

The Insolvency Act 1986

Administrator's progress report

Name of Company
Drinkstone Office Park Limited

Company number
04163880

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

Court case number 940 of 2012

(a) Insert full
name(s) and

We

Matthew James Cowlshaw	Neville Barry Kahn
Deloitte LLP	Deloitte LLP
Four Brindleyplace	PO Box 810
Birmingham	66 Shoe Lane
B1 2HZ	London
	EC4A 3WA

David John Langton
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

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

(b) Insert date

From
(b) 7 May 2014

To
(b) 6 November 2014

Signed



Joint Administrators

Dated

Contact Details.

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to searchers of the public record

Wendy Packwood Deloitte LLP Four Brindleyplace Birmingham B1 2HZ
--

DX Number

0121 632 6000 DX Exchange



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04/12/2014

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COMPANIES HOUSE

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Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

**DRINKSTONE OFFICE PARK LIMITED
(IN ADMINISTRATION)
("the Company")**

Court No. 940 of 2012

**SIX MONTHLY PROGRESS REPORT TO CREDITORS
FOR THE PERIOD TO 6 NOVEMBER 2014
PURSUANT TO RULE 2.47 OF THE INSOLVENCY RULES 1986 AND THE INSOLVENCY
(AMENDMENT) RULES 2010**

3 December 2014

This report has been prepared for the sole purpose of updating the Creditors for information purposes. The report may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by Creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

Matthew James Cowlshaw, Neville Barry Kahn and David John Langton were appointed Joint Administrators of Drinkstone Office Park Limited on 9 July 2012. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners.

Matthew James Cowlshaw, Neville Barry Kahn and David John Langton
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CONTENTS

Page

1. INTRODUCTION	1
2 JOINT ADMINISTRATORS' PROPOSALS	3
3 JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT	5
4 DISTRIBUTIONS TO CREDITORS	6
5 OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS	7
6. JOINT ADMINISTRATORS' PRE-ADMINISTRATION COSTS	8
7. JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES	9

APPENDICES

- 1. Statutory Information**
- 2 Joint Administrators' Receipts and Payments Account for the 6 months from 7 May 2014 to 6 November 2014 and for the period from the 9 July 2012 to 6 November 2014.**
- 3. Joint Administrators' time costs for the period for the 6 months from 7 May 2014 to 6 November 2014**
- 4 Joint Administrators' time costs for the period from 9 July 2012 to 6 November 2014.**
- 5 Joint Administrators' Proposals**

ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

"the Act"	Insolvency Act 1986 (as amended)
"the Rules"	Insolvency Rules 1986 and the Insolvency (Amendment) Rules 2010
"the Administrators"	Matthew James Cowlshaw, Neville Barry Kahn and David John Langton
"the Company", "Drinkstone"	Drinkstone Office Park Limited - (in Administration)
"the Bank" / "Secured Creditor"	Lloyds TSB Bank plc
"the Court"	High Court of Justice Chancery Division Leeds District Registry
"Deloitte"	Deloitte LLP
"Walker Morris"	Walker Morris LLP
"BLP"	Berwin Leighton Paisner LLP
"Asset Managers", "SWIP"	Scottish Widows Investment Partnership
"Whiting & Partners"	Whiting & Partners Chartered Accountants
"JLL"	Jones Lang Lasalle Limited
"Barbican"	Barbican City Studios
"Footprint"	Footprint CDA Tracing Services
"BSMH"	Barker Storey Matthews
"PP"	The Prescribed Part of the Company's net property subject to Section 176A of the Insolvency Act 1986 (as amended)
"QFCH"	Qualifying Floating Charge Holder
"SIP7 (E&W)"	Statement of Insolvency Practice 7 (England & Wales)
"SIP9 (E&W)"	Statement of Insolvency Practice 9 (England & Wales)
"SIP2 (E&W)"	Statement of Insolvency Practice 2 (England & Wales)
"SIP13 (E&W)"	Statement of Insolvency Practice 13 (England & Wales)

1 INTRODUCTION

1.1 Introduction

This report has been prepared in accordance with Rule 2.47 of the Rules to provide creditors with an update on the progress of the Administration of the Company since our last report to creditors dated 21 May 2014.

Given the information previously provided to creditors in our earlier reports to creditors, we have not included detailed background information in respect of the Company and have focused on progress of the Administration subsequent to those reports.

1.2 Details of the appointment of the Administrators

Matthew James Cowlshaw, Neville Barry Kahn and David John Langton of Deloitte were appointed Joint Administrators of the Company on 9 July 2012, by Lloyds TSB Bank Plc, 25 Gresham Street, London, GL50 1T, in their capacity as QFCH.

The Court having conduct of the proceedings is the High Court of Justice, Chancery Division, Leeds District Registry (case number 940 of 2012).

For the purposes of Paragraph 100(2) of Schedule B1 of the Act the Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly or severally.

1.3 Approval of the Proposals

The Administrators' issued their formal proposals to all creditors on 28 August 2012. As part of those proposals the Administrators' made a statement in accordance with Paragraph 52(1)(b) of Schedule B1 of the Act that as there are no funds likely available for distribution to the unsecured creditors they would not be convening a creditors meeting unless required to do so.

This statement having been made and no valid requests from creditors in the prescribed format for a formal meeting having been received in the 8 business days subsequent to their issue the Administrators' Proposals were deemed approved pursuant to Rule 2.33(5) of the Rules. A formal notice confirming this was sent to all creditors on 7 September 2012.

1.4 Extensions to the Period of the Administration

In accordance with the provisions of the Act, all Administrations automatically come to an end after one year unless an extension is granted either by the Court or with consent of the creditors.

The initial period of the appointment was for twelve months ending on 9 July 2013. At the Administrators' request the term of the Administration was initially extended by 6 months to 8 January 2014 by consent of the Secured Creditor.

