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1 Company details

Company number 0 4 0 8 0 1 9 4

Company name in full Highland Loughborough Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Nicholas

Surname Myers

3 Administrator's address

Building name/number 45 Gresham Street

Street

Post town London

County/Region

Postcode E C 2 V 7 B G

Country

4 Administrator's name ①

Full forename(s) Kevin

Surname Ley

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 45 Gresham Street

Street

Post town London

County/Region

Postcode E C 2 V 7 B G

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 3	^d 0	^m 0	^m 5	^y 2	^y 0	^y 2	^y 2
To date	^d 2	^d 9	^m 1	^m 1	^y 2	^y 0	^y 2	^y 2

7 Progress report☒ I attach a copy of the progress report**8** Sign and dateAdministrator's
signature

Signature

X

Nick Myers

Nick Myers (Dec 21, 2022 09:00 GMT)

X

Signature date

^d 2	^d 1	^m 1	^m 2	^y 2	^y 0	^y 2	^y 2
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**Presenter information**

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Contact name **Nicholas Myers**

Company name **Evelyn Partners LLP**

Address **45 Gresham Street**

Post town **London**

County/Region

Postcode **E C 2 V 7 B G**

Country

DX

Telephone **020 7131 4000**

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- ☐ The company name and number match the information held on the public Register.
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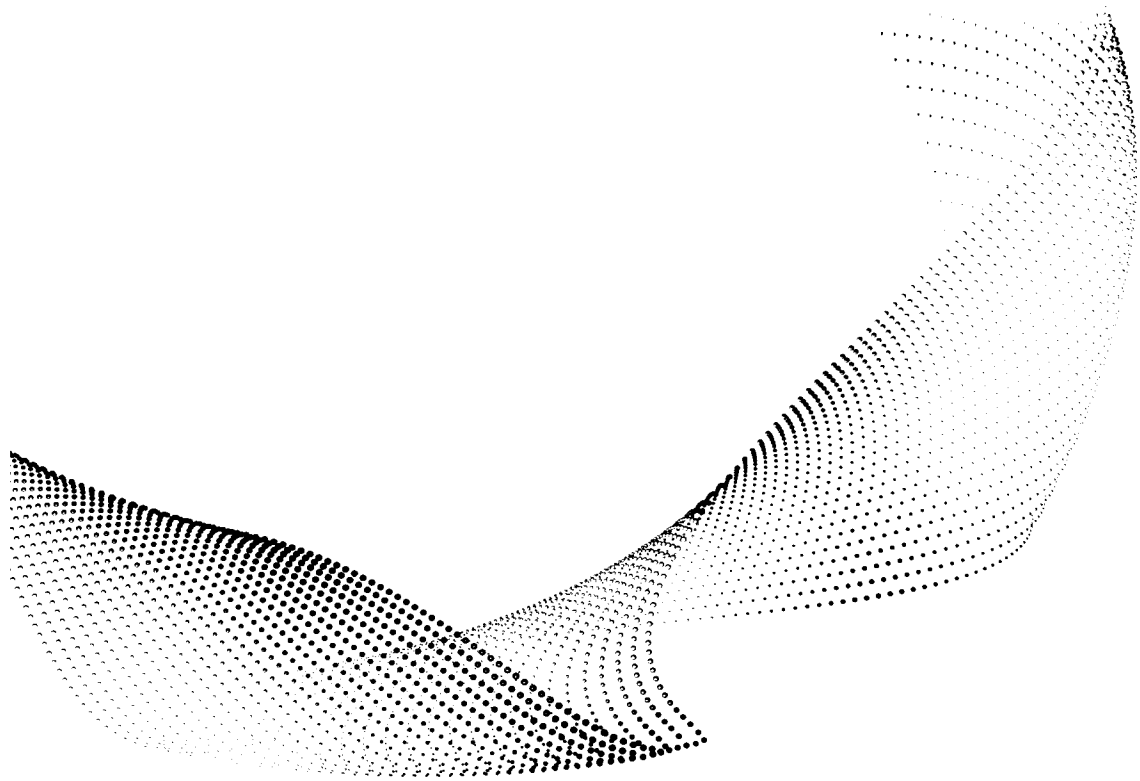
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Highland Loughborough Limited (in administration)

Joint administrators' progress report for the period from 30 May 2022 to 29 November 2022

evelyn

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1. Glossary

Abbreviation	Description
the Company	Highland Loughborough Limited
the administrators/joint administrators	Nicholas Myers and Kevin Ley of Evelyn Partners LLP, 45 Gresham Street, London EC2V 7BG
SIP	Statement of Insolvency Practice (England & Wales)
Sch B1	Schedule B1 to the Insolvency Act 1986 If preceded by P this denotes a paragraph number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
SOA	Statement of Affairs
ETR	Estimated to realise
HMRC	Her Majesty's Revenue and Customs
CBRE	CBRE Loan Services Limited
QFCH	CBRE, the Qualifying Floating Charge Holder – a secured creditor who has the power to appoint an administrator. CBRE have now been replaced by Mount Street.
GCW	Gooch Cunliffe Whale LLP
APAM	APAM Ltd
The Rushes	The Rushes Shopping Centre, Fennel Street, Loughborough LE11 1UQ
the receivers/joint receivers	Timothy Perkin and John Barbet of CBRE up to 19 November 2021, subsequently Claire Buijs and James Bannister of Waypoint Debt Advisory Limited
Mayfield	Mayfield Asset & Property Management Ltd
Waypoint	Waypoint Asset Management
Mount Street	Mount Street Mortgage Servicing Limited
previous reporting period	30 November 2021 to 29 May 2022 (which reflects rent and service charge transactions up to 31 March 2022 and fixed charge transactions up to 29 May 2022)
reporting period	reporting period 30 May 2022 to 29 November 2022 (which reflects rent and service charge transactions up to 11 June 2022 and fixed charge transactions up to 29 November 2022)

2. Introduction and Summary

From 14 June 2022, we are operating under a single new brand to offer the best of everything we do and the firm's name has changed to Evelyn Partners LLP. Please note that this is a change to our brand only and that the services provided are unaffected.

Please also be aware that we have recently changed our postal and registered office address to 45 Gresham Street, London EC2V 7BG. Where applicable, please update your records accordingly.

This report provides an update on the progress in the administration of the Company for the six-month period ended 29 November 2022. It should be read in conjunction with any previous reports. By way of reminder, Nicholas Myers and Kevin Ley, both of Evelyn Partners LLP, 45 Gresham Street, London EC2V 7BG, were appointed as the joint administrators of the Company on 30 November 2020.

- Since the previous report, we have continued to assist the receivers to trade The Rushes with the aim to increase its value and trading position. The Company in this reporting period traded at a surplus of £318,680.26, bringing the total trading surplus since the date of administration to £1,196,578.

It should also be noted we have reported on additional payments made in the previous reporting period which were not previously disclosed due to the quarterly recording of the transactions.

- We are continuing to aim to achieve objective P3(1)(b) of Sch B1, namely a better result has been achieved for the creditors than would have been the case had the Company been wound up. If this is not achievable, objective P3(1)(c) of Sch B1 will be achieved which is realising property in order to make a distribution to one or more secured or ordinary and, if applicable, secondary preferential creditors. The objectives are achievable once the value and trading position of The Rushes has improved and it has been sold or appropriate action is taken. However, as previously reported the administrators and the secured creditor are exploring the option of rescuing the Company as a going concern and this is continuing.
- The secured creditor received the sum of £246,383.05 under their fixed charge during the reporting period. The sum paid to them to date totals £3,438,813.70, although they have utilised some of these funds to pay third parties.

As previously advised, on 8 November 2021 Mount Street replaced CBRE as security agent under an intercreditor agreement and therefore act for the ultimate chargeholder.

- In June 2022, the asset managing agents changed from APAM to Waypoint and the property managing agents changed from APAM to Mayfield.
- We previously reported that we do not believe there to be sufficient property to enable a dividend to be paid to unsecured creditors, including by way of a prescribed part. There are no preferential creditors. On current information, the position remains unchanged.
- As previously reported, the joint administrators' fees had been agreed in principle by the secured creditor on a fixed fee basis totalling £38,500 fixed fee plus £7,500 per annum plus VAT and expenses on the basis of a "light touch" administration. The secured creditor agreed to the revised sum of £35,346.21 plus VAT for the period from 26 October 2020 to 27 August 2021. In addition to this, a revised fee agreement for further costs increased consisted of a fixed fee of £32,500 plus VAT and expenses per annum, and a further fixed fee of either £100,000 plus VAT as an incentive fee for agreeing a payment proposal with the unsecured creditors, or £40,000 plus VAT if a payment proposal cannot be agreed, thus the Rushes is sold.

