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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 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

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 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

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	<sup>d</sup> <div>3</div>	<sup>d</sup> <div>0</div>	<sup>m</sup> <div>1</div>	<sup>m</sup> <div>1</div>	<sup>y</sup> <div>2</div>	<sup>y</sup> <div>0</div>	<sup>y</sup> <div>2</div>	<sup>y</sup> <div>0</div>
To date	<sup>d</sup> <div>2</div>	<sup>d</sup> <div>9</div>	<sup>m</sup> <div>0</div>	<sup>m</sup> <div>5</div>	<sup>y</sup> <div>2</div>	<sup>y</sup> <div>0</div>	<sup>y</sup> <div>2</div>	<sup>y</sup> <div>1</div>

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

**X** *Nicholas Myers* **X**  
Nicholas Myers (Jun 28, 2021 15:39 GMT+1)

Signature date

<sup>d</sup> <div>2</div>	<sup>d</sup> <div>8</div>	<sup>m</sup> <div>0</div>	<sup>m</sup> <div>6</div>	<sup>y</sup> <div>2</div>	<sup>y</sup> <div>0</div>	<sup>y</sup> <div>2</div>	<sup>y</sup> <div>1</div>
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**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Nicholas Myers**

Company name **Smith & Williamson LLP**

Address **25 Moorgate**

**London**

Post town **EC2R 6AY**

County/Region

Postcode

Country

DX **119507 Finsbury Square EC2**

Telephone **020 7131 4000**

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# Highland Loughborough Limited (in administration and in fixed charge receivership)

Joint administrators' progress report for the period from 30  
November 2020 to 29 May 2021

28 June 2021



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# 1. Glossary

Abbreviation	Description
the Company	Highland Loughborough Limited
the administrators/joint administrators	Nicholas Myers and Kevin Ley of Smith & Williamson LLP
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
Sch B1	Schedule B1 to the IA86 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
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

## 2. Introduction & Summary

This report provides an update on the progress in the administration of the Company for the six month period ended 29 May 2021. It should be read in conjunction with any previous reports. By way of reminder, we, Nicholas Myers and Kevin Ley, both of Smith & Williamson LLP, 25 Moorgate, London EC2R 6AY, were appointed administrators of the Company on 30 November 2020. In addition, Timothy Perkin and John Barbet, both of CBRE, were appointed joint receivers over The Rushes and other surrounding land on 26 October 2020 and, with consent of the administrators, it was agreed that the receivers would remain in office, for the purposes of trading The Rushes and subsequent sale via private treaty, or as agreed with the receivers and the secured creditor.

- Following our appointment, we have continued to trade The Rushes with the aim to increase its value and trading position. The Company is currently trading at a surplus of £645,886.86 which includes funds in regard to rent and service charge. Further details are provided in section 3 of the report.
- We are aiming to achieve objective 3(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 3(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.
- CBRE, the QFCH, has received the sum of £532,213.87 under their fixed charge during the period.
- As detailed in our proposals, on current information, 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.
- The joint administrators' fees have not yet formally been approved by the secured creditors, although the terms were agreed in principle and on the basis of a "light touch" administration totalling £38,500 fixed fee plus £7,500 per annum plus VAT and disbursements.
- 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. However, it is likely an extension of the administration to last beyond 12 months will be sought from creditors and/or the Court.

Please note that this report has been produced during the period of the Covid-19 pandemic. In light of the pandemic, we continue to monitor this situation and comply with the current guidance and regulations from the UK government.

Our team members are successfully working remotely from home as well as from the office where necessary, and we will continue to do so, as required in line with the UK government's guidelines. We are fortunate to have at hand all the tools needed to communicate virtually, internally and externally.

Please be aware that some case staff may be working outside normal business hours but please be assured that your communications are important to us and will be responded to by the relevant team member who will contact you as soon as they are available to do so. We apologise in advance for any delay in responding to your communication and wish to take this opportunity to thank you for your patience and understanding during this unprecedented and challenging time.

If you have any concerns regarding this matter, please contact Blyss Nicholls by email [Blyss.Nicholls@smithandwilliamson.com](mailto:Blyss.Nicholls@smithandwilliamson.com) or by telephone 0207 131 4000.

## 3. Progress of the administration

Attached at appendix I is our receipts & payments account for the period from 30 November 2020 to 29 May 2021.

