

The Insolvency Act 1986

**2.24B**

### Administrator's progress report

Name of Company
Durham Investments Six Limited

Company number
03104360

In the High Court of Justice Chancery Division, Leeds District Registry
--

Court case number
468 of 2010

We  
 Mark Granville Firmin  
 KPMG LLP  
 1 The Embankment  
 Neville Street  
 Leeds  
 LS1 4DW  
 United Kingdom

Brian Green  
 KPMG LLP  
 St James Square  
 Manchester  
 M2 6DS  
 United Kingdom

Howard Smith  
 KPMG LLP  
 1 The Embankment  
 Neville Street  
 Leeds  
 LS1 4DW  
 United Kingdom

The Administrators of the above Company attach a progress report for the period

from	to
14 June 2011	4 January 2012

Signed \_\_\_\_\_  
 Joint Administrator

Dated \_\_\_\_\_  
 1 February 2012

#### 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.

Kevin Flatley KPMG LLP 1 The Embankment Neville Street Leeds LS1 4DW DX Number    DX 724440 Leeds	Tel 0113 231 3155 DX Exchange
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When you have completed and signed this form, please send it to the Registrar of Companies at -  
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**Durham Investments Six Limited in  
administration**

**Report to Creditors pursuant  
to Rule 2.47 of the  
Insolvency Rules 1986**

KPMG LLP  
1 February 2012

MGF/JL/RC/KF



## Notice: About this Report

This Report has been prepared by Mark Granville Firmin, Brian Green and Howard Smith, the Joint Administrators of Durham Investments Six Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Durham Investments Six Limited.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this Report for any purpose, or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Mark Granville Firmin and Brian Green are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

Howard Smith is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

The Joint Administrators act as agents for Durham Investments Six Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administration.

In accordance with Paragraph 100(2) of Schedule B1 the functions of the Joint Administrators may be exercised by any or all of them.



## Glossary

Joint Administrators	Mark Granville Firmin, Brian Green and Howard Smith of KPMG LLP, 1 The Embankment, Neville Street, Leeds LS1 4DW
Administration Order	The administration order granted by the High Court of Justice, Chancery Division, Leeds District Registry regarding Durham Investments Six Limited on 22 February 2010 Court administration number 468 of 2010
Aviva	Aviva Commercial Finance Limited, whose ultimate parent is Aviva Plc
the Company	Durham Investments Six Limited (in administration)
the Court	High Court of Justice, Chancery Division, Leeds District Registry
the Directors	David Schreiber Jacob Schreiber
Eurogold	Eurogold Limited
The Group	Entities in the Group are Durham Investments Four Limited, Durham Investments Six Limited, Britonwood Properties Limited, BBL Estates (Britonwood) Limited and Waterbridge Capital Partners Property Fund 1 LLP (which is the parent entity) (all in administration)
Jones Lang LaSalle	Jones Lang LaSalle Limited (formerly King Sturge LLP)
Proposals	Report to Creditors pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 dated 14 April 2010 containing the Joint Administrators' proposals



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## **1 Introduction**

Following my report dated 6 July 2011, which covered the period from 5 January to 13 June 2011, I set out below my progress report as per Rule 2.47 of the Insolvency Rules 1986. This report covers the period 14 June 2011 to 4 January 2012, and should be considered in conjunction with my previous reports.

The purpose of this report is to provide an update as to the progress of the administration.

A copy of my proposals is included for ease of reference at Appendix 6.

The appropriate statutory information is set out in Appendix 1. A receipts and payments account for the reporting period in Form 2.24 is attached at Appendix 4.

Please note that, unless stated otherwise, all amounts referred to in this report and its appendices are net of VAT.

## **2 Progress of the administration**

The Joint Administrators are continuing to collect rent and manage the properties within the Company's portfolio.

The remaining assets to realise are book debts, rent collections and properties via a sale through a wider exit strategy from the administrations of the Group entities.

## **3 Receipts and payments**

I enclose at Appendix 4 an abstract of receipts and payments for the period of 14 June 2011 to 4 January 2012.