In the reporting period, fees of £32,500 plus VAT have been paid bringing total fees paid to date to £67,846.21.

- It was previously reported that a twelve month extension for the administration was agreed by consent of CBRE, which was due to end on 29 November 2022. A Court application was made to further extend the term of the administration by 24 months and this was granted on 23 November 2022. The administration is now due to come to an end on 28 November 2024.
- As previously reported, on 19 November 2021 Timothy Perkin and John Barber of CBRE ceased to act as receivers and were replaced as the Company's receivers by Claire Buijs and James Bannister of Waypoint Debt Advisory Limited.

- As detailed above, on current information there will be no funds available for unsecured creditors and, once the joint administrators have filed their notice of ceasing to act with the Registrar of Companies, steps will be taken to dissolve the Company. This is however subject to the full consideration of the option to rescue the Company as a going concern, as mentioned above.

3. Progress of the administration

Attached at appendix I is our receipts & payments account for the period from 30 May 2022 to 29 November 2022. This account includes cumulative figures for the period from 30 November 2020 to 29 November 2022.

The receipts & payments account also includes a comparison with the director's SOA value. The director's SOA had not been received at the time the Company's proposals were circulated, therefore we have also made reference to the assets and values included in the estimated financial statement detailed in the proposals. The receipts & payments account includes a comparison with the director's SOA values.

You may recall that, although all funds are held to the receivers' order and are under the control of the joint administrators, the funds are held in a rental account and service charge account managed by the appointed agents. As a result of the change in receivers and secured creditor, this service was handed to Mayfield and Waypoint who will continue to manage the rent and service charge accounts and services.

The funds held in the managing agent's rental and service charge accounts are reconciled quarterly. However, as the managing agents changed mid-June 2022 we are reporting on the rental and service charge accounts up until 11 June 2022, representing the end of the APAM reporting period for handover, and represents the most up-to-date information available at the time of reporting. We are currently reconciling the transactions from the handover with APAM to Mayfield and will report on the period from 11 June 2022 to 30 June 2022 and 1 July 2022 to 30 September 2022 in the next report to creditors.

The receipts & payments account and report therefore currently reflect the rental and service charge accounts up to 11 June 2022, together with the fixed charge account up to 29 November 2022.

As you will note, the previous report for the period ending 29 May 2022 detailed the rental and service charge account transactions only up to the quarter ending 31 December 2021, being the most practical quarter end for this report at the time of issue. As the subsequent quarter periods have been reconciled, to include the quarter period ending 31 March 2022, this has resulted in adjustments to the rent and service charge transactions for the previous reporting period and this is reported below.

Therefore, at appendix I there is also a receipts & payments account for the previous reporting period, being 30 November 2021 to 29 May 2022 to reflect these changes.

As previously reported, the joint administrators have traded The Rushes and continue to do so. The trade is predominantly funded by rental income and transactions mainly through the managing agent's rental account. We are reporting the rental and service account transactions up to 11 June 2022 as the end of the period managed by APAM and where the handover commenced with Mayfield. This represents the most up-to-date quarterly information available at the time of reporting.

The reconciliation of the handover from APAM to Mayfield and the final June period from 11 June 2022 to 30 June 2022 with the quarter period ending 30 September 2022 managed by Mayfield is to be recorded in the next report.

As detailed above, the previous 6 monthly progress report for the period from 30 November 2021 to 29 May 2022 only reflected the rent and service charge account income and expenditure transactions up to 31 December 2021, not the transactions from these accounts up to 29 May 2022.

The receipts & payments account at appendix I for the previous report now reflects both the rent and service charge transactions up to 31 March 2022 (being the most recent quarter end for that period). This has therefore resulted in the following changes to the receipts & payments account for the rental and service charge account below:

The receipts & payments account for the previous reporting period, being 30 November 2021 to 29 May 2022, has been updated to include both the rent and service charge transactions up to 31 March 2022 being the last financial quarter for this period and a copy is located at appendix I. The additional transactions in this period for rent and service charge are as follows:

The rental trading income has increased from £556,630.51 to £862,031.18 in the previous reporting period. The financial changes to the rental income for the previous reporting period are as follows:

- **Rent** – The rental income increased by £436,581.93 from £388,971.92 previously reported to £825,553.85 plus VAT, from funds received from tenants of The Rushes. This brings total rental income received in the administration to 31 March 2022 to £2,232,931.57.
- **Tenant receipts** – The tenant receipts balance decreased by £135,729.89 from the previously reported sum of £167,194.50 to £31,464.61. This was as a result of APAM issuing refunds to two tenants, with one refund being £144,521.90 representing overpayments accruing over a year.

As you are aware, the funds received are from tenants and recorded as tenant receipts as they have yet to be allocated and awaiting reconciliation or remain a credit balance on the tenants' account. We are continuing to work with the managing agents to review this balance so further reconciliations can take place to reallocate and bring this balance further down.

This brings total tenant receipts received in the administration up to 31 March 2022 to £250,518.19.

- **Insurance** – The tenants have paid insurance of £4,521.81 in this previous reporting period, an increase from the £nil balance previously reported. The total insurance costs since the date of administration to 31 March 2022 is £35,410.05.
- **Interest** – A further £26.82 was received bringing the interest balance in this previous reporting period to £51.14. The total interest received on rental funds up to 31 March 2022 was £101.86.

This brings total rental income since the date of administration to the 31 March 2022 to £4,265,708.82.

The Company has made trading payments from the rent account totalling £878,877.26 in the previous reporting period to 31 March 2022, relating to trading The Rushes. This is £442,042.93 more than previously reported sum of £436,834.33 given the additional payments made for the quarter ending 31 March 2022 which relate to the following:

- **Services & Suppliers** – There were additional payments made to various services and suppliers to settle utility costs of £805.31, special service disbursements of £38,000 (£28,000 to Worx and £10,000 to Solo Partner for special service support work and advice), insurance costs of £114,518.14 (GBS for £66,094.41 and Marsh for £48,423.73), letting agents fees to GCW for £7,500 and professional fees to APAM of £29,699.43.

This brings the total services and suppliers paid in the previous reporting period to £208,296.49 plus VAT (from £17,773.61 as previously reported) and since administration to £338,950.08.

- **Void contribution to service charge** – A further £15,240.43 was paid in the previous reporting period from that previously reported of £19,060.72 resulting in a total of £34,301.15. In the administration, the sum of £154,107.45 has been paid up to 31 March 2022.
- **Fixed Chargeholder** – In addition to the previously reported sum of £400,000, a further sum of £236,264.62 was paid from the rent account to the secured creditor as a distribution to the fixed chargeholder bringing the total to £636,264.62 in the reporting period. This brings total distributions made to the fixed chargeholder from the rent account in the administration period to 31 March 2022 to £3,192,430.65. However, we are aware some of the funds held by CBRE were used to settle third party funds, as detailed in section 7.1 of this report.

There was a £15 bank charge associated with the fixed chargeholder payment.

This brings total rental expenditure since the date of administration to the 31 March 2022 to £3,685,503.18 (including the fixed chargeholder distribution).

The total rental trading position in the reporting period up to 31 March 2022 is a deficit of £16,846.08.

The rental position since the date of administration is trading at a surplus of £580,205.64.

The Rushes service charge income for the period ending 29 May 2022 is £337,025.30. This is more than the previously reported amount of £181,238.63 given the additional payments made in the quarter ending 31 March 2022 as follows:

- **Service charge income** – The income has increased by £130,679.67 from that previously reported from £154,498.75 to £285,178.42 plus VAT, which has been received for service charges from tenants of The Rushes in this previous reporting period. The total service charge income up to 31 March 2022 is £653,550.86.
- **Void contribution from rent account** – A further sum of £15,240.43 has been paid from the rent account to the service charge account for service charge income for the empty units, increasing the total VOID contribution for the period to £33,640.35. This brings total amount since the date of administration for the previous reporting period to £153,446.65.
- **Service charge tenant receipts** – There were further tenant receipts totalling £9,861.11, bringing the total sum for the previous reporting period to £18,196.47 which are service charge receipts from tenants which either have yet to be allocated and awaiting reconciliation or remain a credit balance on the tenant's account. The total for the administration to 31 March 2022 is £62,270.29.
- **Interest** - The sum of £10.06 has been received in interest on funds held in the service charge account, increased by £5.46 from that previously reported for the previous period, bringing the total interest received up to 31 March 2022 to £19.73.