It should be noted 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 APAM.

The funds held in the APAM accounts are only reconciled quarterly, therefore the trading portion of the receipts & payments account detailed in appendix I for the APAM rental and service charge accounts are only accurate up to 31 March 2021.

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.

### 3.1 Trading accounts

The receivers and joint administrators have traded The Rushes and continue to do so. The trade is predominantly funded by rental income and transactions through the APAM rental account. The service charge account receives income solely for the purpose of settling the service charge expenditure. We are reporting the APAM rental account transactions up to 31 March 2021, representing the most up-to-date information available at the time of reporting.

#### 3.1.1 Rental account

In the period from the date of administration to 31 March 2021, the Company's income received in the trading rental account (including the internal rent and service charge transfers to each account) totals £1,166,399.83 related to the following:

- **Cash at Bank** - The Company's proposals previously reported the balance on the rental account to be £452,199. It should be noted the director's SOA listed the SOA and ETR value to be £726,425, representing an estimate of total funds held of rent and service charge accounts. The statements have since been reviewed and the balance held on the Company's rental account with APAM as at the date of administration was £452,199.68. The funds have been retained by APAM and utilised to continue to trade the Company.
- **Rent** - The income of £611,488.48 plus VAT has been received for rent from tenants of The Rushes.
- **Receipt from Service Charge Account** - The rent account has received £27.80 from the service charge account, this is to reimburse the account for a service charge payment incorrectly made from the rent account prior to the administration.
- **Rent Tenant Receipts** - There were receipts totalling £102,662.39 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.
- **Interest** - The sum of £21.48 has been received in interest on funds held in the rental account with APAM.

The Company has made trading payments totalling £696,124.20 (including the internal rent and service charge transfers to each account) in the same period to 31 March 2021, relating to trading The Rushes, which we summarise as follows:

- **Services and Suppliers** - The sum of £95,551.82 has been paid to various services and suppliers consisting of utility costs, development costs, repairs and maintenance and professional fees, which are self-explanatory. These expenses are not covered by the service charge and are detailed as follows:
  - **Utility Costs:** The sum of £991.82 has been paid for various utility costs.
  - **Development Costs:** The sum of £72,220 plus VAT has been paid to various third parties for planning, consultation and feasibility work for The Rushes. This includes £20,000 plus VAT to Bankfoot Apam Limited, £3,500 plus VAT to Core Five LLP, £36,000 plus VAT to Suttonca Limited, £5,500 plus VAT to Heyne Tillet Steel Ltd, £425 plus VAT to Castle Surveys Ltd, £2,400 to Charnwood Borough Council and £4,395 plus VAT to WSP UK Ltd.
  - **Professional Fees:** The sum of £20,340 plus VAT has been paid to APAM for services provided concerning property and asset management.
  - **Repairs and Maintenance:** Checkleys Chartered Surveyors have been paid the sum of £2,000 plus VAT for inspecting dilapidations for units.
- **Rent Void Contribution to Service Charge** - The sum of £68,358.51 has been paid from the rental income to the service charge as a landlord contribution and the void units.
- **Fixed Charge-Holder** - The payment of £532,213.87 to CBRE as the charge-holder was paid from the trading rental account, as detailed in sections 7.1 of this report.

There is currently a rent account trading surplus of £470,275.63.



### 3.1.2 Service charge account

In the period from the date of administration to 31 March 2021, the Company's service charge account income totalling £306,765.18, related to the following:

- **Cash at Bank** - The Company's proposals previously reported the balance on the rental account and did not detail the service charge balance given it is third party funds used purely to settle costs for the management of The Rushes. It should be noted the director's SOA listed the SOA and ETR value to be £726,425, representing an estimate of total funds held of rent and service charge account. The statements have since been reviewed and the Company's service charge account with APAM as at the date of administration was £54,856.40. The funds have been retained by APAM and utilised for the service charge liabilities of the Company.
- **Service Charge Income** - The income of £158,879.69 plus VAT has been received for service charges from tenants of The Rushes.
- **Void Contribution from Rent Account** - As detailed above, the sum of £68,358.51 has been paid from the rent account to the service charge account for service charge income for the empty units.
- **Service Charge Tenants Receipts** - There were receipts totalling £18,823.48 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.
- **Insurance Claim** - The total sum of £5,843 has been received in regards to an insurance claim.
- **Interest** - The sum of £4.10 has been received in interest on funds held in the rental account with APAM.