### **3.1 Receipts**

#### **3.1.1 Rent deposit**

Rent deposits of £8,580 have been received in the period in respect of two new leases. These funds are held on trust on behalf of the tenants and are not available to creditors of the Company.

Interest on these deposits of £11 has been received in the period.



**3.1.2 Book debts**

Book debts of £8,824 have been collected in the period in respect of rent arrears at the date of appointment of the Joint Administrators

Book debt receipts since the date of the Joint Administrators' appointment to 13 June 2011 total £196,677

**3.1.3 Funds received in error**

Funds received in error in the period total £976. This relates to a receipt of rent which was paid twice by a tenant and will be repaid in the next period

**3.1.4 Insurance Receipts**

A sum of £8,312 has been received in the period in respect of an insurance claim at Cliftonville Court, Margate

**3.1.5 Rent**

In the period, the Joint Administrators have received £1,468,577 of rental income

Rent receipts since the date of the Joint Administrators' appointment to 13 June 2011 total £3,952,170

**3.1.6 Loan from service charge**

As a result of VAT accounting, in the period VAT receivable of £4,023 has been recognised on behalf of the service charge

**3.1.7 Insurance commissions**

Receipts of £68,419 have been received in the period in respect of insurance commissions

**3.1.8 Other receipts**

Bank interest of £1,057 has been received in the period on funds held in the Joint Administrators' account

Interest accrued by Jones Lang LaSalle on rental income of £493 has been received in the period and is represented as interest received on third party income in the Joint Administrators' receipts and payments account at Appendix 4

**3.2 Payments**

**3.2.1 Landlord Voids**

A total of £2,666 has been paid in the period by the Joint Administrators to the relevant service charge accounts managed by Eddisons in relation to void units



### 3.2.2 **Legal disbursements**

Legal disbursements of £139 have been paid in the period

### 3.2.3 **Agents' fees**

Jones Lang LaSalle is instructed to invoice and collect rental income, and fees of £100,370 have been paid in the period. Payments to Jones Lang LaSalle from the date of the Joint Administrators' appointment to 13 June 2011 total £242,747

In addition, local agents have been engaged to market void units, and fees of £12,165 have been paid in the period

Eddisons manage the service charge. Fees for this management are paid out of the service charge and as such, are not included in the Joint Administrators' receipts and payments account at Appendix 4

### 3.2.4 **Unit 1, Bilborough rent**

Legal advice confirmed that rent receipts in respect of a unit previously understood to be owned by the Company are actually due to Durham Investments Four Limited (in administration)

Accordingly, £98,807 was transferred to Durham Investments Four Limited (in administration), in respect of rent received on this unit since the appointment of the Joint Administrators

### 3.2.5 **Landlord property costs**

In the period, £16,078 has been paid in respect of general landlord costs. This principally includes costs of repair and maintenance works to properties, security costs and the costs of obtaining energy performance certificates

### 3.2.6 **Void unit costs**

A total of £123 has been paid in the period relating to utility costs associated with void units

### 3.2.7 **Insurance broker costs**

Insurance premiums totalling £33,679 have been paid in the period. As well as for vacant units, these payments have been paid in relation to occupied units where tenants have failed to pay their premiums. The Joint Administrators expect to be reimbursed directly by tenants for payments made on their behalf, and have instructed DLA to manage these collections

### 3.2.8 **Loan to service charge**

As a result of VAT accounting, in the period VAT payable of £2,971 has been recognised on behalf of the service charge





Whilst this is recoverable from the service charge, it is shown in the expense section of the receipts and payments account for prudence

### **3.2.9 Aviva plc**

In the period, the Joint Administrators have distributed £956,627 to Aviva under its fixed charge, bringing total distributions to Aviva of £2,883,469

### **3.2.10 Other**

The Joint Administrators have paid the costs of storage of books and records of £39, and bank charges of £60 in the period

