

The Insolvency Act 1986

Administrative
Receiver's ReportPursuant to Section 48(1) of the Insolvency Act 1986
and Rule 3.8(3) of the Insolvency Rules 1986**S.48(1)**

To the Registrar of Companies

For official use

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Company Number

165389

Name of Company

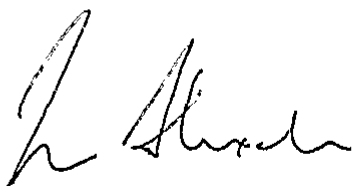
Rosehaugh PLC

We,
ofCTE Hayward, JAG Alexander
PO Box 730
20 Farringdon Street
London
EC4A 4PP

RH Oldfield

the administrative receivers of the company, attach a copy of our report to creditors.

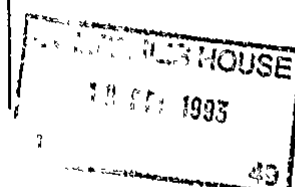
Signed



Date 8 February 1993

KPMG Peat Marwick
Corporate Recovery
PO Box 730
20 Farringdon Street
London
EC4A 4PPFor Official Use
Insolvency Section

Post Room



Rosehaugh Plc

CTE Hayward and JAG Alexander RH Oldfield appointed Joint Administrative Receivers on 1 December 1992

Correspondence to the Joint Administrative Receivers of Rosehaugh plc
PO Box 730, 20 Farringdon Street, London EC4A 4PP
Tel: 071 236 8000 Fax: 071 248 1790

When telephoning please contact Mary Hegarty, extension 3848

TO ALL UNSECURED CREDITORS OF ROSEHAUGH PLC AND ITS SUBSIDIARY COMPANIES IN RECEIVERSHIP

Our ref: cr4/di/mh/3577/ca

12 February 1993

Dear Sirs

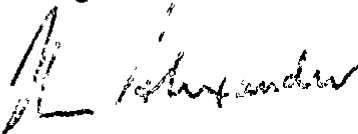
I attach formal notice of meetings of creditors to be held on 1 March 1993. Details of the venue and time are given in the notice.

Attached to the notice is a proxy form for your use if you so desire. Details of how to deal with this are given in the notice of the meetings of creditors. However, I must point out that it is important that creditors returning proxy forms must indicate at the top of the form to which company they wish their vote to relate. Creditors who are creditors of more than one of the companies should, if they wish to exercise their votes, photocopy the proxy form and submit separate proxy forms for each company of which they are a creditor.

Also enclosed is a report addressed to all creditors of Rosehaugh Plc and its subsidiaries in receivership. This report will be presented to the meetings on 1 March 1993.

Statements of affairs of the companies in receivership have been requested from the directors but it is unlikely that they will be available by the date of the meeting. From the information available at present it is apparent that there shall not be any funds available for unsecured creditors. The creditors attending the meeting will be given the opportunity to form a Creditors' Committee. In this instance however, such a Committee will be able to serve little purpose because of the likelihood that there will be no funds available for the unsecured creditors.

Yours faithfully
for and on behalf of
Rosehaugh Plc



JAG Alexander
Joint Administrative Receiver

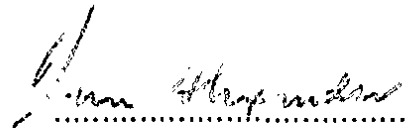
**Notice of Creditors' meeting under S.48(2)
of the Insolvency Act 1986**

Notice is hereby given that meetings of the unsecured creditors of the companies on the attached list are called pursuant to section 48(2) of the Insolvency Act 1986 and will be held at The Council Chamber, Law Society Hall, 113 Chancery Lane, London WC2A 1PL on 1 March 1993 at 12:00 noon, for the purpose in each case of receiving the report of the Administrative Receivers and, if thought fit, appointing a creditors' committee.

A creditor will be entitled to vote only if a written statement of claim is submitted to me at 20 Farringdon Street, London EC4A 4PP by 12:00 noon on 26 February 1993 and if the claim is admitted for voting proposes. A creditor may vote either in person or by proxy and a proxy form is attached. Any proxy form(s) that is/are intended to be used must be submitted to me at 20 Farringdon Street, London, EC4A 4PP before the meetings. Creditors returning their proxy form(s) should indicate clearly at the top of the form(s) to which company/ies the proxy form(s) relate(s). In order to be valid, a proxy form must bear an original signature and a faxed proxy form is, therefore, unacceptable. A company may vote either by proxy or through a representative appointed by board resolution.