The Company has made trading payments totalling £131,153.95 in the same period to 31 March 2021, relating to trading The Rushes, which we summarise as follows:

- **Service Charge Payments** - The sum of £131,126.15 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, waste management, landscaping, media/marketing and utility costs.
- **Service Charge Transfer to Rent Account** - As detailed above, a payment of £27.80 was made from the service charge account to the rent account to correct an accounting error from a period prior to the administration.

The service charge surplus of £175,611.23 is to be utilised for remaining service charges.

## 3.2 Receipts – Fixed Charge

### 3.2.1 Cash at bank

The cash at bank was listed on the director's draft SOA with a book value and ETR value of £726,425, representing an estimate of total funds held of rent and service charge accounts. The estimated financial statement in the proposals showed a book value and ETR value of £452,199, representing the funds held in the rent account only.

As detailed above, the balance of £452,199.68 and £54,856.40, totalling £507,056.08, has been retained by APAM in the respective rent and service charge accounts. The funds held in the rental account have been utilised to facilitate the continued trade of the Company. The service charge funds are third party funds received for the sole purpose of maintaining the units of The Rushes.

## 3.3 Assets still to be realised

### 3.3.1 The Rushes

The principle 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.

We are currently working with the receivers to conclude the sale of the unit to JD Wetherspoon and the contract is currently being finalised. In addition, the student redevelopment plans are ongoing and relate to the developments costs in the trading account. The long term strategy and potential sale of The Rushes is still under review.

GCW are continuing to act as letting agents to advertise and negotiate lease terms with tenants for The Rushes. Pinsent Masons have been retained as the solicitors who assist with tenancy related matters.

### 3.3.2 Debtors

#### Trade debtors

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 current the debtor balance is £1,233,973.57. 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 is currently under further review and there will likely be balances to be written off.

#### Inter-Company debtors

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

### 3.3.3 Pre-payments

Pre-payments of £10,371 on the director's SOA are in relation to payments made in advance, for example insurance for the year. The ETR value was nil as the pre-payments are required for the continuation of trade, we did not anticipate any realisations, and none have been received.

## 3.4 Administration strategy

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.

# 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 of IR16. As previously stated, no preferential creditors are anticipated and only approval from secured creditors were to be sought.

The secured creditors have not yet formally approved the basis of the administrators' remuneration, however it has been agreed in principle and on the basis of a "light touch" administration as detailed below:

Work category	Proposed fee basis
Case set-up	Fixed at £3,500 plus VAT
Statutory matters	Fixed at £7,500 plus VAT per annum
Post-appointment tasks as detailed throughout this report	Fixed at £35,000 plus VAT

The joint administrators will seek approval for the basis of their remuneration from the secured creditor shortly.

A detailed narrative explanation of these costs can be found in the 'Outstanding matters' section of this report.

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 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:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page1/administration-a-guide-for-creditors-on-insolvency-practitioner-fees/>

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at appendix III.

On a general note, please be aware that the charge out rates are subject to an annual review.

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 actually paid during the period and the total paid to date.

### 6.1 Subcontractors

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

### 6.2 Professional advisers

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

Pinsent Masons are being retained to assist with tenancy related matters of The Rushes. They are regulated by the Solicitors Regulation Authority and already have knowledge and experience dealing with The Rushes. The only costs incurred in the period up to 31 March 2021, is £5,250 plus VAT which has been paid from the funds distributed to CBRE. This transaction is to be separated from the CBRE funds in the next report to creditors. Their costs relate to work in managing tenants and lease agreements for the units.

APAM are the asset and property managers for The Rushes. They have been retained 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. The sum of £20,340 has been paid in relation to their asset management fee.

GCW is a commercial property consultant who have knowledge regarding The Rushes and already hold advertisements for the units available. There have been no costs incurred by GCW to date and any future costs would be in relation to these activities.

### 6.3 Administrators' expenses

The table setting out details of the joint administrators' expenses is at appendix VI. The total costs of £185.50 have been incurred and remain outstanding.

The Company already has insurance cover in place. Marsh Limited was instructed to review and confirm that sufficient insurance cover is in place. The costs for insurance in the administration is being settled from the trading account.

