

The Insolvency Act 1986

Liquidator's Progress
ReportPursuant to section 192 of the
Insolvency Act 1986

To the Registrar of Companies

S.192

For official use

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Company Number

03226394

Name of Company

(a) Insert full name of
company

(a) GF Two Limited

(b) Insert full name(s) and
address(es)

I/We, (b)

Elizabeth Anne Bingham

Kerry Lynne Trigg

Ernst & Young LLP

Ernst & Young LLP

1 More London Place, London, SE1
2AF1 More London Place, London, SE1
2AFthe liquidator(s) of the company attach a copy of my/our Progress Report under section
192 of the Insolvency Act 1986

Signed

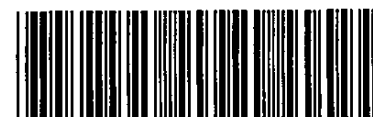
Kerry Trigg

Date

14/7/11Presenter's name,
address and reference
(if any)

For Official Use

SATURDAY



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AIQ

13/08/2011

9

COMPANIES HOUSE

A06

16/07/2011

189

COMPANIES HOUSE

TO ALL MEMBERS

11 August 2011

Ref ML 7E/DP/SS/EAB/D11 1
Direct line 020 7951 6651
Direct Fax 020 7951 9234
Calum Leslie
email ssaif@uk.ey.com

Dear Sir or Madam

GF Two Limited (In Members Voluntary Liquidation)

Kerry Lynne Trigg and I were appointed as joint liquidators of the company on 14 May 2010. I now write to provide you with our report on the progress of the liquidation for the period from 14 May 2010 to 13 May 2011.

In accordance with the provisions of the Insolvency Rules 1986 we are required to provide certain information about the company and the liquidators. The information can be found in Appendix A of this report.

A receipts and payments account for the Company is enclosed at Appendix B.

Progress during the period of the report

The declaration of solvency sworn by the directors of the Company showed that the Company's only asset was an inter-company receivable balance of £231,936,170 due from its wholly owned subsidiary, GF One Limited ("GF1"). Immediately after the commencement of the liquidation of the Company, of this amount, the Company received an in-specie distribution of £186,409,212. This was comprised of receivables of £55,922,369 and £130,486,843 due from Lloyds TSB Bank Plc and Centrica Plc respectively.

Shortly thereafter, the Company then made an in-specie distribution of the same amounts that it had received from GF1 ie £55,922,369 and £130,486,843 (due from TSB Bank Plc and Centrica Plc) to Lloyds TSB Bank Plc and GB Gas Holdings Limited, being the only two members of the Company. The distribution was made in accordance with the Company's articles, in the ratio 30/70 to Lloyds TSB Bank Plc and GB Gas Holdings Limited respectively.

The closure of the liquidation and in turn the final in-specie distribution to the two members of the Company is dependent on the receipt of a final distribution from GF1. This distribution cannot be made by GF1 until all issues in the liquidation of GF1 have been resolved. As numerous Payment Protection Insurance mis-selling claims have been received by GF1, a final distribution cannot be made until all such claims have been dealt with. The resolution of all such claims is expected to take several months.

Joint liquidators' remuneration

The joint liquidators' remuneration has been paid by another Lloyds Banking Group Plc group company. As a result, the remuneration charged has no bearing on the level of distributions to members or creditors.



At Appendix C to this report there is a statement of our policy in relation to charging time

Joint liquidators' statement of expenses incurred

The joint liquidators' expenses have been paid by another Lloyds Banking Group Plc group company. As a result, the expenses incurred have no bearing on the level of distributions to members or creditors.

Members' rights to further information about, and challenge, remuneration and expenses

In certain circumstances, members are entitled to request further information about our remuneration or expenses, or to apply to court if members consider the costs to be excessive. Further information is provided in Appendix D.

Other matters

There are no other matters which require to be brought to the attention of the members. If you require any further information regarding any of the matters covered by this report please do not hesitate to contact me.

Yours faithfully
for GF Two Limited

A handwritten signature in black ink, appearing to read 'S Saif', written over the typed name.

S Saif
For EA Bingham
Joint Liquidator

The Insolvency Practitioners Association authorises EA Bingham and KL Trigg to act as Insolvency Practitioners under section 390(2)(a) of the Insolvency Act 1986.