This, with the interest received on funds held in the rent account, brings total interest for the previous reporting period to £61.20. The total interest in the administration up to the previous period end is £121.59.

This brings total service charge income since the date of administration to the 31 March 2022 to £929,986.93.

The Company has made trading payments totalling £225,046.06 in the same period to 31 March 2022, relating to trading The Rushes, which increased from that previously reported sum of £125,407.02 as follows:

- **Service charge payments** – The sum of £225,046.06 has been paid to varying suppliers and services for the running and maintenance of the property to include repairs and maintenance, health and safety costs, security, cleaning, office supply costs, waste management, agency services, landscaping, IT services, media/marketing/telecommunications, professional costs (including APAM) and utility costs. This increased by £99,639.04 from the £125,407.02 previously reported for the same period.

The total service charge expenditure since the date of administration to the 31 March 2022 is £632,294.83.

The total service charge trading position in the reporting period up to 31 March 2022 is a surplus of £111,979.08.

The service charge position since the date of administration is trading at a surplus of £297,692.10, which is to be utilised for the remaining service charges.

In the previous reporting period, there was a total trading surplus of £95,133.16. The rent and service charge since the date of administration 31 March 2022 has a trading surplus of £877,897.74.

The current reporting period is for 30 May 2022 to 29 November 2022. The receipts & payments account at appendix I reflects both the rent and service charge transactions up to 11 June 2022, being the handover date for the asset and property management services being moved from APAM to Mayfield and therefore it being the most practical period end for this reporting period.

In the current reporting period up to 11 June 2022, the Company's income received in the trading rental account (including the internal rent and service charge transfers detailed below to each account) totals £743,496.55, relating to the following:

- **Rent** – The income of £718,513.78 plus VAT has been received for rent from tenants of The Rushes. This brings total rental income received since the date of administration to 11 June 2022 for £2,951,445.35.
- **Rent tenant receipts** – There were receipts totalling £16,106.19 stated as tenant receipts, which are receipts from tenants which either have yet to be allocated and awaiting reconciliation or remain a credit balance on the tenant's account. This brings total receipts to £266,624.38. We are reconciling this balance to reduce and reallocate accordingly.
- **Rent insurance** – The sum of £8,762.27 has been received from tenants in regard to the insurance costs. This brings total rent insurance to £44,172.32.
- **Rental Refund** – The sum of £78.70 has been received as a refund from insurance brokers.
- **Interest** – The sum of £35.61 has been received in interest on funds held in the rental account in the reporting period to 11 June 2022. This has brought total interest to £137.47.

This brings total rental income since the date of administration to the 11 June 2022 to £5,009,205.37.

The Company has made trading payments totalling £300,563.57 in the same period to 11 June 2022, relating to trading The Rushes, which relates solely to the following:

- **Services & Suppliers** – There were payments made to various services and suppliers in this reporting period totalling £54,165.52 as follows:
 - **Utility costs** – The sum of £942.46 was paid to various suppliers for utility services. This brings total utility payments made in the administration to £5,987.31.
 - **Development Costs** – The sum of £1,768 plus VAT has been paid to two third parties for site visits, a land registry compliant site plans and a non-domestic energy performance certificate for The Rushes. This includes £1,270 plus VAT to Principle Plans and £498 to EPC.
 - **Insurance** – The sum of £7,083.10 has been paid to Marsh for insurance, bringing total payments made to Marsh in the administration to £55,506.83. The total payments made to all insurance providers in the administration to 11 June 2022 is £121,601.24.
 - **Legal fees** – The sum of £5,163.50 has been paid to Eversheds for their advice in the reporting period to 11 June 2022.
 - **Professional fees** – The sum of £33,051.58 was paid to APAM for their asset management and corporate services fee. This brings total payments to APAM in the administration to £128,856.01. The sum of £4,125 plus VAT has also been paid to Mount Street on behalf of a connected company for Facility Agent and Security Agent Fees. This is to be reimbursed and therefore is treated as a loan.

The total sum of professional fees paid since the date of administration is £134,966.01 to include the CBRE and additional costs previously reported.
 - **Repairs and Maintenance** – A payment of £2,031.88 has been paid to Checkley for a site review, review of planned preventative maintained schedule with costs estimates and report findings.

The total amount paid to services and suppliers in the whole of the administration to 11 June 2022 is £393,115.60.

- **Fixed chargeholder** – The sum of £246,383.05 has been paid as a fixed charge distribution, bringing total payments to the fixed chargeholder to £3,438,813.70.

This payment incurred the £15 bank charge shown on the receipts and payments account bringing total bank charges to £30.

This brings total rental expenditure since the date of administration to the 11 June 2022 to £3,986,006.75 (including the fixed chargeholder distribution).

The total rental trading position in the reporting period up to 11 June 2022 is a surplus of £442,932.98.

The rental position since the date of administration is trading at a surplus of £1,023,138.62.

The Company's service charge account income in the reporting period totals £22,151.86 as detailed below. The transactions in the reporting period up to 11 June 2022 relate to the following:

- **Service charge income** – The income of £16,287.95 plus VAT has been received in the reporting period to 11 June 2022 for service charges from tenants of The Rushes. This brings total service charge income in the administration to £669,838.81.
- **Service charge tenant receipts** – There were receipts totalling £5,857.76 stated as tenant receipts, which are service charge receipts from tenants which either have yet to be allocated and awaiting reconciliation or remain a credit balance on the tenant's account. Since the date of administration, this totals £68,128.05.
- **Interest** - The sum of £6.15 has been received in interest on funds held in the service charge account with APAM, bringing total interest to £25.88 for the service charge account.

This, with the interest received on funds held in the rent account, brings total interest in the reporting period to £41.76 and interest since the date of administration to £163.35.

This brings total service charge income since the date of administration to the 11 June 2022 to £952,138.79.

The Company has made trading payments totalling £146,404.58 in the same period to 11 June 2022, relating to trading The Rushes, which we summarise as follows:

- **Service charge payments** - The sum of £146,404.58 has been paid to varying suppliers and services for the running and maintenance of the property to include repairs and maintenance, leasing services, security services, surveillance costs, cleaning, energy management consultancy, waste management, landscaping, media/marketing/telecommunications, professional costs (including APAM management fee) and utility costs. The service charge payments in the administration total £778,616.02.

This brings total service charge expenditure since the date of administration to the 11 June 2022 to £778,699.41.

The total service charge trading position in the reporting period up to 11 June 2022 is a deficit of £124,252.72, although this would have included payments for liabilities relating to previously reported surpluses.

The service charge since the date of administration is trading at a surplus of £173,439.38 which is to be used for the remaining service charges.

In this reporting period, there is currently a trading surplus of £318,680.26.

The Company currently has a trading surplus of £1,196,578.

The joint administrators have opened a fixed charge account in the event it is required.

It mentioned in the proposals that JP Morgan held an account for the Company. The joint administrators agreed with APAM to keep any funds held in the group of companies accounts with JP Morgan, although still under their control through APAM. We are now taken action to recover any funds from the JP Morgan accounts for the group of companies to which the joint administrators are appointed over, however, understand there is no such funds for the Company and await a final bank statement and closure of the account to confirm.

As previously reported, the principal asset is The Rushes which was listed on the director's SOA with a book value of £27,201,270 and ETR value of £13,000,000. The estimated financial statement provided in the proposals listed a book value and ETR value of £27,038,523.

The student redevelopment plans remain ongoing and relate to the development's costs in the trading account. The long-term strategy and potential sale of The Rushes is still under review and will proceed subject to the considerations of the secured creditor to trade as a going concern.

GCW are continuing to act as letting agents to advertise and negotiate lease terms with tenants for The Rushes.