### 6.4 Category 2 expenses

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.

### 6.5 Other expenses

Other expenses (ie, those not detailed in the preceding sections) paid during the period covered by this report are shown in the receipts & payments summary at appendix I.

The income and expenses paid on funds held in the service charge account results 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.

### 6.6 Policies regarding use of third parties and expense recovery

Appendix III provides details of Smith & Williamson 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 will 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.

### 7.1 Secured creditors

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

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 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 £532,213.87 has been paid to the chargeholder. However, it should be noted that payments have been made of £13,500 plus VAT and disbursements of £49.28 plus VAT to CBRE from these

funds in regard to the receivers' set-up and quarterly fixed fees. As previously reported in section 6.2, 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. Adjustments to reflect these payments will be and reflected in the next report. There will be further payments made to the secured creditor under their fixed charge which will result in their debt being partly settled.

It should be noted that during the period Mount Street was appointed as the new loan servicer.

## 7.2 Prescribed part

The Company granted a floating charge to CBRE on 1 December 2017. Accordingly, we are required to create a Prescribed Part fund out of the Company's net floating charge property for unsecured creditors.

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 therefore 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 subjected 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.

## 7.3 Ordinary preferential creditors

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

## 7.4 Secondary preferential creditors

There are no secondary preferential creditors claims as the Company entered into administration on 30 November 2020, prior to such rules taking affect.

## 7.5 Unsecured creditors

We have received claims totalling £653,521.94 from one creditor. It should be noted the only creditor who has submitted a claim is HMRC, whose claim is in relation 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 the sale to JD Wetherspoon and the 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 sell of The Rushes;

- Correspond with the receivers, APAM, CBRE and Mount Street on all property and financial related matters;
- To communicate with the receivers and APAM concerning the collection of outstanding book debts;
- To continue to make enquiries of the inter-company debtors;
- Pay all costs and expenses of the receivers and administration, once the required approval has been obtained;
- 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 <https://smithandwilliamson.com/rsgdpr>

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

The administration will end by way of one of the following means, depending on the circumstances, although on current information likely to be by dissolution as detailed in the first option:

- 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.

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.

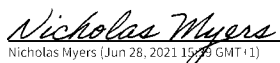
On a general note, if you have any comments or concerns in connection with our conduct, please contact Nicholas Myers or Kevin Ley in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 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: [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto:insolvency.enquiryline@insolvency.gsi.gov.uk)
- 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.

  
Nicholas Myers (Jun 28, 2021 15:39 GMT+1)

**Nicholas Myers**

Joint Administrator

Date: 28 June 2021

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

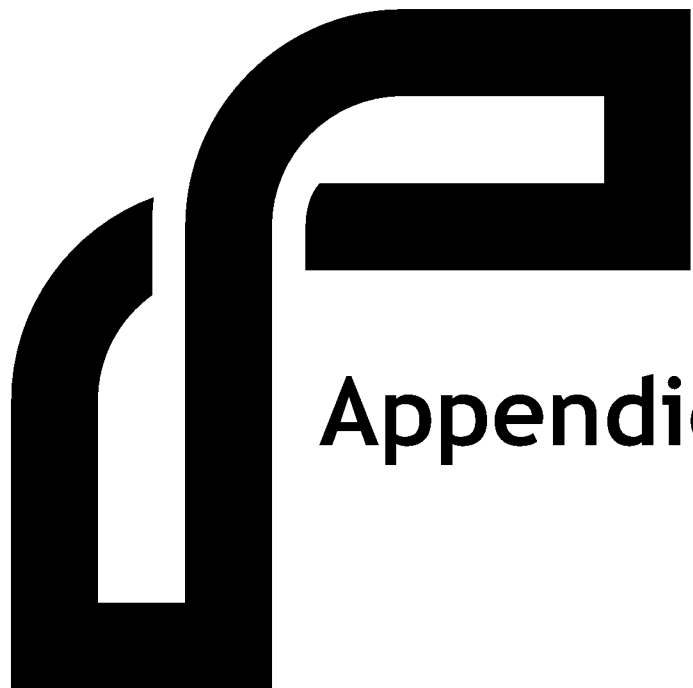
The joint administrators of the Company are appointed to manage its affairs, business and property. They act as agents and without personal liability.