GF Two Limited (In Members Voluntary Liquidation)**Information about the company and the liquidators**

Registered office address of the company	1 More London Place, London, SE1 2AF
Registered number	3226394
Full names of the liquidators	Elizabeth Anne Bingham and Kerry Lynne Trigg
Liquidators' address(es)	Ernst & Young LLP 1 More London Place London SE1 2AF
Date of appointment of the joint liquidators	14 May 2010
Details of any changes of liquidator	None

GF Two Limited (In Members Voluntary Liquidation)
Joint liquidators' receipts and payments account for the period from
14 May 2010 to 13 May 2011

Declaration of Solvency Estimated to Realise Values £		In this Report Period £	Cumulative Total £
	Receipts		
231,936,170	Investments other than marketable securities	45,526,958	45,526,958
	Loans, advances and other receivables	186,409,212	186,409,212
	Payments		
231,936,170	Estimated value of property distributed to members 'in specie'	186,409,212	186,409,212
	Balance at 13 May 2011	45,526,958	45,526,958

Notes

1 Receipts and payments are stated net of VAT

2 The balance in hand is held as follows

Non-interest bearing accounts	£0
Interest bearing accounts	£0
Amounts held in the Insolvency Services Account	£0
Amounts held in Treasury Bills	£0
Investment other than marketable securities	£45,526,958

GF Two Limited (In Members Voluntary Liquidation)**Joint liquidators' time costs for the period from 14 May 2010 to 13 May 2011*****Liquidators' charging policy for remuneration***

The members have determined that the liquidators' remuneration should be fixed on the basis of time properly spent by the liquidators and their staff in attending to matters arising in the liquidation

The liquidators have engaged a manager and other staff to work on the cases. 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 company's bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the liquidators.

All time spent by staff working directly on case-related matters is charged to a separate time code established for each case. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is shown below, as are the current hourly rates used. The current hourly rates may be higher than the average rates, if hourly rates have increased over the period covered by this report.

The joint liquidators' remuneration has been paid by Lloyds Banking Group Plc, a group Company. As a result, the remuneration charged has no bearing on the level of distributions to members or creditors.

Staff description	Hourly rate (£)
Partner	735
Executive Director	705
Director	600
Assistant Director	515
Senior Executive	380
Executive	280
Assistant Executive	215
Business Trainee	150
Accounting & Treasury Executives	205

Please note that these rates are subject to annual review on 1 July

Members' rights to request further information about remuneration or expenses or to challenge a liquidator's remuneration – Rules 4.49E and 4.148C of the Insolvency Rules 1986 (as amended)

4 49E Creditors' and members' request for further information

(1) If—

(a) within the period mentioned in paragraph (2)—

(i) a secured creditor, or

(ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or

(iii) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or

(b) with the permission of the court upon an application made within the period mentioned in paragraph (2)—

(i) any unsecured creditor, or

(ii) any member of the company in a members' voluntary winding up,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4 49B(1)(e) or (f) (including by virtue of Rule 4 49C(5)) or in a draft report under Rule 4 49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4 49D or a progress report required by Rule 4 108 which (in either case) was previously included in a progress report not required by Rule 4 108

(2) The period referred to in paragraph (1)(a) and (b) is—

(a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4 108, and

(b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

(3) The liquidator complies with this paragraph by either—

(a) providing all of the information asked for, or

(b) so far as the liquidator considers that—

(i) the time or cost of preparation of the information would be excessive, or

(ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or

(iii) the liquidator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information

(4) Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of—

(a) the giving by the liquidator of reasons for not providing all of the information asked for, or

(b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just

(5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4 131(1B) or 4 148C(2) by such further period as the court thinks just

(6) This Rule does not apply where the liquidator is the official receiver

4 148C Members' claim that remuneration is excessive

- (1) Members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or any member with the permission of the court, may apply to the court for one or more of the orders in paragraph (6) on the grounds that—
 - (a) the remuneration charged by the liquidator,
 - (b) the basis fixed for the liquidator's remuneration under Rule 4 148A, or
 - (c) expenses incurred by the liquidator,is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (2) Application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or 4 weeks when the liquidator has resigned in accordance with Rule 4 142) after receipt by the applicant of the report or account which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (3) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it must not do so unless the applicant has had the opportunity to attend the court for a hearing of which the applicant has been given at least 5 business days' notice but which is without notice to any other party
- (4) If the application is not dismissed under paragraph (3), the court must fix a venue for it to be heard and give notice to the applicant accordingly
- (5) The applicant must at least 14 days before the hearing send to the liquidator a notice stating the venue and accompanied by a copy of the application and of any evidence which the applicant intends to adduce in support of it
- (6) If the court considers the application to be well-founded, it must make one or more of the following orders—
 - (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
 - (b) an order fixing the basis of remuneration at a reduced rate or amount,
 - (c) an order changing the basis of remuneration,
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
 - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (7) Unless the court orders otherwise, the costs of the application must be paid by the applicant and are not payable as an expense of the liquidation

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