

The Insolvency Act 1986

Administrator's progress report

Name of Company Rossmark Properties Limited	Company number 03971090
In the Royal Courts of Justice, Chancery Division, Companies Court <small>[full name of court]</small>	Court case number 4475/2011

(a) Insert full name(s) and address(es) of administrator(s) I/ We (a) T Lukic and M Boughey
c/o Ernst & Young LLP, No 1 Colmore Square, Birmingham, B4 6HQ

administrators of the above company attach a progress report for the period

from

to

(b) Insert date

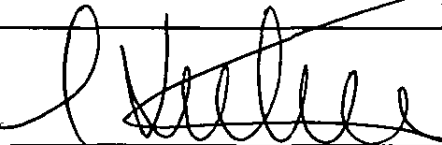
(b)

30 March 2013

(b)

30 August 2013

Signed



Joint Administrator

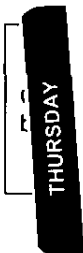
Dated

9/10/2013

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.

Ankit Dhanjee	
Ernst & Young LLP, No 1 Colmore Square, Birmingham, B4 6HQ	
	Tel 0121 535 2863
DX Number	DX Exchange



A32

A2IPX0R5
10/10/2013
COMPANIES HOUSE

#35

you have completed and signed this form please send it to the Registrar of Companies

panies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

TO ALL KNOWN CRED

9 October 2013

Ref RPL/TL/DK/AD/24

Direct line 0121 535 2863
Direct fax 0121 535 2448

Ankit Dhanjee

THURSDAY

A2IPX0QX

A32 10/10/2013 #34
COMPANIES HOUSE

Dear Sirs

Rossmark Properties Limited (In Administration) ("the Company")
Royal Courts of Justice, Chancery Division, Companies Court, Number 4475 of 2011
Company registered number: 03971090
Registered office address: c/o Ernst & Young LLP, No.1 Colmore Square, Birmingham, B4 6HQ

I write, in accordance with Rule 2.47 of the Insolvency Rules 1986, to provide creditors with a report on the progress of the Administration. The report covers the period from 30 March 2013 to 30 August 2013 and should be read in conjunction with the Joint Administrators' Statement of Proposals dated 19 July 2011 ("the Proposals") and our previous reports to creditors dated 22 December 2011, 16 April 2012, 15 November 2012 and 18 April 2013.

The Company entered Administration on 26 May 2011 and I, Best, D Frangou and I were appointed to act as Joint Administrators. The appointment was made by The Governor and Company of the Bank of Ireland, acting as Security Trustee, under the provisions of paragraph 14 of Schedule B1 to the Insolvency Act 1986. Under the terms of the appointment, any act required or authorised to be done by the Joint Administrators may be done by any one of them. As previously advised, on 7 March 2013 D Frangou vacated office and ceased to act as Joint Administrator of the Company.

Please be advised that on 30 August 2013, by an Order of the Court ("the Order"), I, Best vacated office and ceased to act as Joint Administrator of the Company. The Order simultaneously appointed M Boughey as Joint Administrator of the Company and under the terms of the appointment, any act required or authorised to be done by the Joint Administrators can be done by either of the current Appointees. As a result of the Order, the statutory six monthly reporting period for the Company has been reset to the date of the Order, being 30 August 2013.

Please note that creditors of the Company may, within 28 days of receipt of this notice, apply to vary or discharge the Order.

Summary of the Joint Administrators' Proposals

Following our appointment, we took control of the business and assets of the Company with a view to establishing a strategy to meet the prioritised objectives of the Administration process, being

- a) rescuing the Company as a going concern, or
- b) achieving a better result for the Company's creditors as a whole than would be likely if the Company was to be wound up (without first being in Administration), or



Building a better
working world

- c) realising property in order to make a distribution to one or more secured or preferential creditors

In the Proposals we reported that our strategy was to pursue objective (a), as at that time we were in advanced discussions with the Directors of the Company and Comer Homes Group ("CHG") to rescue the Company as a going concern. In October 2011, the Directors' offer for the Company was withdrawn and, as a result, a rescue of the Company as a going concern was no longer achievable.

