

## To all Creditors and Contingent Creditors

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Creditors' Website  
www.uklandinvestments.com

10 July 2008

Our Ref: UKLI00L/LAM/PXR/BRS

Dear Sir/Madam

### **UKLI Limited (in Administration)** **("the Company")**

I am writing to update you on the meeting of creditors that was held on 24 June 2008 at the Camden Centre, London. My formal notice of the outcome of the meeting is attached to this letter and a brief summary follows below.

As the minutes of this meeting are lengthy and their inclusion with this letter would have substantially increased postage and printing costs I have elected to place them on UKLI's website, [www.uklandinvestments.com/meeting](http://www.uklandinvestments.com/meeting), where you can download a copy if you so wish. Alternatively the minutes can be sent to you by post. Please contact my office on the number shown above or by email and we will arrange this.

In addition, the voting analysis is available for inspection on the website, but can be sent to you if required.

The meeting was very well attended with over 500 plot holders present. Plans of sites were displayed before the meeting, along with information on each site compiled by my property and land agents, DTZ. My colleagues and I were able to take questions from plot holders for over two hours following the formal business of the meeting. Many points were covered in respect of plot holder's investments and the conduct of UKLI as a company and in particular the sales practices adopted by its staff. I report on the main business of the meeting below:

### **Administrators Proposals**

The Administrator's proposals as distributed in my Report dated 10 June 2008 were read to the meeting and were duly accepted by the majority of Creditors present.

**Audit. Tax. Consulting. Corporate Finance.**

Member of  
Deloitte Touche Tohmatsu

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## **Creditors Committee**

Under Paragraph 57 of Schedule B1 of the Insolvency Act a Creditors Committee of between three and five members was sought to be appointed in order to assist the Joint Administrators and in due course the Joint Liquidators with their duties.

The position in relation to plot holders and membership of this committee is complicated by the fact that until the Court determines whether the Company was acting as an unauthorised collective investment scheme it is uncertain whether Section 26 of FSMA 2000 will apply and plot holders will have the right to return their plot and seek additional compensation (and accordingly become unsecured creditors of the Company).

As a consequence most plot holders, unless their sales contract contained a “buy-back” clause, are currently classed as Contingent Creditors and are therefore unable to formally sit on the Creditors Committee.

At the meeting Dr Mohla, a plot holder at the site believed he was subject to such a buy-back clause and was accordingly accepted onto the committee.

In addition, two trade creditors a Mr Wesley Goh of Sunrise Radio and a Mr Rajesh Rupani for MSM Asia Limited were also appointed to the formal committee.

Following the meeting it was determined that Dr Mohla’s Sale Contract did not include a buy back clause. However, following legal advice, it has been established that he is provisionally able to stay on the committee with a contingent claim of £1.

In order to ensure plot-holder representation on the Committee a further plot holder at the Lodge Farm development, Dr S Gada who holds a confirmed buy-back clause was asked to join the Committee.

A further trade creditor, Seddons Solicitors LLP, represented by Mr Sparkes has been approached to join the Committee.

The appointment of these additional two members will be ratified at the next Committee meeting.

This step is being taken to ensure that if Dr Mohla’s claim is extinguished then the committee retains the requisite number of members to form a quorum.

The FSA will in addition have non-voting representation on this Committee.

The Committee will meet with me before the end of July and we will report on this meeting on the UKLI website in due course.

## **Plotholders Forum/Sub Committee**

Recognising the need for plot holders to be represented before a determination can be made by the Court, it was agreed that a single plot holder be selected by other plot holders who had invested on the same site to make representations to the Committee and myself on how each site is dealt with.

We are in the process of establishing web based forums on the UKLI website to achieve this objective. You will be able to communicate with other investors about your plot, and in due course either put yourself forward as a representative or nominate a representative from each site to communicate with the Committee and myself. We hope to have the forums up and running soon.

We do ask that the Forum is used for its intended purpose only, which is to communicate plot details and to nominate a representative from each site, as any misuse of the Forum may well result in the withdrawal of this facility.

Please note that any allegations of misconduct or any other issues that plotholders believe should be investigated should be sent direct to the Administrators and not placed in a public forum.

## **Website**

We continue to update the website with answers to Frequently Asked Questions, such as the position in respect of UKLI and Regents Land Limited. If you do not have access to the site and would like a copy of the Frequently Asked Questions sent to you, please contact my team on the number above.

## **Further information from investors**

It was apparent from the creditors meeting that UKLI used a wide variety of sales techniques to sell land to potential investors. Please can any investor who has retained marketing material in relation to the purchase of their plots, such as DVD's, pamphlets or emails, send this to us along with a short covering note explaining the background to the purchase of their plot.

The Court will then be in a better position to determine on the issue of whether UKLI operated a Collective Investment Scheme.

We are particularly interested in material relating to plot sales made post March 2006.