## **4 Cost of realisations**

### **4.1 Joint Administrators' time costs**

From appointment on 22 February 2010 to 4 January 2012, time costs of £520,948 have been incurred, representing 2,003 hours at an average rate of £260 per hour

Within these costs is time spent by other departments within KPMG LLP, including Climate Change and Sustainability, who have reviewed the health and safety and environmental position of the Company's properties

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 can be found at

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

If you are unable to access the above and would like a copy, please contact Kevin Flatley on 0113 231 3155

The Joint Administrators' remuneration will be agreed by the secured creditors, in this case Aviva and Eurogold

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates

In the period the Joint Administrators have not drawn any fees



## **5 Estimated outcome for creditors**

### **5.1 Secured creditors**

#### **5.1.1 Aviva**

The Directors' statement of affairs shows a balance due to Aviva, as the main secured lender, of £23,031,665. In the period, the Joint Administrators have distributed £956,627 to Aviva under its fixed charge, bringing total distributions to Aviva of £2,883,469.

### **5.2 Preferential creditors**

According to the Directors' statement of affairs, there are no preferential creditors in the administration. No preferential claims have been received by the Joint Administrators to date.

### **5.3 Unsecured creditors**

The Directors' statement of affairs showed unsecured creditors of £1,185,195. Based on current estimates, the Joint Administrators do not expect there to be sufficient funds available to make a distribution to the Company's unsecured creditors.

## **6 Extension of the administration**

In accordance with the Proposals attached at Appendix 6, and paragraph 76(2)(a) of Schedule B1 to the Insolvency Act 1986, consent for an extension of the administration period for eighteen months was obtained from the Court. This extension expires on 21 February 2013.

This will allow the Joint Administrators to continue to collect assets and explore a sale of the Company's properties as part of a wider exit strategy for the Group to achieve the purpose of the administration.

## **7 Future conduct of the administration**

The Joint Administrators will continue to manage the business and affairs of the Company.

The key remaining issues to be dealt with are:

- Ongoing collection of rent and management of the property portfolio,
- Progressing a possible exit strategy through the sale of the Company's properties.

## 8 **End of the administration**

As discussed above at section 6, the administration will automatically end on 21 February 2013

Following a resolution to extend the administration, and in accordance with Rule 2.47 of the Insolvency Rules 1986, a further progress report will be due following the next period of six months. Further details regarding the Joint Administrators' progress in achieving the purpose of the administration will be set out in this report.

## 9 **Statement concerning the EC Regulations**

EC Regulations will apply to the administration and the proceedings will be the main proceedings as defined in Article 3 of the EC Regulations on Insolvency Proceedings 2000. The Company's registered office and centre of main interest is in England, the United Kingdom.

This means that the administration will be conducted according to UK Insolvency legislation and is not governed by the insolvency law of any other European Union Member State.



Mark Furmin  
*Joint Administrator*



## Appendix 1 - Statutory information

<b>Company Name</b>	Durham Investments Six Limited (in administration)
<b>Date of Incorporation</b>	20 September 1995
<b>Company number</b>	03104360
<b>Present Registered office</b>	c/o KPMG LLP 1 The Embankment Neville Street Leeds LS1 4DW
<b>Previous registered office</b>	147 Stamford Hill London N16 5LG
<b>Called up share capital</b>	Ordinary Shares 1 £1 share
<b>Shareholders</b>	Waterbridge Capital Partners Property Fund 1 LLP (in administration) 100%
<b>Directors</b>	David Schreiber Jacob Schreiber
<b>Company Secretary</b>	Rivky Niederman
<b>Employees</b>	None
<b>Previous names</b>	None