As reported previously, the director's SOA listed trade debtors with a book value of £903,572 and ETR value of £500,000. The estimated financial statement in the proposals listed book debts with a book value of £764,819 and an uncertain ETR value. The book value was provided by APAM as the estimated outstanding balance as at the date of administration and relates to outstanding debts from the tenants concerning service charges, rent and insurance costs. Once the funds are received, a tax invoice is raised accordingly and therefore any realisations would be reflected in the rental income on the trading receipts.

The debtor balance as at 30 November 2022 is £114,513.45 which has decreased significantly from that previously reported due to Mayfield's diligence and extensive review of the book debts. This included write-offs of over £221,000.

The rent and insurance debtor balances realised in the administration will be reported in the Company's trading activities in future reports to creditors and debts continued to be incurred as the Company is continuing to trade. The debtor's ledger review and monitoring is therefore ongoing.

The director also listed inter-company debtors with a book value of £11,554,172 and £nil ETR value. This is continuing to be reviewed, although it is likely there will be no realisations as many of the connected companies have entered into an insolvency process.

There have been no changes to the administrators' strategy, as documented in the proposals dated 21 January 2021.

The administrators are continuing to pursue this objective and outstanding matters to be concluded in the administration are set out in section 9 of this report. However, as previously reported, the administrators and secured creditor are continuing to explore the options on exiting the administration with the purpose of continuing to trade the Company as a going concern.

4. Investigations

Under the Company Directors Disqualification Act 1986 we have a duty to make a submission to the Secretary of State for Business, Energy & Industrial Strategy on the conduct of all those persons who were directors at the date the Company entered administration or who held office at any time during the three years immediately preceding the administration.

We have complied with our duty in this regard. As all submissions are strictly confidential, we are unable to disclose their content.

Additionally, we have a duty to investigate transactions to establish whether there may be any worth pursuing for the creditors' benefit from, for example, legal proceedings. Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting (where held) or as a response to our request to complete an investigation questionnaire. Our investigations have not revealed any issues requiring further work, although enquiries are continuing.

5. Administrators' remuneration

As advised in the Company's proposals, where the joint administrators have concluded that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the prescribed part), approval will be sought from the secured and (if necessary) the preferential creditors, unless a creditors' committee has been established, in

accordance with R18.18 IR16. As previously stated, no preferential creditors are anticipated, a creditor committee has not been established and only approval from secured creditors were to be sought.

As previously reported, the basis of the administrators' remuneration increased from that detailed in the proposals due to the administrators' role becoming more involved role in the administration rather than the original "light touch" administration. The revised fees proposed were follows:

Work category	Proposed fee basis
Total fixed fee up to 27 August 2021	Fixed at £35,346.21 plus VAT
Statutory matters	Fixed at £7,500 plus VAT per annum
Post-appointment matters from 28 August 2021	Fixed at £25,000 plus VAT per annum
Incentive fee and exit of the administration OR	Fixed at £100,000 plus VAT
Sale of the Rushes	Fixed at £40,000 plus VAT

The proposed fees were increased due to the administrators' more involved role in the administration going forwards.

The secured creditor formally approved the fees on 20 September 2021.

During this reporting period, the administrators have been paid fees of £32,500 plus VAT and expenses. This has been paid directly by the secured creditor and therefore is not reflected in the receipts & payments account. This brings total fees paid in the administration to date to £67,846.21.

A detailed narrative explanation of the future costs can be found in the 'Outstanding matters' section of this report. The details of the work carried out in the period of this report are also included in the body of this report together with further details in appendix II.

Please note that the fixed fee is based on present information and may change due to unforeseen circumstances arising. In the event that the time costs are likely to exceed the fixed fee, the joint administrators will need to provide an update and seek approval from the appropriate creditors before drawing any additional sums. If a time cost fee proposal is requested, fee estimates may be given up to a certain milestone or for a designated period if it is not possible to provide an accurate estimate at any given point.

Creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include dealing with former employees' claims through the Redundancy Payments Service and providing information relating to the company and its former officers as required by the Company Directors' Disqualification Act 1986.

A copy of "A Creditor's Guide to Administrator's Fees", as produced by R3, is available free on request or can be downloaded from their website as follows:

On 1 September 2020, the Smith & Williamson Group merged with the Tilney Group to extend our financial and professional services offering. In common with many professional firms, our scale rates rise to cover annual inflationary cost increases (which readers will be aware have been particularly high of late) and accordingly our rates have risen on average by approximately 7% with effect from 1 July 2022. Following the merger please note that there has been a change to our financial year-end and, as a result, we will be reviewing our charge-out rates again on 1 January 2023 (reverting to annual reviews thereafter). The rate of any increase on 1 January 2023 will take into account that only six months will have passed from the date of the last increase and so will not cause any prejudice to creditors and stakeholders.

Details of Evelyn Partners LLP's charge out rates (including any changes during the case) along with the policies in relation to the use of staff are provided at appendix III.

We have no business or personal relationships with the parties who approve our fees.

We have no business or personal relationships with any agents detailed in section 6 who provide services to the administration where the relationship could give rise to a conflict of interest.

6. Administration expenses

The tables in appendix IV and V provide details of our expenses. Expenses are amounts properly payable by us as administrators from the estate. The tables exclude distributions to creditors. The tables also exclude any potential tax liabilities that we may need to pay as an administration expense because the amounts becoming due will depend on the position at the end of the tax accounting period.

The tables should be read in conjunction with the receipts & payments account at appendix I which shows expenses incurred and actually paid during the period and the total paid in the administration.

We have not utilised the services of any subcontractors in this case.

On this assignment we have used the professional advisers listed in the table at appendix IV. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

CBRE, the Company's previous receivers, have not received fees in the reporting period and therefore their total payments remain at £15,100 and expenses of £71.94. CBRE expenses of £22.66 was paid from the rent account as reported in previous reports.

As previously reported Pinsent Masons were retained to assist with tenancy related matters of The Rushes, to include managing tenants and lease agreements, which have continued. They are regulated by the Solicitors Regulation Authority and already had knowledge and experience dealing with The Rushes. There have been no costs incurred by Pinsent Masons in the reporting period. As previously reported, the only costs that have been paid is £5,250 plus VAT which was paid from the funds distributed to CBRE. We are continuing to reconcile the financial position from CBRE payments for the administration to-date before updating the transactions, which will be finalised and reported on for the next report to creditors.

Eversheds have now taken over as legal advisors for the Company. Eversheds are regulated by the Solicitors Regulation Authority and is a global top 10 law practice. In the reporting period to 11 June 2022, legal costs of £5,163.50 have been paid to Eversheds from the rent account and they have incurred further time costs of £3,532 which has not yet been invoiced. This brings total costs incurred to £44,022.

APAM were the asset and property managers for The Rushes however, following review and discussions with the secured creditor, it was considered beneficial to transfer the asset and property manager roles for the Company from APAM to Waypoint and Mayfield.

APAM were utilised given their knowledge and experience in this matter and their relationship with the tenants. They are regulated by the Royal Institution of Chartered Surveyors. It should be noted that the Company's directors are also directors of APAM. There have been payments made in this reporting period in the sum of £33,051.58 plus VAT in this reporting period and payments of £44,954.43 plus VAT paid in the previous reporting period in settlement of their asset management fee. This brings total costs paid to APAM to date of £128,856.01.

Waypoint is the asset manager who are highly experienced and manage/advise on capital across real estate sectors throughout the UK and Europe. In the reporting period to 11 June 2022, there have been no payments to Waypoint as this was the point of handover. They are the receivers and asset managers in this matter. In the reporting period, they have incurred costs of

£46,410.25 which has been paid in the period after 11 June 2022 and therefore shown as an outstanding cost in appendix IV and will be reflected on the R&P and professional advisors paid costs in the next report.

Mayfield is the property manager for the Company who have been established since 1996 and provides property asset management services for clients throughout the UK and Europe. In the reporting period up to 11 June 2022, there have been no payments made to Mayfield as this was the point of handover. They have however advised in the reporting period after the recorded transactions from 11 June 2022 they have incurred and received payment for £9,996.58 plus VAT for their management fee for the quarter ending 28 September 2022. In addition, their debtor collection fee is on a sliding scale and they have incurred costs of £1,117 plus VAT which remains outstanding. Their fees will be reflected on the R&P in the next report and therefore is shown as outstanding in appendix IV.