The Joint Administrators subsequently sought to pursue objectives (b) and/or (c) to maximise the return to the secured creditors.

Extensions to the initial period of appointment

The report dated 16 April 2012 supported an application to court to extend the Administration of the Company pursuant to Rule 2.112 of the Rules, which was granted by the court on 4 May 2012 for a period of 12 months to 25 May 2013.

In April 2013, it was determined that a further extension would be required and the report dated 18 April 2013 supported an application to extend the Administration of the Company pursuant to Rule 2.112 of the Rules, which was granted by the court on 3 May 2013 for a period of 12 months to 25 May 2014.

Summary of progress since last report

Corporation tax

The following post appointment tax returns have been submitted on behalf of the Company:

- ▶ 26 May 2011 – 30 June 2011,
- ▶ 1 July 2011 – 30 June 2012, and
- ▶ 1 July 2012 – 3 October 2012

All three returns showed a nil liability.

On the 10 July 2013 HMRC confirmed this position and advised that they had no objection to the Joint Administrators ceasing to act.

VAT

The Company was previously registered as part of a VAT group of which the group representative was Opecprime Properties Limited. As we were not appointed Administrators of Opecprime Properties Limited, the Company was removed from this VAT group with effect from 25 May 2011. The Company has since been re-registered for VAT purposes with an effective registration date of 26 May 2011.

On receipt of considered VAT advice, the sale of the business and assets of the Company was treated as a Transfer of a Going Concern ("TOGC") by the Administrators. As a result of this election, VAT was not deemed payable and no amounts were remitted to HMRC.

In April 2013, HMRC questioned the VAT treatment of the sale of the business and assets in the Company as a TOGC and commenced investigations. Pending the outcome of their investigations, HMRC withheld c. £69,000 of reclaimable input VAT monies that were due to be repaid to the Company in the ordinary course of business.



Building a better
working world

On 10 June 2013, HMRC advised that they were in agreement that a TOGC event did take place on the sale of the business and assets of the Company and provided formal notification to this effect. Following this, all outstanding reclaimable input VAT monies owed to the Company were remitted by HMRC.

Distributions to creditors

Secured creditors

The secured creditors had a combined total indebtedness at 26 May 2011 of c £167m, excluding interest and charges against which distributions of £71,625,000 have been made to date by the Company, Chantstream Limited (In Administration) and Carlson Properties Limited (In Administration) (together "the Companies"). The Company contributed £7,725,000 towards this total distribution.

Preferential creditors

There are no preferential creditors of the Company in respect of claims for employees' salaries, holiday pay and pension contributions.

Non-preferential creditors

The listing of creditors at the date of our appointment indicated no non-preferential creditors other than those balances with intercompany entities. The combined value of intercompany creditors for each of the Companies, at the date of our appointment was c £60m.

A number of smaller non preferential claims have been brought to our attention during the Administration. However, based on the level of realisations and the significant outstanding liability to the secured creditors, there will be no distribution payable to non-preferential creditors.

The Prescribed Part

The Prescribed Part is a proportion of floating charge assets set aside for non-preferential creditors pursuant to section 176A of the Insolvency Act 1986. The Prescribed Part applies to floating charges created on or after 15 September 2003.

The secured creditors' floating charge for the Company was created after 15 September 2003 and therefore the Prescribed Part applies for the Company. As commented above there have been no funds available for non-preferential creditors. On this basis, the Joint Administrators have not made an application to the court under section 176A(5) of the Insolvency Act 1986 for an order not to distribute the Prescribed Part to creditors.

Receipts and payments account

I enclose a receipts and payments account for the period from 30 March 2013 to 30 August 2013 at Appendix 2.