## Appendix 2 - Joint Administrators' time costs for the period 14 June 2011 to 4 January 2012

	Partner / Director	Manager	Administrator	Total hours	Time cost	Average hourly rate
<b>Trading</b>						
<b>Asset Realisation</b>						
Health & safety		11 30	14 15	25 45	£7,112 25	£279 46
<b>Cashiering</b>						
Fund management		1 60	0 10	1 70	£704 00	£414 12
General (Cashiering)	4 00		18 10	22 10	£5,152 50	£233 14
Reconciliations (& IPS accounting reviews)			3 65	3 65	£811 00	£222 19
<b>Tax</b>						
Post appointment corporation tax		2 40		2 40	£828 00	£345 00
Post appointment VAT	0 30	5 30	18 20	23 80	£5,736 75	£241 04
<b>Trading</b>						
Purchases and trading costs		12 80	194 80	207 60	£45,476 75	£219 06
Sales			6 00	6 00	£1,050 00	£175 00
<b>Administration &amp; planning</b>						
<b>General</b>						
Books and records			2 30	2 30	£402 50	£175 00
Fees and WIP		3 40	0 50	3 90	£1,453 00	£372 56
<b>Statutory and compliance</b>						
Appointment and related formalities	0 60	0 20	0 30	1 10	£413 50	£375 91
Checklist & reviews	0 50			0 50	£267 50	£535 00
Reports to debenture holders	0 50	4 90	18 60	24 00	£6,119 50	£254 98
Statutory receipts and payments accounts		1 80	0 50	2 30	£837 00	£363 91
Strategy documents	1 50			1 50	£802 50	£535 00
<b>Creditors</b>						
<b>Creditors and claims</b>						
General correspondence			1 50	1 50	£262 50	£175 00
Legal claims		2 90		2 90	£1,232 50	£425 00
Payment of dividends			3 55	3 55	£686 25	£193 31
Secured creditors		0 70		0 70	£297 50	£425 00
Statutory reports	0 50	2 90	13 15	16 55	£3,762 75	£227 36
<b>Realisation of assets</b>						
<b>Asset Realisation</b>						
Cash and investments			2 55	2 55	£446 25	£175 00
Freehold property	2 20	24 60	7 25	34 05	£11,201 75	£328 98
Leasehold property		1 50		1 50	£637 50	£425 00
Open cover insurance		2 00	1 45	3 45	£1,103 75	£319 93
Rent		2 80	4 40	7 20	£2,164 25	£300 59
Sale of business	0 40	33 80	45 00	79 20	£23,726 50	£299 58
<b>Total in period</b>				<b>481 45</b>	<b>£122,688 25</b>	<b>£254 83</b>
<b>Brought forward time (22 February 2010 to 13 June 2011)</b>				1,522 04	£398,260 10	£261 66
<b>Total time (22 February 2010 to 4 January 2012)</b>				<b>2 003 49</b>	<b>£520,948 35</b>	<b>£260 02</b>



### **Appendix 3 – Joint Administrators’ charge out rates**

<b>KPMG LLP</b>		
<b>Restructuring Team</b>		
<b>Grade</b>	<b>From 1 April 2009 £/hr</b>	<b>From 1 October 2010 £/hr</b>
<b>Partner</b>	515	535
<b>Associate Partner</b>	440	460
<b>Director</b>	440	460
<b>Senior Manager</b>	405	425
<b>Manager</b>	320	345
<b>Senior Administrator</b>	225	240
<b>Administrator</b>	165	175
<b>Support</b>	105	110
<b>Work Experience</b>	35	40



*Durham Investments Six Limited in administration*  
*Report to Creditors pursuant to Rule 2.47 of the Insolvency Rules 1986*  
*KPMG LLP*  
*1 February 2012*

**Appendix 4 – Abstract of Administrators’ Receipts &  
Payments Account Form 2.24B for the period 14 June  
2011 to 4 January 2012**