Blaser Mills was instructed to assist with the application to court for an extension of the administration. Blaser Mills are regulated by the Solicitors Regulation Authority and have a wide experience of insolvency procedures and assisting insolvency practitioners. Their costs have not been settled but have been agreed at £2,000 plus expenses to include counsel fees and court costs estimated to be £1,000.

GCW is a commercial property consultant who have knowledge regarding The Rushes and already hold advertisements for the units available. GCW have not been paid any costs in this reporting period, although as detailed earlier in this report the sum of £7,500 was paid in the previous reporting period and further future costs are anticipated in relation to these activities.

As previously reported, the estimates for the professional advisors' costs were not provided in the proposals as it was not clear on the period of time the joint administrators would be required to trade the Company. Although it is still not clear, in the initial progress report it was considered prudent to provide an estimate of the costs at that stage. The costs have been consistently revised and the estimated total costs in appendix IV has been taken from the estimated total future costs stated in the previous report. Creditors may recall that the previous report totalled £162,801.94 for the professional advisers anticipated future expenses (to include costs already incurred for those advisors subject to an estimate). Prior to the previous report, the estimate was stated as £178,860 however due to the change of advisors and unknown estimated future costs this was revised.

Our expenses in the administration total incurred for professional advisors is £261,323.78, being higher than the estimates above, keeping in mind that some estimates were stated as unknown due to the nature of the fee terms being connected to the property lettings, the extension of the administration and final costs being settled for previous agents upon handover. Please note, we are conscious that further costs have been paid directly by CBRE and we are finalising our reconciliation of these costs to be reported in the next report to creditors.

The joint administrators continue to assess the costs of the agents together with the receivers and to date believe the professional advisors were considered to provide good value for the services they provided, and their background knowledge of the Companies has been beneficial for the receivers and for the term of the administration to date.

There have been changes to legal advisors which have not resulted in additional costs. The change of receivers from CBRE to Waypoint and change in managing agents from APAM to Waypoint and Mayfield is considered good value for the work expected to be undertaken and has already shown.

As the general total costs estimate will increase due to the property lettings and the term of the administration has been extended by a further 24 months, the estimated future costs is £160,000 with estimated future total advisors costs of £312,277.95 for CBRE, Blaser Mills, Pinsent's, APAM and Waypoint plus advisors costs which are not able to be estimated due to the nature of their fee agreement.

Approval to recover the category 2 expenses has not yet been sought from the secured creditor. Although we have not yet incurred any category 2 expenses and we do not expect to incur any such costs.

Other expenses paid during the period covered by this report are shown in the receipts & payments summary at appendix I. These largely relate to the trading position of the Company and have been detailed in section 3 of this report.

Please note, the income and expenses paid on funds held in the service charge account will result in a nil position, although a summary of the nature of the expenses has been provided together with details of the expenses paid from the rent account in section 3 of this report.

Appendix IV provides details of Evelyn Partners LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of expenses.

7. Estimated outcome for creditors

The estimated outcome for each class of creditors is set out below.

Please note that, where creditors submit claims in foreign currency, they would be converted to £Sterling at the rate the applicable rate on the date of administration, being 30 November 2020. If any creditor considers the rates to be unreasonable, they may apply to court for determination. No such claims have been received to date.

CBRE holds a debenture containing fixed and floating charges over the Company's assets, which was created on 1 December 2017.

As previously reported, the debt from CBRE is the total for the group and is connected to charges on two other properties owned by connected companies. The estimated debt across the companies group structure at the date of the administration, is estimated to total £82,667,953. The estimated debt in respect of the Company equates to circa £28million but this is still under review. Interest has been, and continues to be, added until the liability has been paid in full.

In the period covered by this report, there have been payments made to the chargeholder of £246,383.05 together with the total payments made in the previous reporting period detailed in this report of £636,264.62. This leaves the balance paid to them as at 11 June 2022 at £3,438,813.70. However, as previously reported, payments have been made to third parties from these funds as follows:

- A payment of £13,500 plus VAT and disbursements of £49.28 plus VAT was made to CBRE in regard to the receivers' set-up and quarterly fixed fees.
- A payment of £5,250 plus VAT has also been made to Pinsent Masons from these funds. In addition, included within this sum was a payment to Luis & Bell Surveyors Limited in respect of EPC work.

The joint administrators had made enquiries with CBRE in regard to the use of funds they received whilst in office and the necessary adjustments to reflect these payments are being reconciled and will be reflected in the next report.

On 8 November 2021, Mount Street replaced CBRE as the loan Special Servicer and therefore act for the ultimate chargeholder. The balance held by CBRE has been transferred to Mount Street.

There will be further payments made to the secured creditor under their fixed charge which will result in their debt being partly settled.

As previously reported, Mount Street are now the new loan servicer.

As previously reported, the Company granted a floating charge to CBRE on 1 December 2017. Accordingly, there is no requirement to create a prescribed part fund out of the Company's net floating charge property for unsecured creditors, as this requirement only applies to charges created after 15 September 2003.

The Company's proposals stated that we understood that all of the assets are subject to the fixed charge therefore the value of the Company's net floating charge property to be £nil and there will be no funds available under the prescribed part.

We subsequently received information of some assets including IT and phone equipment, however the value of these is minimal and will be sold with The Rushes for a minimal sum.

If we receive information on assets which are subject to a floating charge, a prescribed part distribution may be made, which if applicable and above the minimum of £10,000 may be distributed by the joint administrators in the administration.

Given the value of the assets is below £10,000 this is not applicable.

There are no known ordinary preferential creditors and no such claims have been received.

There are no secondary preferential creditors' claims as the Company entered into administration on 26 October 2020, prior to such rules taking affect.

As previously reported, it remains that we have received a claim totalling £653,521.94 from one creditor, being HMRC. HMRC's claim relates to a VAT Group and therefore a number of companies are liable for this claim. Total claims as per the director's SOA were £4,958,837. Our estimated financial statement in the proposals estimated creditors to be £316,317.

The creditors all or in part were required for the purposes of the Company continuing to trade and therefore most have been paid in full as an expense in the administration.

There is unlikely to be a surplus over and above the sum owed to the secured creditor and, given the assets are all subject to the fixed charge, it is therefore anticipated there will not be a payment under the prescribed part.

Due to insufficient realisations from the Company's assets, we confirm that no dividend to unsecured creditors will be made in this case.

8. Outstanding matters

The remaining actions to be concluded in the administration are as follows:

- To continue to assist the receivers to conclude any pre-planning application;
- To continue to assist the receivers in continuing to trade The Rushes, increase the level of occupation, re-gear leases and to improve its value;
- To work with the receivers to achieve a sale of The Rushes;
- Correspond with the receivers, Mayfield and Mount Street on all property and financial related matters;
- To communicate with the receivers and Mayfield concerning the collection of outstanding book debts;
- To finalise the reconciliation and confirm the position following the transition between agents and the receiver;
- To continue to make enquiries of the inter-company debtors;
- To continue to explore the option to exit the administration with the purpose of continuing to trade the Company as a going concern;
- Pay all costs and expenses of the receivers and administration, once the required approval has been obtained;
- Complete the necessary tax and VAT returns;
- Obtaining tax clearance from HMRC; and
- Closure of the administration, including preparing and issuing the final report.

On a general note, creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include investigating the former officers of the company as required by the Company Directors' Disqualification Act 1986.

9. Privacy and data protection

As part of our role as joint administrators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at

If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact us if you believe this applies.

10. Ending the administration

On a general note, creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include investigating the former officers of the company as required by the Company Directors' Disqualification Act 1986.

- If the joint administrators have, with the permission of the court, made a distribution to unsecured creditors in addition to any prescribed part distribution, or they think that the Company otherwise has no property which might permit a distribution to its unsecured creditors, subject to there being a need for further investigations as described below, they will file a notice, together with their final progress report, at court and with the Registrar of Companies for the dissolution of the Company. The joint administrators will send copies of these documents to the Company and its creditors. The joint administrators' appointment will end following the registration of the notice by the Registrar of Companies.
- Administrators have the power to bring claims against former officers of the Company in respect of transactions that may have caused or exacerbated a company's insolvency. Claims with a good prospect of success may indeed be pursued by administrators but there may be cases where it would be more appropriate if a liquidator brought the claim or where the timeframe would not be long enough, given the maximum extension period available to administrators. The proposed exit route would, in these cases, be a creditors voluntary liquidation or compulsory winding-up. In the event of a compulsory winding-up, the joint administrators would make an application to court.