Both/All office-holders are authorised and licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

The joint administrators are bound by the Insolvency Code of Ethics which can be found at:

<https://www.icaew.com/technical/insolvency/sips-regulations-and-guidance/insolvency-code-of-ethics>

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. Smith and Williamson 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.



# Appendices



# I Receipts & payments account

Receipts and payments account to 29 May 2021

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

Statement of Affairs £	From 30/11/2020 To 29/05/2021 £	From 30/11/2020 To 29/05/2021 £
FIXED CHARGE TRADING INCOME		
Cash at Bank	507,056.08	507,056.08
Rent	611,488.48	611,488.48
Rent Tenant Receipts	102,662.39	102,662.39
Receipt from Service Charge Account	27.80	27.80
Interest	25.58	25.58
Service Charge Income	158,879.69	158,879.69
Void Contribution from Rent Account	68,358.51	68,358.51
Service Charge Tenant Receipt	18,823.48	18,823.48
Insurance Claim	5,843.00	5,843.00
	1,473,165.01	1,473,165.01
FIXED CHARGE TRADING EXPENDITURE		
Utility	991.82	991.82
Development Costs	72,220.00	72,220.00
Professional Fees	20,340.00	20,340.00
Repairs and Maintenance	2,000.00	2,000.00
Rent Void Contribution to Service Char	68,358.51	68,358.51
Service Charge transfer to Rent Accou	27.80	27.80
Service Charge Payments	131,126.15	131,126.15
	(295,064.28)	(295,064.28)
FIXED CHARGE DISTRIBUTION		
Fixed Chargeholder - CBRE	532,213.87	532,213.87
	(532,213.87)	(532,213.87)
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>645,886.86</b>	<b>645,886.86</b>

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

Statement of Affairs £		From 30/11/2020 To 29/05/2021 £	From 30/11/2020 To 29/05/2021 £
	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)	645,886.86	645,886.86
		645,886.86	645,886.86
	UNSECURED CREDITORS		
(1,625,837.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(1,000,000.00)	Ordinary Shareholders	NIL	NIL
(28,000,000.00)	Share Premium	NIL	NIL
		NIL	NIL
<b>(16,399,412.00)</b>		<b>645,886.86</b>	<b>645,886.86</b>
	REPRESENTED BY		
	APAM Rent Account		573,614.36
	APAM Service Charge Account		181,611.13
	VAT Payable Trading		(154,073.67)
	VAT Receivable Fixed Chg		44,735.04
			<b>645,886.86</b>

### Notes and further information required by SIP 7

- It should be noted that the trading account presents the service charge and rental account only up to 31 March 2021 as the accounts are reconciled quarterly.
- The administrators' remuneration has not yet been approved and therefore no payments have been made.
- 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.
- Details of significant expenses paid are provided in the body of our report.
- There have been no sub-contractors utilised in the administration.
- 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.

### Notes and further information required by SIP 9

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

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We summarise below the other key matters that we have dealt with since our appointment.

## Administration and Planning

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

- Preparing the documentation and dealing with the formalities of appointment;
- Statutory notifications and filings at Companies House;
- Complied with statutory advertising requirements;
- Calculation and application for a statutory insolvency bond;
- Review of Company information from public records (such as Companies House);
- Review information provided by APAM and the receivers;
- Communicate with the receivers to discuss strategy;
- Production of Company information in absence of a SOA and director correspondence;
- Dealing with routine correspondence;
- Dealing with agents on general appointment matters;
- Maintaining physical case files and electronics case details on IPS (case management software);
- Case planning; administration; and general case progression, including adjustments in appointment strategy;
- Dealing client identification and internal Smith & Williamson LLP compliance requirements;
- Utilised information available to identify any potential assets and creditors;
- Case bordereau and reviews;
- Drafting and circulating the Company's proposals;
- Completing VAT registration forms; and
- Research and strategic consultancy.

## Trading

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 APAM and receivers to collate Company information, discuss strategy and their continued service;
- Reviewing the income and expenditure position of the Company;
- Communications concerning insurance of the Company and assets;
- Communications with suppliers concerning payments and invoices;
- Reconciling the income and expenditure; and
- Assessing funding requirements.