<b>RECEIPTS</b>		£
Brought forward from previous Abstract (if Any)		3,266,854 10
Rent Deposit		8,580 00
Book debts		8,823 99
Funds received in error		976 44
Interest received on Third party income		492 98
Insurance Receipts		8,312 06
Rent		1,468,577 13
Loan from service charge		4,023 03
Bank interest, gross		940 88
Rent deposit interest		10 56
Insurance commisions		68,418 93
Bank interest, gross		116 02
Fixed charge VAT payable		307,118 85
Floating ch VAT control		23 88
Carried forward to * continuation sheet / next abstract		5,143,268 85
<b>PAYMENTS</b>		£
Brought forward from previous Abstract (if Any)		2,691,175 98
Landlord voids		2,666 22
Legal fees		138 57
Agents fees		112,535 49
Unit 1 Bilborough rent		98,806 75
Bank charges		60 00
Landlord Property Costs		16,078 05
Void Unit costs		122 55
Insurance Broker Costs		33,679 49
Loan to service charge		2,971 27
Aviva Plc		956,626 57
Storage costs		38 91
Floating ch VAT rec'able		7 78
Fixed charge VAT rec'able		29,773 48
Fixed charge VAT control		287,776 78
VAT debtor		11,283 76
Carried forward to * continuation sheet / next abstract		4,243,741 65

\* Delete as appropriate

\* Delete as appropriate

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the administrator since he was appointed





*Durham Investments Six Limited in administration*  
*Report to Creditors pursuant to Rule 2.47 of the Insolvency Rules 1986*  
KPMG LLP  
1 February 2012

**Appendix 5 – Joint Administrators’ receipts and  
payments account for the period 14 June 2011 to 4  
January 2012**



*Durham Investments Six Limited in administration*  
*Report to Creditors pursuant to Rule 2.47 of the Insolvency Rules 1986*  
KPMG LLP  
1 February 2012

**Durham Investments Six Limited**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

Statement of Affairs	From 14/06/2011 To 04/01/2012	From 22/02/2010 To 04/01/2012
<b>FIXED CHARGE ASSETS</b>		
22,810,036 56	NIL	NIL
	NIL	NIL
1,633,330 00	NIL	NIL
230,000 00	NIL	NIL
	8,580 00	10,195 63
221,628 75	8,823 99	196,676 57
	976 44	3,148 07
	NIL	6,614 20
	492 98	676 62
	8,312 06	16,524 12
	1,468,577 13	3,952,169 50
	4,023 03	4,023 03
	940 88	4,863 91
	10 56	26 87
	<u>1,500,737 07</u>	<u>4,194,918 52</u>
<b>FIXED CHARGE COSTS</b>		
	2,666 22	12,622 67
	138 57	52,471 01
	NIL	NIL
	112,535 49	262,419 22
	98,806 75	98,806 75
	60 00	260 00
	NIL	2,151 63
	16,078 05	74,688 64
	122 55	37,961 72
	33,679 49	34,896 44
	2,971 27	14,852 21
	<u>(267,058 39)</u>	<u>(591,130 29)</u>
<b>FIXED CHARGE CREDITORS</b>		
(23,031,665 31)	956,626 57	2,883,468 71
(2,730,697 94)	NIL	NIL
(300,000 00)	NIL	NIL
	<u>(956,626 57)</u>	<u>(2,883,468 71)</u>
<b>ASSET REALISATIONS</b>		
	68,418 93	146,765 13
	<u>68,418 93</u>	<u>146,765 13</u>
<b>OTHER REALISATIONS</b>		
	116 02	340 71
	<u>116 02</u>	<u>340 71</u>
<b>COST OF REALISATIONS</b>		
	38 91	992 51
	NIL	141 12
	NIL	4 00
	<u>(38 91)</u>	<u>(1,137 63)</u>
<b>UNSECURED CREDITORS</b>		
(410,675 46)	NIL	NIL