However, as previously reported the administrators and secured creditors are continuing to explore the exit strategy to continue to trade the Company as a going concern, although this has not yet been agreed.

The administrators will be discharged from liability under P98(3) of Sch B1 immediately upon their appointment as administrators ceasing to have effect.

Authorisation for discharge from liability has not yet been granted by the creditors.

11. Creditors' rights

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that the administrators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds

that, in all the circumstances, the basis fixed for the administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the administrators, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Nicholas Myers or Kevin Ley in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 45 Gresham Street, London EC2V 7BG or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

- i) Email:
- ii) Telephone number: +44 300 678 0015
- iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

12. Next report

We are required to provide a further report on the progress of the administration within one month of the end of the next six month period of the administration unless we have concluded matters prior to this, in which case we will write to all creditors with our final report.

Nick Myers

Nick Myers (Dec 21, 2022 09:14 GMT)

Nicholas Myers

Joint Administrator

Date: 21 December 2022

Nicholas Myers and Kevin Ley have been appointed as the joint administrators of the Company on 30 November 2020.

The affairs, business and property of the company are being managed by the joint administrators as agents and without personal liability.

Both/All of the joint office-holders are authorised and licensed in the UK by the Institute of Chartered Accountants in England and Wales and are bound by their code of ethics. Further details of their licensing body along with our complaints and compensation procedure can be accessed at:

The joint administrators may act as controllers of personal data, as defined by the UK data protection law, depending upon the specific processing activities undertaken. Evelyn Partners LLP may act as a processor on the instructions of the joint administrators. Personal data will be kept secure and processed only for matters relating to the joint administrators' appointment.

The Fair Processing Notice in relation to the UK General Data Protection Regulation can be accessed at

Should you wish to be supplied with a hard copy of any notice, attachment or document relating to a case matter, please contact the staff member dealing with this matter at any time via telephone, email or by post and this will be provided free of charge within five business days of receipt of the request.

The word partner is used to refer to a member of Evelyn Partners LLP. A list of members is available at the registered office

Evelyn Partners LLP is registered in England at Gresham Street, London EC2V 7BG No OC369631

Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities

Appendices



I Receipts & payments account

Highland Loughborough Limited (In Administration) Joint Administrators' Trading Account

Statement of Affairs £	From 30/11/2021 To 29/05/2022 £	From 30/11/2020 To 29/05/2022 £
FIXED CHARGE TRADING INCOME		
Cash at Bank	NIL	507,056.08
Rent	825,553.85	2,232,931.57
Rent Tenant Receipts	31,464.61	250,518.19
Receipt from Service Charge Account	NIL	27.60
Rent Insurance	4,521.81	35,410.05
Rent: Interest on late Payment	439.77	519.87
Rent: Lease Premium	NIL	1,294,000.00
Interest	61.20	121.59
Service Charge Income	285,178.42	653,550.86
Void Contribution from Rent Account	33,640.35	153,446.65
Service Charge Tenant Receipt	18,196.47	62,270.29
Insurance Claim	NIL	5,843.00
	<u>1,199,056.48</u>	<u>5,195,695.75</u>
FIXED CHARGE TRADING EXPENDITURE		
Utility	1,688.92	5,044.85
Development Costs	NIL	72,825.00
Special Servicer Disbursements	38,000.00	38,000.00
Insurance	114,518.14	114,518.14
Marketing	1,250.00	1,250.00
Letting Agents	7,500.00	7,500.00
Professional Fees	45,339.43	97,789.43
Professional Expenses	NIL	22.66
Repairs and Maintenance	NIL	2,000.00
Rent Void Contribution to Service Char	34,301.15	154,107.45
Service Charge transfer to Rent Accou	NIL	83.39
Service Charge Payments	225,046.06	632,211.44
Bank Charge	15.00	15.00
	<u>(467,658.70)</u>	<u>(1,125,367.36)</u>
FIXED CHARGE DISTRIBUTION		
Fixed Chargeholder - CBRE	636,264.62	3,192,430.65
	<u>(636,264.62)</u>	<u>(3,192,430.65)</u>
TRADING SURPLUS/(DEFICIT)	<u>95,133.16</u>	<u>877,897.74</u>

Highland Loughborough Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 30/11/2021 To 29/05/2022 £	From 30/11/2020 To 29/05/2022 £
	ASSET REALISATIONS		
13,000,000.00	The Rushes Shopping Centre	NIL	NIL
726,425.00	Cash at Bank	NIL	NIL
500,000.00	Book Debts	NIL	NIL
NIL	Inter Co Debtors	NIL	NIL
NIL	Prepayments	NIL	NIL
	Trading Surplus/(Deficit)	95,133.16	877,897.74
		<u>95,133.16</u>	<u>877,897.74</u>
	UNSECURED CREDITORS		
(1,625,837.00)	Trade & Expense Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(1,000,000.00)	Ordinary Shareholders	NIL	NIL
(28,000,000.00)	Share Premium	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(16,399,412.00)</u>		<u>95,133.16</u>	<u>877,897.74</u>
	REPRESENTED BY		
	APAM Rent Account		1,248,723.70
	APAM Service Charge Account		304,148.28
	VAT Payable Trading		(842,928.56)
	VAT Receivable Fixed Chg		167,954.32
			<u>877,897.74</u>

Highland Loughborough Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 30/05/2022 To 29/11/2022 £	From 30/11/2020 To 29/11/2022 £
FIXED CHARGE TRADING INCOME		
Cash at Bank	NIL	507,056.08
Rent	718,513.78	2,951,445.35
Rent Tenant Receipts	16,106.19	266,624.38
Receipt from Service Charge Account	NIL	27.60
Rent Insurance	8,762.27	44,172.32
Rent: Interest on late Payment	NIL	519.87
Rent: Lease Premium	NIL	1,294,000.00
Rental Refund	78.70	78.70
Interest	41.76	163.35
Service Charge Income	16,287.95	669,838.81
Void Contribution from Rent Account	NIL	153,446.65
Service Charge Tenant Receipt	5,857.76	68,128.05
Insurance Claim	NIL	5,843.00
	<u>765,648.41</u>	<u>5,961,344.16</u>
FIXED CHARGE TRADING EXPENDITURE		
Utility	942.46	5,987.31
Development Costs	1,768.00	74,593.00
Special Servicer Disbursements	NIL	38,000.00
Insurance	7,083.10	121,601.24
Marketing	NIL	1,250.00
Letting Agents	NIL	7,500.00
Legal Fees	5,163.50	5,163.50
Professional Fees	37,176.58	134,966.01
Professional Expenses	NIL	22.66
Repairs and Maintenance	2,031.88	4,031.88
Rent Void Contribution to Service Char	NIL	154,107.45
Service Charge transfer to Rent Accou	NIL	83.39
Service Charge Payments	146,404.58	778,616.02
Bank Charge	15.00	30.00
	<u>(200,585.10)</u>	<u>(1,325,952.46)</u>
FIXED CHARGE DISTRIBUTION		
Fixed Chargeholder - CBRE	246,383.05	3,438,813.70
	<u>(246,383.05)</u>	<u>(3,438,813.70)</u>
TRADING SURPLUS/(DEFICIT)	<u>318,680.26</u>	<u>1,196,578.00</u>

Highland Loughborough Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 30/05/2022 To 29/11/2022 £	From 30/11/2020 To 29/11/2022 £
	ASSET REALISATIONS		
13,000,000.00	The Rushes Shopping Centre	NIL	NIL
726,425.00	Cash at Bank	NIL	NIL
500,000.00	Book Debts	NIL	NIL
NIL	Inter Co Debtors	NIL	NIL
NIL	Prepayments	NIL	NIL
	Trading Surplus/(Deficit)	318,680.26	1,196,578.00
		<u>318,680.26</u>	<u>1,196,578.00</u>
	UNSECURED CREDITORS		
(1,625,837.00)	Trade & Expense Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(1,000,000.00)	Ordinary Shareholders	NIL	NIL
(28,000,000.00)	Share Premium	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(16,399,412.00)</u>		<u>318,680.26</u>	<u>1,196,578.00</u>
	REPRESENTED BY		
	Mayfield Rent Account		1,828,664.04
	Mayfield Service Charge Account		155,455.32
	VAT Payable Trading		(991,641.38)
	VAT Receivable Fixed Chg		204,100.02
			<u>1,196,578.00</u>

- As detailed throughout this report, there have been updated to the previous reporting period and therefore correct receipts and payments are shown above together with full details within section 3 of the main body of the report.
- It should be noted that the trading account for the reporting period presents the service charge and rental account only up to 11 June 2022, as the end of the period managed by APAM and where the handover commenced with Mayfield. This represents the most up-to-date quarterly information available at the time of reporting. The rent and service charge accounts are now held with Mayfield.
- The administrators' remuneration has been approved. A payment has been made to the joint administrators to settle their annual fee as detailed in section 5 of this report. It is not reflected on the receipts & payment account as it was paid directly by the secured creditor.
- We have not yet sought approval of or drawn any other costs that would require the same approval as our remuneration.
- No payments have been made to us from outside the estate other than the third party settlement by the secured creditor of our fees.
- Details of significant expenses paid are provided in the body of our report.
- Details of payments made to sub-contractors are shown in the body of our report.