## **Next actions**

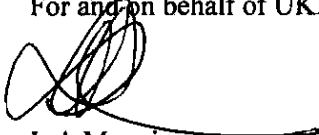
Over the coming months we will work with the Creditors Committee and our legal and property advisors on the following actions:

- We will continue to realise the property assets in order to repay the secured creditors Clydesdale Bank and Cheval and to build up funds for creditors thereafter.
- We will continue to pursue those companies to whom UKLI loaned monies for repayment and work with the Creditors Committee to establish the most appropriate course of action in each case.
- We will continue to work with the Creditors Committee in respect of any potential misrepresentation, misfeasance, fraudulent or even wrongful trading claims.
- We will continue to research the 'Trust Account' situation for monies received by UKLI after 31 March 2008 and once the Court has determined on the issue communicate the result.
- We will continue to research the planning prospects for each site and set up meetings with local councils and the Company's former planning officers.
- Once a determination has been made on the Section 26 FSMA point (i.e. whether investors who bought plots from UKLI can hand the plots back in exchange for a dividend) we will move to place the Company into Creditors' Voluntary Liquidation in order to take advantage of the more extensive investigative powers conferred to a liquidator.

My next formal report to creditors will be sent when the Company is placed into Creditors' Voluntary Liquidation or seven months after the commencement of my appointment, whichever is sooner.

Yours faithfully

For and on behalf of UKLI Limited (In administration)



L A Manning  
Joint Administrator

**STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE  
B1 OF THE INSOLVENCY ACT 1986**

It was resolved that the administrators will:

1. continue to manage and wind down the affairs and assets of the Company, collect any recoverable outstanding debts from both related and unrelated parties as required; utilising realisations from assets where appropriate, settle any administration expenses where such expenses are incurred for the purpose of the administration, and realise the remaining assets of the Company.
2. take steps to place the Company into Creditors Voluntary Liquidation and that the Administrators Lee Antony Manning and Carlton Malcolm Siddle be appointed its Joint Liquidators. If appointed, the Joint Liquidators will be in a position, if desired by the creditors or the Creditors Committee, to pursue actions against third parties for the recovery of assets in the event that it is determined that claims can be brought, either for transactions at an undervalue or for wrongful or fraudulent trading. In accordance with paragraph 83(7) of the Act and Rule 2.117(3) of the Insolvency Rules 1986, creditors may nominate a different person or persons as Liquidator or Joint Liquidators, provided that the nomination is made after receipt of these proposals and before these proposals are approved.
3. in the event that the Court rules that the Company had operated a collective investment scheme, notify the creditors to determine their interest in participating in the return of land under Section 26 of FSMA in exchange for an unsecured claim against the Company.
4. investigate and consider methods of dealing with the Company's various land developments on which plots have been sold, including the feasibility of transferring the Company's residual interest in these developments to a third party or parties that have the necessary FSA authorisation. The aim being to preserve or improve the value of investors' land by that third party pursuing planning consent on behalf of investors and to reduce potential investor claims against the Company.
5. form a Creditors' Committee, consisting of not more than five nor less than three creditors of the Company, for the purpose of assisting the Administrators in the performance of their duties; and
6. fees and expenses in respect of the period from 22 April 2008 to 2 June 2008 and for all subsequent periods to be approved by the Creditors Committee, should one be appointed, but failing that, the Administrators be authorised by the creditors to draw, on a quarterly basis, remuneration on a time costs basis in accordance with the discounted charge-out rates referred to in section 6, together with out of pocket expenses and VAT.
7. ensure that in the event that the Company be dissolved without entering into Creditors Voluntary Liquidation, the books and records of the Company be destroyed within 12 months after dissolution.

**L A MANNING & C M SIDDLE**

**JOINT ADMINISTRATORS**

**2.23B**

The Insolvency Act 1986

**Notice of result of meeting of Creditors**

Name of Company UKLI Limited	Company number 04656772
In the HIGH COURT OF JUSTICE, CHANCERY DIVISION, COMPANIES COURT (full name of court)	Court case number 3291 of 2008

(a) Insert full name(s)  
and address(es) of the  
administrator(s)

I/We (a)  
Lee Antony Manning  
Deloitte & Touche LLP  
PO Box 810  
66 Shoe Lane  
London  
EC4A 3WA

Carlton Siddle  
Deloitte & Touche LLP  
PO Box 810  
66 Shoe Lane  
London  
EC4A 3WA

hereby report that a meeting of the creditors of the above company was held at

(b) Insert place of meeting  
(c) Insert date of meeting

(b) The Camden Centre, Judd Street, London WC1H 9JE  
on (c) 24<sup>th</sup> June 2008 at which:

\*Delete as applicable

\*1. ~~Proposals/revised proposals~~ were approved\*2. ~~Proposals/revised proposals were modified and approved~~

The modifications made to the proposals are as follows:-

(d) Give details of the  
modifications (if any)

(d) none

\*3. ~~The proposals were rejected~~(e) Insert time and date of  
adjourned meeting  
(f) Details of other resolutions  
passed\*4. ~~The meeting was adjourned to (e)~~\*5. ~~Other resolutions (f)~~

A creditors' committee was formed

Signed

Joint / Administrator(s)

Dated

10.7.2008

\*Delete as applicable

A copy of the \*original proposals / ~~modified proposals~~ / ~~revised proposals~~ is attached for those who did not  
receive such documents prior to the meeting

**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

Lee Antony Manning  
Deloitte & Touche LLP  
PO Box 810  
66 Shoe Lane  
London EC4A 3WA

DX Number LDE: DX599

Tel: 020 7936 3000  
DX Exchange

Companies House receipt date barcode

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**