 00	392 03	133,248 15	316 05	54,581 50	856 68	269,924 65	313 91

TOTAL FEES DRAWN TO DATE  
229,375 00

Time costs for the period 24/03/09 to 23/09/11

Mountgrange Farms & Stables Limited  
(In Administration)

Appendix 3

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate Cost (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
<b>Administration and Planning</b>									
Cashiering and Statutory Filing	9.70	5,189.50	19.00	8,784.00	56.80	13,805.00	75.80	22,589.00	298.01
Case Supervision, Management and Closure	0.15	119.25	3.75	1,390.00	34.75	6,363.50	48.20	12,943.00	268.53
Initial Actions (e.g. Notification of Appointment, Securing Assets)	4.00	1,840.00	11.25	3,838.75	2.10	379.00	26.15	6,922.00	264.70
General Reporting							17.35	6,057.75	349.15
Liaison with Other Insolvency Practitioners	13.85	7,148.75	48.00	18,566.75	107.65	22,786.25	167.50	48,511.75	289.62
<b>Investigations</b>									
Investigations	-	-	-	-	-	-	-	-	-
Reports on Directors' Conduct	-	-	2.25	897.50	3.40	591.00	5.65	1,288.50	228.05
	-	-	2.25	897.50	3.40	591.00	5.65	1,288.50	228.05
<b>Trading</b>									
Day 1 Control of Trading	99.50	52,237.50	34.80	11,040.75	8.50	1,355.75	8.50	1,355.75	159.50
Ongoing Trading	-	-	34.85	11,219.00	93.45	14,915.83	227.75	78,194.08	343.33
Monitoring Trading	-	-	3.90	1,033.50	56.60	9,027.71	91.45	20,246.71	221.40
Closure of Trade	99.50	52,237.50	73.55	23,293.25	168.55	25,289.29	331.60	100,830.04	304.07
<b>Realisation of Assets</b>									
Book Debts	41.00	22,147.50	12.00	3,627.00	12.60	2,070.70	65.60	27,845.20	424.47
Other Assets (e.g. Stock)	36.50	20,242.50	4.50	1,549.75	5.60	972.05	46.60	22,764.30	488.50
Plant and Equipment, Fixtures and Fittings and Vehicles	190.50	102,430.00	169.00	64,152.50	32.30	5,475.62	391.80	172,058.12	439.15
Property - Freehold and Leasehold	16.00	8,540.00	-	-	1.00	170.00	1.00	170.00	170.00
Retention of Title	4.00	2,140.00	-	-	8.85	1,411.58	24.85	9,951.58	400.47
Sale of Business / Assets	288.00	155,500.00	185.50	69,329.25	64.80	10,814.98	538.30	235,644.23	437.76
Third Party Assets	1.00	560.00	-	-	19.95	3,468.63	20.95	4,028.63	192.30
<b>Creditors</b>									
Employees	-	-	-	-	-	-	-	-	-
Preferential	-	-	-	-	-	-	-	-	-
Secured	-	-	25.75	7,764.25	0.30	54.00	26.05	7,818.25	300.12
Shareholders	-	-	-	-	-	-	-	-	-
Unsecured	1.00	560.00	31.30	9,387.50	49.95	8,665.98	82.25	18,513.48	228.30
<b>Other Matters Include</b>									
Litigation	-	-	-	-	-	-	-	-	-
Pensions	14.80	12,586.50	23.84	13,600.25	5.60	1,001.00	44.24	27,187.75	614.55
Tax and VAT	14.80	12,586.50	23.84	13,600.25	5.60	1,001.00	44.24	27,187.75	614.55
<b>TOTAL HOURS &amp; COST</b>	417.15	228,032.75	362.44	134,874.50	389.95	69,168.50	1,159.54	432,075.75	369.44

TOTAL FEES DRAWN TO DATE

318,397.00