## Investigations

Investigations include work carried out as a consequence of the obligations placed upon us to investigate the Company's affairs. The work undertaken is that described in SIP2 and SIP4 which govern both the investigations of the Company's failure and also examine the conduct of the directors. This work includes the following:

- Corresponding with the Company director, regarding SOA and director's questionnaire;

- Investigating the reasons for the failure of the Company;
- Complying with our statutory duties in accordance with the Company Directors' Disqualification Act 1986;
- Review of Company information from public records (such as Companies House);
- Review and investigation of information provided from creditors and charge holders;
- Corresponding with previous directors regarding our directors' questionnaire;
- Reviewing bank statements and Company records; and
- Making further enquiries to directors and APAM on activities.

#### **Realisation of assets**

This section is in relation to the realisation of the Company's assets, which is explained in detail through the contents of our report. The work generally includes the following:

- Communications concerning the sale of The Rushes and interested parties;
- Insurance of the assets and claims under policies if required;
- Corresponding with APAM concerning the chattel assets;
- Reviewing book debt information; and
- Reviewing cash at bank position.

#### **Creditors**

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

- Reporting and corresponding with the secured creditors;
- Agreeing strategy with secured creditors;
- Dealing with creditors' correspondence; and
- Maintaining creditors' information on our insolvency database.

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

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## Introduction

Detailed below are:

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

## Staff allocation and the use of subcontractors

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 as 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 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 and where this will add best value and service.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

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

## Use of professional advisers

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 Section 435 of the Insolvency Act 1986 and in Statement of Insolvency Practice 9. Payments to external professional advisers for the services they provide are therefore not a category 2 expense as defined in Statement of Insolvency Practice 9 and therefore do not require prior approval from the committee or creditors.

## Expenses

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 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 Smith & Williamson 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.

## Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the proposals were circulated.

The rates applicable to this appointment are set out below. There have been no changes to the charge out rates during the period of this report.

<b>Smith &amp; Williamson LLP</b>	<b>London office</b>	<b>Regional offices</b>
<b>Restructuring &amp; Recovery Services</b>	<b>£/hr</b>	<b>£/hr</b>
<b>Charge out rates as at 1 July 2020</b>		
Partner / Director	495-570	396-456
Associate Director	380-465	372
Managers	285-400	228-320
Other professional staff	125-465	152-204
Support & secretarial staff	105	84

## 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 January 2021 the cashiering function time is incorporated within "Other professional staff" rates. From 1 February

2021 the cashiering function time is split between “Other professional staff” and “Associate Director”.

## IV Professional advisers

Name of professional advisor	Basis of fee arrangement	Costs incurred in current period £	Estimate future £ (c. 18 months)	Anticipated future total £	Costs paid in current period £	Total costs outstanding at period end £
CBRE (receivers)	Set-up Fee of £7,500, Quarterly Fee of £6,000 and exit/sale fee of £60,000	13,500.00 and disbursements of £49.28	84,000.00	97,500 plus disbursements	13,500 plus disbursements of £49.28	Nil
Pinsent Masons	Time costs/Fixed Fee	5,250.00	Unknown as based on future lettings	Unknown as based on future lettings	5,250.00	Nil
APAM	Fixed fee of £61,020 per annum for Asset Management Fee and, payable from the service charge, £35,000 for Property Management Fee	20,340.00	61,020.00	81,360.00	20,340.00	Nil
GCW	15% for new lettings and 10% for renewal/variations, based on a 12 month rental period	Nil	Unknown as based on future lettings	Unknown as based on future lettings	Nil	Nil
<b>Total</b>		<b>39,090.00</b>	<b>145,020.00</b>	<b>178,860.00</b>	<b>39,090.00</b>	<b>Nil</b>



The above represents only the costs payable from the administration and/or rental account in the period up to 31 March 2021, 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 those from APAM.

## V Administrators' expenses

Description	Costs incurred in current period £	Estimate future £	Anticipated future total £	Costs paid in current period £	Total costs outstanding at period end £
Statutory Advertising	45.50	Nil	45.50	Nil	45.50
Administrators' bonds	140.00	Nil	140.00	Nil	140.00
<b>Total</b>	<b>185.50</b>	<b>Nil</b>	<b>185.50</b>	<b>Nil</b>	<b>185.50</b>

**[www.smithandwilliamson.com](http://www.smithandwilliamson.com)**

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

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