A creditor whose claim is wholly secured is not entitled to attend or be represented at the relevant meeting. A secured creditor may, however, vote in respect of any unsecured balance of claim after deduction of the estimated security value.

Date 12 February 1993


.....
JAG Alexander
Joint Administrative Receiver

Rosehaugh Plc
Baxtergate Investment Co Limited
Bolansbourne Limited
Carishurst Limited
Cardwool Limited
Cheshire Oaks Limited
Clareworth properties Limited
Copartnership Property Group Limited
Copartnership Property management Limited
Copartnership (Tonnerlon) Limited
Cressbarn Developments Limited
Decramast Limited
Donatio Investment Company Limited
Emeraldcrest Limited
The General Funds Investment Trust Plc
HFL (Annuities) Limited
HFL (Holdings) Limited
Ivorydown Limited
Kerrykey Limited
Kingsbridge Investments Limited
Lansdown Hill Estates Limited
London Mercantile Holdings Limited
London Mercantile Investments Limited
London Mercantile Plant and Equipment Leasing Limited
Optograde UK Limited
Port Bury Developments Limited
Queen Anne Street Nominees Limited
RH (Ceylon) Tea Company Limited
RH Investments Limited
Ringledge Properties Limited
Riverboat Estates Limited
Riverboat Investments Limited
Riverboat Properties Limited
Rosehaugh Agency Limited
Rosehaugh Control Properties Limited
Rosehough Corporation Investments Limited
Rosehaugh Developments Plc
Rosehaugh Estates Plc
Rosehaugh (Lewisham) Limited
Rosehaugh Management Services Limited
RH Overseas Services Limited
Rosehaugh Project Services Plc
Rosehaugh Properties Limited
Rosehaugh Property Developments Limited
Rosehaugh Tea (Holdings) Limited
Shearwater Festival Limited
Shearwater Management Limited
Shearwater Property Holdings Plc
Stoneflare UK Limited
Sunbourne Properties Limited
Sunvale Properties Limited
The Winter Garden (Torquay) Limited
Tolverne Investment Co Limited
Tringplan Properties Limited
Valueletter Limited
Vaultfine Limited
Vaultfirst Limited
Worldsave Limited

Proxy (Administrative Receivership)

* Insert the name
of the company

IN THE MATTER OF*

and

IN THE MATTER OF THE INSOLVENCY ACT 1986

Notes to help completion
of the form

Please give full name and
address for communication

Name of creditor _____

Address _____

Name of proxy-holder _____

Please insert name of
person (who must be 18 or
over) or the "chairman of
the meeting". If you wish
to provide for alternative
proxy-holders in the
circumstances that your
first choice is unable to
attend please state the
name(s) of the alternatives
as well.

Please delete words in
brackets if the
proxy-holder is only to
vote as directed ie he has
no discretion

I appoint the above person to be my/the creditor's proxy-holder at the meeting of
creditors to be held on 1 March 1993, or at any adjournment of that meeting.
The proxy-holder is to propose or vote as instructed below [and in respect of any
resolution for which no specific instruction is given, may vote or abstain at
his/her discretion].

Voting instructions for resolutions

for the appointment of _____

of _____

representing _____

as a member of the creditors' committee

This form must be signed

Signature _____ Date _____

Name in CAPITAL LETTERS _____

Only to be completed if the
creditor has not signed in
person

Position with creditor or relationship to creditor or other authority for
signature _____**Remember: there may be resolutions on the other side of this form.**

Rosehaugh plc and certain of its subsidiaries

**Joint Administrative Receivers' report to
creditors pursuant to Section 48 of the Insolvency Act 1986**

11 February 1993

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- 2 Background and events leading up to appointment
- 3 Actions following the appointment of Receivers
- 4 Statements of Affairs
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- 6 Preferential creditors
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1 Introduction

Tim Hayward, Roger Oldfield and I were appointed Joint Administrative Receivers of Rosehaugh Plc ("Rosehaugh") by Barclays Bank plc on 1 December 1992 under powers contained in a debenture dated 7 February 1992.

Also on 1 December 1992 Mr Oldfield and I were appointed Joint Administrative Receivers of 53 of Rosehaugh's subsidiaries. Set out in Appendix 1 are details of these companies.

On 25 January 1993 Mr Oldfield and I were appointed Joint Administrative Receivers of a further four companies in the Rosehaugh group and these details are set out in Appendix 2.

Mr Hayward, Mr Oldfield and I have concluded that, as the affairs of Rosehaugh and its subsidiary companies in receivership are closely linked, the information required to be given to creditors by the Insolvency Act 1986 and the Insolvency Rules 1986 (as amended) can best be disseminated by preparing one report for all creditors of all the companies concerned. This report is, therefore, addressed to all creditors of Rosehaugh and its subsidiary companies in receivership.

