

TO ALL NON-DEPOSITOR CREDITORS

8 December 2008

Ref:CR/SA/AJMDT/NWM0903/PF5.13

Please ask for Emelie Safstrom

Direct line: 0161 333 2698
Direct fax: 0161 333 3008

Dear Sir

**London Scottish Bank plc ("LSB")
London Scottish Computer Services Limited ("LSCS")
London Scottish Insurance Services Limited ("LSIS")
Glengall Estates Limited ("Glengall")
London Scottish Broking Limited ("LS Broking")
London Scottish Finance Limited ("LSF")
(All In Administration) (together "the Companies")**

On 30 November 2008, M E Mills, S Allport, T A Jack and I were appointed as Joint Administrators of LSB. The application for an Administration order was made by LSB's Directors under the provisions of paragraph 12 of Schedule B1 to the Insolvency Act 1986.

On 2 December 2008 S Allport and I were appointed as Joint Administrators of LSCS, LSIS and Glengall, and on 3 December 2008 S Allport and I were appointed as Joint Administrators of LS Broking and LSF.

These appointments were made by the Companies' Directors under the provisions of paragraph 22(2) of Schedule B1 to the Insolvency Act 1986.

I enclose a copy of Form 2.12B Notice of Administrators' appointment in respect of each Company.

All applicable deposits, loans and mortgages remain with the relevant Company. Whilst in Administration each Company will continue to manage its mortgage and loan books under the supervision of the Joint Administrators whilst a purchaser for the Companies' business and assets on a going concern basis is sought.

In accordance with paragraph 49(5) of Schedule B1 to the Insolvency Act 1986, the Joint Administrators will prepare their Statement of Proposals within eight weeks of appointment. A copy of this document will be made available to all creditors of the Companies.

Please note that all debts incurred by the Companies before the date of appointment of the Joint Administrators, unless in the form of a customer deposit eligible for compensation from The Financial Services Compensation Scheme, will rank as an unsecured claim against the Companies.



INVESTOR IN PEOPLE

At present it is unclear whether there will eventually be a surplus available to unsecured creditors of the Companies, however, further information in this respect will be provided in the Joint Administrators' Statement of Proposals.

Any sums due to the Companies arising either before or after our appointment must be paid in full and without set-off against debts incurred by the Companies prior to our appointment.

The Directors are required to prepare and submit to us a statement of each Company's affairs, including an estimate of its assets and liabilities. I should be grateful, therefore, if you would send to me a detailed statement of any sums which you believe are due to you from the Companies.

Certain debts due from the Companies may be preferential in accordance with section 386 of the Insolvency Act 1986. These are claims for arrears of wages and salary up to certain limits, holiday pay and some pension contributions. If you consider that you have a preferential claim please let me have details in writing. If you hold any security for your claim or you consider that you have title to any assets in the Companies' possession please forward details to me as soon as possible.

You may be entitled to VAT bad debt relief on debts arising from supplies more than six months old. This procedure does not involve the Joint Administrators (although it does involve your notifying the relevant Company that you are making a claim) and claims should be made directly to HM Revenue and Customs.

Please note that with effect from the relevant date of appointment, the Companies will not be responsible for payment for any goods or services delivered to the Companies except against orders which bear the signature of one of the Joint Administrators, or one of our representatives, whose specimen signatures appear below. Goods and services so ordered will be paid for on normal credit terms. If any orders placed with you by the Companies prior to our appointment have not been completed, they should not be completed unless you receive written confirmation from either of us, or our authorised representative, that the goods or services are still required. Please let me have a statement of any orders placed by the Companies prior to our appointment which have not yet been completed.

If you require any further information or explanation, please do not hesitate to contact Emelie Safstrom on the above direct line.

Yours faithfully
for the Companies (In Administration)

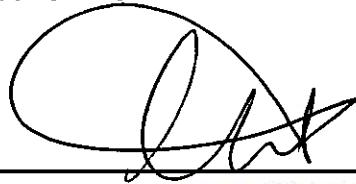


T M Burton
Joint Administrator

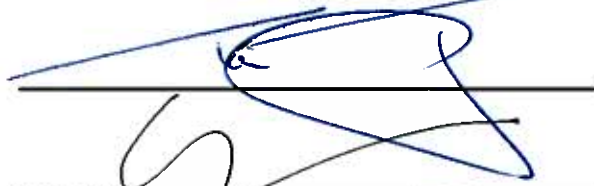
Enc Form 2.12B Notice of Administrators' appointment

The authorised signatories are:

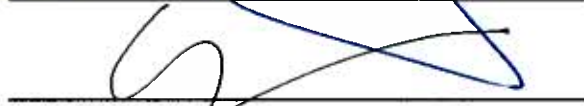
S Allport (unlimited) who will sign



T A Jack (unlimited) who will sign



A J Moss (up to £25,000) who will sign



C Wright (up to £25,000) who will sign



N Scott (up to £25,000) who will sign



R Leach (up to £10,000) who will sign



R Barzegar (up to £10,000) who will sign

The Institute of Chartered Accountants in England and Wales authorises Margaret Elizabeth Mills, Thomas Andrew Jack and Simon Allport to act as Insolvency Practitioners under section 390(2) (a) of the Insolvency Act 1986 and the Institute of Chartered Accountants of Scotland authorises Thomas Merchant Burton to act as an Insolvency Practitioner under section 390(2)(a) of the Insolvency Act 1986.