**Durham Investments Six Limited  
(In Administration)  
Administrators' Abstract of Receipts & Payments**

Statement of Affairs	From 14/06/2011 To 04/01/2012	From 22/02/2010 To 04/01/2012
(61,616 44) Sales Ledger Credits	NIL	NIL
(6,732 00) Inland Revenue - CIS	NIL	NIL
(593,184 06) Non-preferential VAT	NIL	NIL
(112,986 98) Rent Deposits	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
<b>DISTRIBUTIONS</b>		
(1 00) Ordinary shareholders	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
<b>(2,352,563.88)</b>	<b><u>345,548.15</u></b>	<b><u>866,287.73</u></b>
<b>REPRESENTED BY</b>		
Floating ch VAT rec'able		201 37
Fixed charge current		501,575 85
Trust Account		1,635 98
Fixed charge current 2		240,173 07
Floating charge current		7 50
Floating charge current 2		146,569 38
Fixed Charge on trust for The Linen Comp		2,961 15
Fixed charge on Trust for Shebang Proper		6,604 27
Fixed charge VAT rec'able		84,238 50
Fixed charge VAT payable		(793,082 73)
Floating ch VAT control		(23 88)
Fixed charge VAT control		641,568 22
VAT debtor		33,859 05
		<u><b>866,287.73</b></u>



## **Appendix 6 – Joint Administrators’ Proposals**

The Joint Administrators proposed the following two resolutions which were deemed accepted following the Joint Administrators’ Paragraph 49 report dated 14 April 2010

### **Resolution 1:**

- to continue to do all such things reasonably expedient and generally exercise all their powers as contained in Schedule B1 to the Insolvency Act 1986 as Joint Administrators as they, in their absolute discretion, consider desirable in order to maximise realisations from the assets of Durham Investments Six Limited,
- to investigate and, if appropriate, pursue any claims that Durham Investments Six Limited may have,
- to seek an extension to the Administration period if deemed necessary by the Joint Administrators pursuant to Paragraph 76 of Schedule B1 to the Insolvency Act 1986;
- to allow the Administration to cease to have effect following its 12 month period or any extension thereof,
- to seek if appropriate, permission of the Court to make a distribution to unsecured creditors of Durham Investments Six Limited pursuant to Paragraph 65 of Schedule B1 to the Insolvency Act 1986 and to seek, if appropriate, any other directions from the Court,
- when it is considered that no further distributions to creditors will be made and that the Joint Administrators have concluded their duties, to take the necessary steps to move Durham Investments Six Limited from Administration to Dissolution, pursuant to Paragraph 84 of Schedule B1 to the Insolvency Act 1986,
- if the Joint Administrators consider that a distribution will be made to unsecured creditors of Durham Investments Six Limited, and if deemed appropriate by the Joint Administrators, to take the necessary steps to move Durham Investments Six Limited into Creditors’ Voluntary Liquidation pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986,
- if Creditors’ Voluntary Liquidation is deemed appropriate, the Joint Administrators will seek the appointment of Mark Granville Firmin, Howard Smith and Brian Green of KPMG LLP as Joint Liquidators of Durham Investments Six Limited, without any further recourse to creditors. 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 the proposals and before the proposals are approved,
- if one of the criteria set out in Paragraph 79(2) of Schedule B1 to the Insolvency Act 1986 applies to Durham Investments Six Limited, the Joint Administrators can make an application to court to end the Administration and, if deemed appropriate, to petition the Court for the winding up of Durham Investments Six Limited. If



appropriate, the Joint Administrators will, at the same time, apply to be appointed as Joint Liquidators under Section 140(1) of the Insolvency Act 1986, and the Joint Administrators will seek a resolution from creditors to be discharged from liability 14 days after the cessation of their appointment as Joint Administrators, in respect of any action of The Joint Administrators pursuant to Paragraph 98(1) of Schedule B1 to the Insolvency Act 1986,

- in the event that Mark Granville Firmin, Howard Smith and Brian Green are appointed Joint Liquidators then they will be allowed to act jointly and severally, and
- the Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect

**Resolution 2:**

- that in the event that no creditors' committee is formed, the Joint Administrators will be authorised to draw fees on account from the assets of Durham Investments Six Limited from time to time during the period of Administration based on time properly spent at KPMG LLP charge out rates that reflect the complexity of the assignment. Also, the Joint Administrators will be authorised to draw disbursements from time to time to include category 2 disbursements, and
- that the costs of KPMG LLP in respect of other KPMG LLP specialists advice provided to the Joint Administrators be based upon time costs and shall be paid out of the assets of Durham Investments Six Limited