Since the previous report, significant movements have occurred in the following principal areas:

- ▶ £67,447 received in respect of VAT receivable recovered,
- ▶ £63,000 paid in Joint Administrators' remuneration,
- ▶ £2,182 paid in legal fees in respect of the extension of the Administration, and



Building a better
working world

- £33 in miscellaneous costs including bank charges

Joint Administrators' remuneration and expenses

The basis of remuneration and Category 2 disbursements has been agreed with the secured creditors to be fixed on a time-cost basis

The Administrators have incurred time costs of £573,153 from 26 May 2011 to 30 August 2013, against which £393,000 has been drawn and paid to date. An analysis of the time spent is attached at Appendix 3 to this report. At Appendix 4 there is a statement of the Administrators' policy in relation to charging time and disbursements.

The Administrators have incurred £1,040 of disbursements, including £68 in respect of Category 2 disbursements (ie, disbursements containing an element of shared or allocated costs and payable to the administrators' firm). Further details are given in Appendices 3 and 4. The administrators have drawn £1,018 to date in respect of disbursements.

In certain circumstances, creditors are entitled to request further information regarding the Administrators' remuneration or expenses, or to apply to court on the grounds that the costs are considered to be excessive (Rules 2.48A and 2.109 to the Insolvency Rules 1986). Further information is provided at Appendix 5.

The outcome of the Administration

We are now in a position to finalise matters in the Administration which will include the final distribution to the secured creditors.

As previously stated, the creditors of the Company may, within 28 days of receipt of the notice of vacation of office, apply to vary or discharge the Order of 30 August 2013. We anticipate concluding the Administration shortly after this period and I will report to you again at the conclusion of the Administration.



Building a better
working world

Should you have any queries, please do not hesitate to contact my colleague, Ankit Dhanjee, on
0121 535 2863

Yours faithfully
For the Company

T Lukic
Joint Administrator

Enc	Appendix 1	Statutory information
	Appendix 2	Joint Administrators' receipts and payments account for the period 26 May 2011 to 30 August 2013
	Appendix 3	Summary of Joint Administrators' time costs and Category 2 disbursements for the period 26 May 2011 to 30 August 2013
	Appendix 4	Statement of Joint Administrators' charging policy for remuneration and disbursements pursuant to Statement of Insolvency Practice No 9
	Appendix 5	Creditors' request for further information regarding an Administrators' remuneration or expenses
	Form 2 24B	Administrators progress report
	Form 2 39B	Notice of vacation of office by administrator
	Form 2 40B	Notice of appointment of additional/replacement administrators

T Lukic and M Boughey are licensed in the United Kingdom to act as Insolvency Practitioners by The Institute of Chartered Accountants in England and Wales

The affairs, business and property of the Company are being managed by the Joint Administrators, T Lukic and M Boughey, who act as agents of the Company only and without personal liability

We may collect use, transfer, store or otherwise process (collectively, "Process") information that can be linked to specific individuals ("Personal Data") We may Process Personal Data in various jurisdictions in accordance with applicable law and professional regulations including (without limitation) the Data Protection Act 1998

Rossmark Properties Limited (In Administration)**Statutory information**

Company information	
Company names and registered numbers	Rossmark Properties Limited (03971090)
Registered office address	Ernst & Young LLP, No 1 Colmore Square, Birmingham, B4 6HQ
Trading name(s)	N/A
Trading address(es)	Ocean Views, Castle Road, Portland, Dorset, DT5 1BD

Details of the Joint Administrators and of their appointment

Joint Administrators I Best, D Frangou, T Lukic and M Boughey

Date of appointment 26 May 2011, 30 August 2013 (M Boughey as replacement for I Best)

Date of vacation of office 7 March 2013 (D Frangou only), 30 August 2013 (I Best only)

By whom appointed The appointment was made by the Governor and Company of the Bank of Ireland

Court reference Rossmark Properties Limited (4475 of 2011)

Any of the functions to be performed or powers exercisable by the Joint Administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting jointly

Statement concerning the EC Regulation

The EC Council Regulation on Insolvency Proceedings does apply to this Administration and the proceedings are main proceedings. This means that this Administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union Member State.