Throughout this report the following nomenclatures will be used:

"Rosehaugh"	-	Rosehaugh plc
"the Companies in Receivership"	-	the companies listed in Appendices 1 and 2 over which Administrative Receivers have been appointed.
"the Group"	-	Rosehaugh and all its subsidiary and associated companies (whether in receivership or not).
"the Receivers"	-	the Joint Administrative Receivers of the companies in receivership.
"the Banks"	-	those banks forming the syndicate which lent funds to the group which were party to the debenture dated 7 February 1992 pursuant to which the Receivers were appointed.

2 Background information and events leading up to appointment

The principal activity of the Group is property trading, development and investment. The Group contains a large number of companies which, with a few exceptions, are either wholly owned subsidiaries or related companies in which the Group typically has an equity interest of between 33% and 50%. Many of the subsidiaries are either dormant or contain just one property.

The Group traded successfully throughout the 1980's principally in the area of commercial property development located almost exclusively in the UK and in particular the South East of England. In the early part of 1990, and in response to the severe downturn in the UK property market, the Group virtually ceased all new development activity. Since this time development has continued on properties only where the Group had prior commitments to do so. The Group had been seeking to dispose of property holdings since February 1990 in order to reduce its borrowings. However, the disposals did not proceed as quickly as anticipated and, due to its inability to generate cash and its large incumbent liabilities, Rosehaugh's directors requested the Banks to appoint Administrative Receivers. Subsequently, Receivers were appointed to Rosehaugh and certain of its subsidiaries on 1 December 1992.

3 Actions following the appointment of Receivers

Following their appointment, the Receivers took steps to secure the assets of the Companies in Receivership which fall under the following headings:

- Property assets in the UK
- Joint ventures
- Property assets located overseas
- Other assets

I will comment on each in turn.

Property assets in the UK

The Group has an interest in approximately 70 property assets located throughout the UK. These properties comprise investment, development and trading properties ranging from fully completed projects to intermediary leasehold interests and vacant plots of undeveloped land.

The Receivers have, in conjunction with their professional advisors, decided that a planned and controlled disposal of the remaining properties under their control is in the best interest of all creditors. They consider that, particularly in the current depressed property market, to dispose of many of the properties quickly would lead to the realisations achieved being little more than "fire sale" prices. The Receivers have, therefore, with the assistance of some of the Group's employees, prepared a detailed plan for the controlled disposal of the UK properties in the medium term. This will include maximising returns from income producing property prior to disposal, the active letting of vacant or partially vacant properties to make them income producing and enhance their sales value, exploiting the full value of properties by securing the optimum planning consents for their development and the continuation of pro-active management of the portfolio to ensure that properties are disposed of in an orderly fashion thereby maximising proceeds within the constraints of the current property market.

Since their appointments, the Receivers have received some £4.5 million in respect of the sale of Cheshire Oaks.

Joint ventures

The Group has interests in 17 companies in which it owns between 20% and 50% of the share capital. In the majority of these companies, Rosehaugh is a joint venture partner owning 50% of the share capital.

None of the joint venture companies in which the Group has an equity interest is at present subject to any form of insolvency proceedings. The Receivers are considering, together with the joint venture partners, how matters can best be progressed with a view to obtaining the maximum possible value, if any, from the Group's interest.

There are, however, a number of joint ventures which may generate cash in the long term and the Receivers have taken steps to ensure the Group's interests are preserved.

Property assets located overseas

The Group has two property interests in the United States of America:

- Belmont Corporation Inc owns a plot of undeveloped land in Phoenix, Arizona. Its joint venture partner is Mountleigh Plc which is also in administrative receivership with partners from KPMG Peat Marwick (including Tim Hayward) acting as its Receivers. It is unlikely that this land will be sold within the next few years.
- The Group also has a property interest in Church Street, New York, whose value is likely to be less than the related secured debt.

In both of these cases the Receivers are in discussions to determine the optimum strategy for realising value from these interests.

Other assets

Where non property assets have been identified steps have been taken to secure and realise these for the benefit of creditors. However, other than properties, the Companies in Receivership do not own any significant assets apart from those listed below:

Rosehaugh Management Services Limited ("RMS") (In Administrative Receivership)

This company owns the majority of computer equipment, furniture and fittings currently located in the Group's head office at 9 Marylebone Lane, London, W1, plus various items at other locations within the Group. In order to minimise costs the Receivers plan to move the Group's operations centre to a more appropriate location and are therefore holding a public auction of this equipment and furniture on 11 March 1993.