- Information concerning our remuneration and expenses incurred is provided in the body of the report.
- Information concerning the ability to challenge remuneration and expenses of the administration is provided in our report.
- All bank accounts are interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts & payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT.

The payments made during the administration out of the estate are referred to in the main body of the report.

It should be noted to creditors that some of these payments may not necessarily be for the benefit of creditors but may be necessary for the progression of the administration or required to be paid under statute.

II Explanation of major work activities undertaken

We summarise below the other key matters that we have dealt with in the reporting period.

This work includes the following and include compliance and statutory obligations which does not necessarily benefit creditors:

- Case bordereau and reviews;
- Research and strategic consultancy.
- Internal strategy communications, discussions and review of proposed strategy;
- Opening fixed charge account;
- Completing accounting journals to reflect transactions through the rental and service charge accounts;
- Communications with third parties and former accountants on the Company's corporation tax position;
- Communicating with agents concerning corporation tax return;
- Reviewed Company records and post;
- Corresponding concerning insurance;
- Corresponding with HMRC concerning tax matters, namely corporation tax and VAT;
- Raising invoice for joint administrators' fees;
- Reviewing Company's VAT position;
- Communicating with advisors and collating the necessary information to include in the 6 monthly progress reports;
- Drafting notice of Court extension;
- Drafting and circulating 6 monthly progress report;
- Statutory filings of reports at Companies House.

This section is in relation to the continued trading of the Company and the shopping centre The Rushes, the Company's principal asset. The work undertaken was and continues to be required to achieve the objective of the administrations and to enable The Rushes to continue operating whilst new tenants and operators are sought to consider the sale of The Rushes. This work includes the following:

- Corresponding with property agents and receivers to collate Company information, discuss strategy and ongoing service;
- Reviewing the income and expenditure position of the Company;
- Completing accounting journals to reflect transactions through the rental and service charge accounts;
- Reviewing supporting documentation for the journals;
- Internal discussions/meetings and communications with APAM on VAT and tenant receipts;
- Reviewed handover documentation and information provided by agents;
- Reviewing information tax and VAT information;
- Communications with HMRC concerning tax and VAT matters;
- Communications on insurance matters;

- Undertaking sanction checks;
- Communications concerning property and legal matters pertaining to The Rushes; and
- Communications and reviewing correspondence from suppliers concerning payments and invoices.

The work under this section relates to communicating with JP Morgan concerning the pre-liquidation bank account and communications with agents concerning regears.

Work under this section includes correspondence and other contact with the creditors of the Company. The work includes the following:

- Communications with the secured creditor on financial position, tax and VAT matters and general strategy; and
- Letter with HMRC concerning creditor liability.

III Staffing, charging, subcontractor, and adviser policies and charge out rates

Detailed below are:

- Evelyn Partner LLP's policies in relation to:
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Expense recovery
- Evelyn Partner LLP's current charge out rates

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director or consultant as the joint office-holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed, and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the case (including our cashiers (which is centralised in London), support and secretarial staff) charge time directly to the assignment and are included in any analysis of time charged. Each grade of staff has an hourly charge-out rate which is reviewed from time to time. Time up to 31 July 2020 is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1-minute units or multiples thereof. The minimum time chargeable is one minute. We do not charge general or overhead costs.

It may be necessary to utilise staff from both the regional and London offices, subject to the specific requirements, eg, geographical location, of individual cases.

This case is predominantly being conducted from the London.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

There have been no subcontractors' services utilised in the period covered by this report.

Any such arrangements will be reviewed periodically to ensure that best value and service continue to be obtained.

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add best value and service to the assignment.

- The expertise and experience of the service provider;
- The provider holds appropriate regulatory authorisations; and
- The professional and ethical standards applicable to the service provider.

Arrangements will be reviewed periodically to ensure that best value and service continue to be obtained.

External professional advisers are third party entities. The insolvency practitioners and their firm do not have any association with any external provider of services and therefore they do not fall within the definition of an associate as defined in S435 of IA86 and in SIP9. Payments to external professional advisers for the services they provide are therefore not a category 2 expense as defined in SIP9 and therefore do not require prior approval from the committee or creditors.

Payments to parties in which the joint office-holders or their firm have an interest must be disclosed to, and approved by, the committee or the creditors as a category 2 expense pursuant to SIP9. Consequently, details of the charge out rates for Evelyn Partners Financial Services Limited are set out below. Fees for their services are accrued on a time costs basis.

However, in this matter no such service has been sought.

Category 1 expenses do not require approval by creditors. The type of expenses that may be charged as a category 1 expense to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also, chargeable will be any properly reimbursed expenses incurred by Evelyn Partners LLP personnel in connection with the case.

Category 2 expenses do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 Evelyn Partners LLP's policy is to recover only one type of category 2 expense, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of category 2 expenses.

Details of any category 2 expenses incurred and/or recovered in the period covered by this report are set out in the body of this report.

A schedule of Evelyn Partners LLP's charge out rates was issued to creditors at the time the basis of the administrators' remuneration was approved.

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2022.

Evelyn Partners LLP Restructuring & Recovery Services Charge out rates from 1 July 2020	
	London Office £/hr
Partner / Director	495-570
Associate Director	380-465
Managers	285-400
Other professional staff	125-465

Support & secretarial staff	105
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Evelyn Partners LLP	London
Restructuring & Recovery Services	Office
Charge out rates from 1 July 2021	£/hr

Partner	590-610
Director / Associate Director	395-530
Managers	290-430
Other professional staff	130-280
Support & secretarial staff	100-120

Evelyn Partners LLP	London
Restructuring & Recovery Services	Office
Charge out rates from 1 July 2022	£/hr

Partner	650-670
Director / Associate Director	420-570
Managers	280-460
Other professional staff	205-300
Support & secretarial staff	100-120

Notes

1. Up to 31 July 2020 time is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1-minute units or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. Up to 31 July 2020 the cashiering function time is incorporated within 'Other professional staff' rates. Following a change to our time reporting software, from 1 August 2020 the cashiering function time continues to be reported according to the seniority of staff undertaking the work in our time analyses and is split between 'Other professional staff', 'Managers' and 'Associate Director'.
4. Partner includes a Consultant acting as an office-holder or in an equivalent role.