Presented below is a summary of the Company's share capital

Share capital

Number of ordinary shares (all issued and fully paid)	2
Value of shares (£)	2

Directors and Company Secretary and their shareholdings for the Company

Name	Brian Martin Comer	Luke Andrew Comer	Grosvenor Financial Nominees Limited
Director	✓	✓	✓
Company Secretary	✗	✗	✓
Date appointed	June 1998	June 1998	June 1998
Date resigned	N/A	N/A	N/A
Current shareholding	-	-	-

Appendix 2

Rossmark Properties Limited (In Administration) Joint Administrators' receipts and payments account for the period from 26 May 2011 to 30 August 2013

	Estimated to realise as per Directors' Statement of Affairs	Receipts and payments from 26 May 2011 to 29 March 2013	Receipts and payments from 30 March 2013 to 30 August 2013	Receipts and payments from 26 May 2011 to 30 August 2013
	£	£	£	£
RECEIPTS				
Apartment sales	-	406,911	-	406,911
Lettings rental income	-	400,013	-	400,013
Sale of freehold	22,862,849	8,005,326	-	8,005,326
Beckfield rental income	-	168,408	-	168,408
Sundry receipts	-	469	-	469
Cash at bank	269,617	-	-	-
Debtors				
Ground rent	7,000	16,650	-	16,650
Carlson Properties Limited	4,155,412	-	-	-
Coral Bay Holdings Limited	9,730,066	-	-	-
		<u>8,997,777</u>	<u>-</u>	<u>8,997,777</u>
PAYMENTS				
Administrators' remuneration		(330,000)	(63,000)	(393,000)
Administrators' disbursements		(1,018)	-	(1,018)
Freeholder contribution		(313,747)	-	(313,747)
Distribution to secured creditors		(7,725,000)	-	(7,725,000)
Property management fees		(53,877)	-	(53,877)
Rates		(51,205)	-	(51,205)
Electricity and gas		(127,012)	-	(127,012)
Insurance		(36,433)	-	(36,433)
Agents' fees		(31,807)	-	(31,807)
Lettings agents' fees		(70,953)	-	(70,953)
Property repairs		(33,790)	-	(33,790)
Security		(8,060)	-	(8,060)
Legal fees		(85,639)	(2,182)	(87,821)
Legal fees relating to apartment sales		(8,872)	-	(8,872)
Sundry items		(740)	(33)	(773)
VAT		(69,901)	67,447	(2,453)
		<u>(8,948,054)</u>	<u>2,232</u>	<u>(8,945,821)</u>
BALANCE IN HAND		<u>49,723</u>	<u>2,232</u>	<u>51,956</u>

Appendix 3

Rossmark Properties Limited (In Administration) Summary of Joint Administrators' time costs and Category 2 disbursements from 26 May 2011 to 30 August 2013

Classification of work function	Hours				Total hours	Total time costs £	Total average hourly rate £
	Partner / Director	Manager	Other senior professionals	Assistants & support			
Accounting and administration	1 0	16 6	48 2	247 8	313 6	54,485 38	173 74
Bank & statutory reporting	61 5	34 0	34 5	51 0	181 0	59 188 00	327 01
Creditors	2 2	6 2	5 0	29 5	42 9	8,012 00	186 76
Debtors	1 5	3 0	-	9 0	13 5	3,322 50	246 11
Immediate tasks	2 0	3 4	16 3	13 0	34 7	7,711 00	222 22
Investigation/cdda	0 3	0 2	1 5	8 0	10 0	1,542 50	154 25
Job acceptance & strategy	-	0 2	-	2 0	2 2	347 00	157 73
Legal issues	2 4	-	-	-	2 4	1,358 00	565 83
Other assets	-	-	-	0 5	0 5	87 50	175 00
Other matters	-	-	-	7 0	7 0	1,020 50	145 79
Property	170 9	199 2	265 4	117 6	753 1	281 573 50	373 89
Public relations issues	1 5	-	-	0 2	1 7	733 50	431 47
Retention of title	-	0 7	-	-	0 7	224 00	320 00
Statutory duties	8 0	9 7	13 8	4 5	36 0	10,039 00	278 86
Trading	32 6	114 2	70 9	71 8	289 5	76,509 50	264 28
VAT & taxation	13 7	44 0	45 6	157 5	260 8	66 999 50	256 90
Total hours	297 6	431 4	501 2	719 4	1,949 6	573,153 38	293 99
Total time costs £	143,856 50	186,699 00	134,264 50	108,333 38			
Average hourly rate £	483 39	432 77	267 89	150 59			