The affairs, business and property of LSB are being managed by the Joint Administrators, M E Mills, T M Burton, T A Jack and S Allport.

The affairs, business and property of LSCS, LSIS, Glengall, LS Broking and LSF are being managed by the Joint Administrators, T M Burton and S Allport.

The Joint Administrators act as agents of the Companies only and without personal liability.

The Insolvency Act 1986

Notice of administrator's appointment **2.12B**

Name of Company London Scottish Bank plc
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Company number 00973008

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


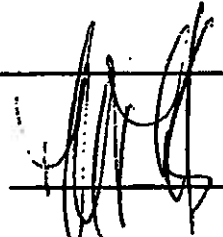
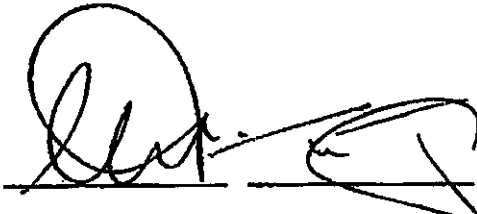

Court case number 10737/2008
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(a) Insert full name(s) and address(es) I / We (a) Thomas Merchant Burton, Margaret Elizabeth Mills, Simon Allport and Thomas Andrew Jack of Ernst & Young LLP, 100 Barbirolli Square, Manchester, M2 3EY

give notice that ~~I was~~ we were appointed as administrator(s) of the above company on:

(b) Insert date

(b) 30 November 2008

Signed				
Dated	<u>01/12/2008</u>	<u>01/12/2008</u>	<u>01/12/2008</u>	<u>01/12/2008</u>
Joint / Administrator(s) IP No(s)	8224	5318	8763	9412

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

Daniel Taylor	
Ernst & Young LLP, 100 Barbirolli Square	
	Tel: 0161 333 2575
DX Number:	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

The Insolvency Act 1986

Notice of administrator's appointment **2.12B**

Name of Company Glengall Estates Limited	Company number 00325209
In the High Court of Justice, Chancery Division, Companies Court [full name of court]	Court case number 10802/2008

(a) Insert full name(s) and address(es) I / We (a) Thomas Merchant Burton and Simon Allport of Ernst and Young LLP,
100 Barbieroli Square, Manchester M2 3EY

give notice that ~~I was~~ we were appointed as administrator(s) of the above company on:

(b) Insert date (b) 2 December 2008

Signed [Signature]

Signed [Signature]

Dated 02/12/2008

Dated 02/12/2008

Joint / Administrator(s) IP No(s) 8224

8763

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The Insolvency Act 1986

Notice of administrator's appointment **2.12B**

Name of Company London Scottish Computer Services Limited	Company number 01044732
In the High Court of Justice, Chancery Division, Companies Court [full name of court]	Court case number 10805/2008

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

I / We (a) Thomas Merchant Burton and Simon Allport of Ernst and Young LLP,
100 Barbirolli Square, Manchester M2 3EY

give notice that ~~I was~~ we were appointed as administrator(s) of the above company on:

(b) Insert date

(b) 2 December 2008

Signed 

Signed 

Dated 02/12/2008

Dated 02/12/2008

Joint / Administrator(s) IP No(s) 8224

8763

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DX 33050 Cardiff

The Insolvency Act 1986

Notice of administrator's appointment **2.12B**

Name of Company London Scottish Insurance Services Limited	Company number 00315525
In the High Court of Justice, Chancery Division, Companies Court [full name of court]	Court case number 10804/2008

(a) Insert full name(s) and address(es) I / We (a) Thomas Merchant Burton and Simon Allport of Ernst and Young LLP,
100 Barbirolli Square, Manchester M2 3EY

give notice that I was / we were appointed as administrator(s) of the above company on:

(b) Insert date (b) 2 December 2008

Signed [Signature]

Signed [Signature]

Dated 02/12/2008

Dated 02/12/2008

Joint / Administrator(s) IP No(s) 8224

8763

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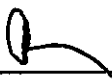

Notice of administrator's appointment **2.12B**

Name of Company London Scottish Broking Limited	Company number 00230110
In the High Court of Justice, Chancery Division, Companies Court [full name of court]	Court case number 10846/2008

(a) Insert full name(s) and address(es) I / We (a) Thomas Merchant Burton and Simon Allport of Ernst and Young LLP,
100 Barbirolli Square, Manchester M2 3EY

give notice that ~~I was~~ we were appointed as administrator(s) of the above company on:

(b) Insert date (b) 3 December 2008

Signed 	Signed 
Dated <u>03/12/2008</u>	Dated <u>03/12/2008</u>
Joint / Administrator(s) No(s) <u>8224</u>	<u>8763</u>

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The Insolvency Act 1986


Notice of administrator's appointment **2.12B**

Name of Company London Scottish Finance Limited	Company number 00233259
In the High Court of Justice, Chancery Division, Companies Court [full name of court]	Court case number 10844/2008

(a) Insert full name(s) and address(es) I / We (a) Thomas Merchant Burton and Simon Allport of Ernst and Young LLP,
100 Barbirolli Square, Manchester M2 3EY

give notice that I was / we were appointed as administrator(s) of the above company on:

(b) Insert date (b) 3 December 2008

Signed 

Signed 

Dated 03/12/2008

Dated 03/12/2008

Joint / Administrator(s) IP No(s) 8224

8763

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