IV Professional advisers

Name of professional advisor	Basis of fee arrangement	Estimate anticipated total b/f from previous report £	Costs paid in previous reporting period as per previous report £	Revised paid costs for previous period £	Revised cumulative total for previous period £	Estimated Costs incurred in current period £	Cumulative total of incurred costs £	Estimate future (estimated a further 24 months) £	Anticipated future total £	Variance – estimated future total from previous report compared to anticipated £	Costs paid in current period £	Total costs outstanding at period end £
CBRE (receiver)	Set-up Fee of £7,500, Quarterly Fee of £6,000 and exit/sale fee of £60,000	15,100 and expenses of 71.94	Nil	Fees 1,600 Expenses 22.66	15,100 and expenses of 71.94	Nil	15,100 and expenses of 71.94	Nil	15,100 and expenses of 71.94	Nil	Nil	Nil
Waypoint (current receivers)	Fixed Fee and percentage of sales as per Agreement ¹	-	-	-	-	46,410.25	46,410.25	160,000	160,000	-	Nil	46,410.25 ³
Pinsent Masons	Time costs/Fixed Fee	5,250	Nil	Nil	5,250 <i>Paid by CBRE</i>	Nil	5,250	Nil	5,250	Nil	Nil	Nil
Eversheds	Time costs/Fixed Fee	Unknown as based on future lettings	Nil	Nil	40,490	3,532	44,022	Unknown as based on future lettings	Unknown as based on future lettings	-	5,163.50	38,858.50
APAM	Fixed fee of £61,020 per annum for Asset Management Fee and, payable from the service charge, £35,000 for Property Management Fee	142,380	15,255	44,954.33	95,804.43	33,051.58	128,856.01	Nil	128,856.01	13,523.99	33,051.58	Nil
Mayfield	Fixed Fee and sliding scale as per Agreement ²	-	-	-	-	Fixed Fee: 9,996.58 Sliding Scale: 1.117	Fixed Fee: 9,996.58 Sliding Scale: 1.117	Unknown based on debtor recovery	Unknown based on debtor recovery	-	Nil	Fixed Fee: 9,996.58 Sliding Scale: 1.117 ³

GCW	15% for new lettings and 10% for renewal/ variations, based on a 12 month rental period	Unknown as based on future lettings	Nil	7,500	7,500	7,500	7,500	Unknown as based on future lettings	Unknown as based on future lettings	-	Nil	Nil
Blaser Mills	Court application to extend administration	-	-	-	-	2,000 plus court and counsel's fee est. 1,000	2,000 plus court and counsel's fee est. 1,000	Nil	2,000 plus court and counsel's fee est. 1,000	2,000 plus court and counsel's fee est. 1,000		2,000 plus court and counsel's fee est. 1,000
TOTAL		162,801.94	15,255	54,076.99	164,216.37	104,607.43	261,323.78	160,000	312,277.95	16,523.99	38,215.08	104,545.83

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

The above represents only the costs payable from the administration and/or rental account in the period up to 11 June 2022, and do not reflect any payments made or payable from the service charge account. However, any professional fees payment to be made from the service charge account will predominantly be the managing agents.

It should be noted that some of these costs may increase, subject to receiving information from CBRE concerning any third party payments made directly from funds they held in which such costs are still be reconciled .

It should be noted that within section 3 of this report, addition professional advisors and legal advisors, for example Worx and Solo & Partners Limited, have been utilised. However, these are not ongoing relationships and for one-off/occasional services so have not been listed above.,

*¹ The fee agreement with Waypoint as the asset managers have been agreed as follows:

- asset management fee of £15,000 plus VAT per quarter,
- corporate services fee off £5,000 plus VAT per quarter,
- one-off set-up fee of £23,333.33 plus VAT and
- 1.75% of any sale fee upon disposal of the investments.

*²The fee agreement with Mayfield as the property managers is as follows:

- property management fee of £35,000 plus VAT per annum;
- fixed fee of £15,000 plus VAT for assisting with any sale of the property or the exit of the administration;
- a sliding scale fee for recovery of historic rent, licence fee and insurance assets as follows:
 - o 10% of the first £250,000
 - o 12.5% of rent/insurance collected on the next £250,001 to £500,000; and
 - o 15% of rent/insurance collected above £500,001.

^{*3} These costs have been incurred in the reporting period and paid in the reporting period, however, as they were paid from the funds held with Mayfield after the trading account reporting period of 11 June 2022, the transactions of which are not reflected on the R&P, these costs have been shown as outstanding and will be recorded and shown in the next report to creditors once the handover and reconciliation has concluded.

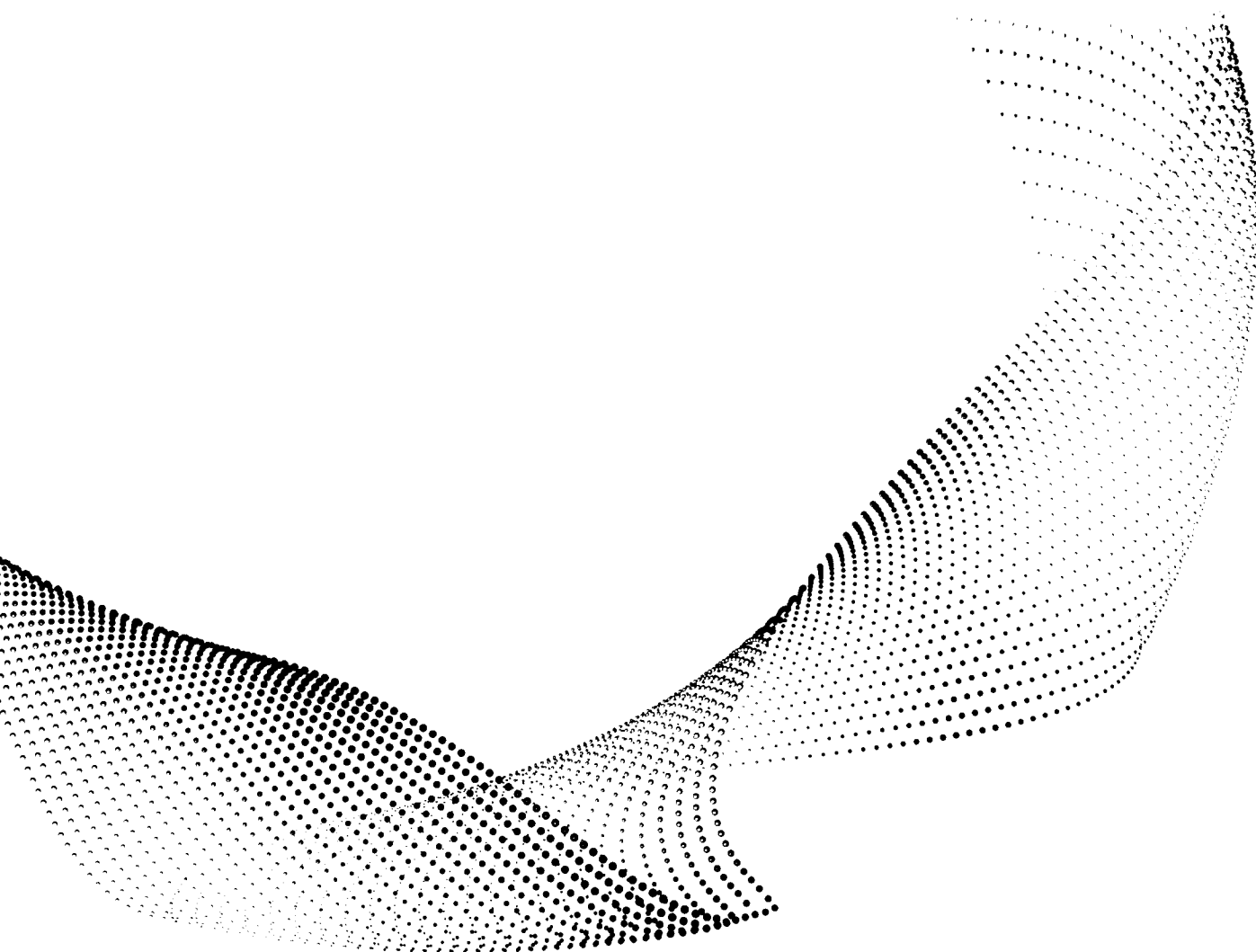
V Administrators' expenses

Description	Estimate £	B/f from previous period £	Costs incurred in current period £	Cumulative total £	Estimate future £	Anticipated future total £	Variance – initial to anticipated £	Costs paid in current period £	Total costs outstanding at period end £
Statutory advertising	45.50	45.50	Nil	45.50	45.50	45.50	Nil	45.50	Nil
Administrators' bonds	140.00	140.00	Nil	140.00	140.00	140.00	Nil	140.00	Nil
Storage costs	-	Nil	Nil	Nil	100.00	100.00	-	Nil	Nil
TOTAL	185.50	185.50	NIL	185.50	285.50	285.50	NIL	185.50	NIL

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

The costs have been paid directly by the joint administrators and settled by the secured creditor.

It should be noted that the only other expenses to be incurred are future storage and destruction costs of the joint administrators records.



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Principal offices: London, Belfast, Birmingham, Bristol, Cheltenham, Dublin, Glasgow, Guildford, Jersey, Salisbury, and Southampton.

Evelyn Partners LLP is regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities and is registered in England at 45 Gresham Street, London, EC2V 7BG. No. OC 369631.

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