RMS also owns the majority of the Group's motor vehicles many of which have been disposed of.

Since RMS was responsible for the administration procedures of certain of the joint venture companies, the Receivers are seeking to recover sums due in respect of management and administration charges, as well as the collection of loans and retention monies held by third parties following sales of property prior to receivership.

Rosehaugh

After an investigation of the Group's taxation affairs it is estimated that substantial repayments might be secured for the Group. These repayments are actively being pursued by the Receivers who are also investigating the possibility of selling some of the Group's tax losses.

4 Statements of Affairs

The directors of all the Companies in Receivership have been requested, pursuant to Section 47 of the Insolvency Act 1986, to submit Statements of Affairs as at the date of the Receivers' appointment. However, due to the complex nature of the Group it has been agreed with the directors that an extension to the statutory time limits for submission is appropriate. The Statements of Affairs will therefore be circulated, with any comments the Receivers may make, at such time as they are received.

5 Debenture holders

The Group has complex lending and security arrangements. The Receivers were appointed to each of the Companies in Receivership by the agent for a syndicate of banks. The amount payable to the Banks as at the date of our appointment including accrued interest was approximately £295 million.

In addition to this secured debt a number of properties owned by the Companies in Receivership are subject to first fixed charges. Debts secured by such charges amounted to approximately £73 million as at the date of our appointment.

6 Preferential creditors

Until such time as the directors' Statements of Affairs are received the Receivers can only estimate the level of preferential creditors' claims as follows:

	£
Inland Revenue (PAYE/NIC)	97,727
Pension contributions	27,600
Employees	22,481

While most of the companies in receivership will be in a repayment situation for VAT purposes the sale of the Cheshire Oaks property will mean that overall HM Customs & Excise may have a preferential claim. However, these figures are not yet available.

7 Unsecured creditors

The Receivers are at present unable to give any indication to unsecured creditors of the likely outcome. The affairs of the Companies in Receivership are so closely interlinked that, until such time as the Group's property and other assets are disposed of, it is not possible to say if sufficient monies will be available to repay the secured creditors in full.

8 Section 48 meeting

A meeting of the creditors of the Companies in Receivership will be held on 1 March 1993 at 12.00 noon at The Council Chambers, Law Society Hall, 113 Chancery Lane, London, WC2A 1BL, where this report will be presented.

JAG Alexander
Joint Administrative Receiver

Schedule of companies in the Rosehaugh Group
to which administrative receivers were appointed
on 1 December 1992

Rosehaugh Plc
Baxtergate Investment Co Limited
Bolansbourne Limited
Carishurst Limited
Cardwool Limited
Cheshire Oaks Limited
Clareworth Properties Limited
Copartnership Property Group Limited
Copartnership Property management Limited
Copartnership (Tonnerlon) Limited
Crestbarn Developments Limited
Decramast Limited
Donatio Investment Company Limited
Emeraldcrest Limited
The General Funds Investment Trust Plc
HFL (Annuities) Limited
HFL (Holdings) Limited
Ivorydown Limited
Kerrykey Limited
Kingsbridge Investments Limited
Lansdown Hill Estates Limited
London Mercantile Holdings Limited
London Mercantile Investments Limited
London Mercantile Plant and Equipment Leasing Limited
Optograde UK Limited
RH (Ceylon) Tea Company Limited
RH Investments Limited
Ringledge Properties Limited
Riverboat Estates Limited
Riverboat Investments Limited
Riverboat Properties Limited
Rosehaugh Control Properties Limited
Rosehough Corporation Investments Limited
Rosehaugh Developments Plc
Rosehaugh Estates Plc
Rosehaugh (Lewisham) Limited
Rosehaugh Management Services Limited
RH Overseas Services Limited
Rosehaugh Project Services Plc
Rosehaugh Properties Limited
Rosehaugh Property Developments Limited
Rosehaugh Tea (Holdings) Limited
Shearwater Festival Limited
Shearwater Management Limited
Shearwater Property Holdings Plc
Stoneflare UK Limited
Sunbourne Properties Limited
Sunvale Properties Limited
The Winter Garden (Torquay) Limited
Tolverne Investment Co Limited
Tringplan Properties Limited
Valueletter Limited
Vaultfine Limited
Vaultfirst Limited

Schedule of companies in the Rosehaugh Group
to which administrative receivers were appointed
on 25 January 1993

Port Bury Developments Limited
Queen Anne Street Nominees Limited
Rosehaugh Agency Limited
Worldsave Limited