Category 1 expenses £	971 34
Category 2 expenses £	68 40
Total expenses £	1,039 74

Category 2 disbursements

Nature of expense	Amount (£)	Basis of charge
Mileage – own car	68 40	Mileage is charged at 45p per mile
Total	68 40	

Rossmark Properties Limited (In Administration)

Office holders' charging policy for remuneration

The secured creditors determined that the Administrators' remuneration should be fixed on the basis of time properly spent by the Administrators and their staff in attending to matters arising in the Administration

The Administrators 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 duties. Work carried out by all staff is subject to the overall supervision of the Administrators.

All time spent by staff working directly on case-related matters is charged to a separate time code established for each case. Time is charged in units of six minutes. 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 in Appendix 2, as are the latest hourly rates used. The latest hourly rates may be higher than the average rates, if hourly rates increased over the period covered by this report.

Office holders' charging policy for disbursements

Statement of Insolvency Practice No. 9 ("SIP 9") published by R3 (The Association of Business Recovery Professionals) divides disbursements into two categories.

Category 1 disbursements comprise payments made by the office holders' firm, which comprise specific expenditure relating to the Administration of the insolvent's affairs and referable to payment to an independent third party. These disbursements can be paid from the insolvent's assets without approval from the Committee. In line with SIP 9, it is our policy to disclose such disbursements drawn but not to seek approval for their payment.

Category 2 disbursements comprise payments made by the office holders' firm which include elements of shared or overhead costs. Such disbursements were subject to approval from the secured creditors as if they were remuneration. In line with SIP 9, approval was obtained for Category 2 disbursements before they were drawn.

Grade descriptions	Job title	Rates 26/5/11 - 30/6/11 (£)	Rates 1/7/11 - 30/6/12 (£)	Rates 1/7/12 - 30/6/13 (£)	Rates 1/7/13 onwards (£)
Partner / Director	Partner	520	545	570	600
	Partner (tax)	875	920	1115	1170
	Account Director	425	445	470	490
Manager	Assistant Director (real estate)	620	650	685	n/a
	Assistant Director (tax)	720	730	725	570 -760
	Senior Executive	290	305	305	335
	Senior Executive (tax)	380	565	545	n/a
	Senior Executive (real estate)	445	465	465	n/a
Other senior professionals	Executive	210	220	230	240
	Executive (real estate)	320	335	350	195
Assistants & support	Analyst	90-105	125-175	135-185	135 - 195
	Support	100	110	110	95-120

Creditors' request for further information regarding an Administrators' remuneration or expenses – Rule 2.48A, Insolvency Rules 1986

(1) If—

(a) within 21 days of receipt of a progress report under Rule 2 47—

(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

(b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,

makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)

(2) The administrator complies with this paragraph by either—

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

(b) so far as the administrator 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 administration or might reasonably be expected to lead to violence against any person, or

(iii) the administrator is subject to an obligation of confidentiality in respect of the information,

giving reasons for not providing all of the information

(3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—

(a) the giving by the administrator 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

(4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just "

Creditors' claim that remuneration is excessive – extract from Rule 2.109 of the Insolvency Rules 1986

"(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) Application may be made on the grounds that—

(a) the remuneration charged by the administrator,

(b) the basis fixed for the administrator's remuneration under Rule 2 106, or

(c) expenses incurred by the administrator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

(1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report") "