The Administrators subsequently obtained consent from the Court for a further 12 month extension to 8 January 2015 in order to

- Pursue the potential renegotiation of the leases on improved terms ahead of sale,

- Conclude the sales of the properties,
- Finalise costs of realisation and the Company's tax affairs, and
- Finalise all other outstanding matters and close the Administration

A schedule of statutory information in respect of the Company is attached at Appendix 1

1 4 Details of the appointment of the Administrators

Matthew James Cowlshaw, Neville Barry Kahn and David John Langton of Deloitte were appointed Joint Administrators of the Company on 9 July 2012, by Lloyds TSB Bank Plc, 25 Gresham Street, London, GL50 1T, in their capacity as QFCH

The Court having conduct of the proceedings is the High Court of Justice, Chancery Division, Leeds District Registry (case number 940 of 2012)

For the purposes of Paragraph 100(2) of Schedule B1 of the Act the Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly or severally

1.5 Exit

As previously reported, the exit route chosen in relation to the Company will largely depend on the circumstances of the Administration. Based on current information, the Administrators expect to exit Administration by ceasing to act and dissolution.

If funds do become available for a distribution under the PP, the Administrators may apply to the Court for the authority to make a distribution to unsecured creditors (under the PP) and then take the requisite steps to dissolve the Company, or if appropriate, to apply to the Court to obtain an order pursuant to Section 176A(5) of the Act that Section 176A(2) of the Act (PP for unsecured debts) shall not apply.

2 JOINT ADMINISTRATORS' PROPOSALS

2.1 Introduction

As previously reported to creditors, Drinkstone is a property investment company which owns a development comprising a modern office park on the outskirts of Bury St Edmunds, Suffolk with three stand alone office buildings known as Academia House, Acas House and Ross House. Acas House and Ross House being fully let and income producing with Academia House being vacant.

The Company had significant secured debts and as a restructuring of the Company was not possible, a rescue of the Company as a going concern could not be achieved.

Consequently, the Administrators appointed SWIP as Asset Managers to investigate a proactive management strategy to enhance the value of the properties prior to sale and oversee day to day management of the properties. In addition, JLL have been appointed to collect rents and service charges and undertake a property management role. As the value of the secured debt is in excess of the potential realisable value of the property portfolio, the purpose of the Administration is the third objective, to realise property in order to make a distribution to secured and/or preferential creditors.

The Administrators' proposals to achieve this objective, were despatched on 28 August 2013, and were deemed approved pursuant to Rule 2.33(5) of the Rules.

2.2 Progress on and achievement of the approved proposals

The Administrators' proposals are attached at Appendix 5 for your information. We have summarised below the progress and current status in respect of each of the approved proposals.

Proposal	Current status
1	The Administrators continue to manage the affairs of the Company and have appointed Asset Managers to manage the properties and prepare the assets for sale. All properties have now been sold.
2	Investigations into the affairs of the Company and conduct of the directors prior to the appointment of the Administrators have been undertaken and in this regard, the statutory required confidential report was submitted to The Insolvency Service on 4 December 2012.
3	The Administrators have agreed Secured Creditor's claims. Preferential and unsecured creditor claims will only be agreed should there be sufficient funds to warrant a distribution to that class of creditor.
4	An interim distribution of £1,250,000 was made to the Secured Creditor on 16 April 2014 following the sale of Academia House. A further interim distribution of £180,000 was made on 20 June 2014 and another £1,800,000 on 19 September 2014 following the sale of Acas House and Ross House. A further distribution will be made prior to the conclusion of the Administration.
5 and 6	No creditors' committee was formed in respect of the Company.
7	As no creditors' committee was formed in respect of the Company, and in the absence of any preferential claims against the Company, approval

	has been sought and obtained from the Secured Creditor with regards to the basis, and drawing of Administrators' remuneration and expenses
8 and 9	As it appears that there is no prospect of a distribution to unsecured creditors, the Administrators are likely to seek the dissolution of the Company following ceasing to act as Administrators
10	As no creditors' committee was formed in respect of the Company, and in the absence of any preferential creditors, the Secured Creditor for the Company has agreed that the Administrators be discharged from liability per paragraphs 98 and 99 of Schedule B1 of the Act immediately upon the Administrators filing their report to creditors and vacating office

Further information in respect of the realisation of assets, the status of liabilities and the estimated outcome for creditors is contained in the following sections of this report

3. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

3 1 Introduction

Attached at Appendix 2 is a Receipts and Payments account covering the period from 7 May 2014 to 6 November 2014 together with cumulative details of the transactions from 9 July 2012 to 6 November 2014, prepared in accordance with SIP7 (E&W)

In this section, we have summarised the asset realisations for the period since our last report

3 2 Asset realisations

Sale of Acas House and Ross House

The Administrators achieved a sale of Acas House and Ross House in the period, realising £1,950,000

Rent Monies

The Administrators' have received rental income of £29,491 since our last report. Rent collected by JLL is paid over to the Administration estate promptly

3 3 Estimated future realisations

There are no further assets to be realised

3 4 Estimated outcome for creditors

After discharging the costs of the Administration it is estimated that there will be insufficient realisations from assets to fully repay the Bank. We do not expect any funds to be available to pay a dividend to the unsecured creditors of the Company, even under the PP

4 DISTRIBUTIONS TO CREDITORS

4.1 Secured creditors

The Company's bank debt at the date of appointment of the Administrators was £4,210,059

An interim distribution of £1,250,000 was made to the Secured Creditor on 16 April 2014 following the sale of Academia House. A further interim distribution of £180,000 was made on 20 June 2014 and another £1,800,000 on 19 September 2014 following the sale of Acas House and Ross House. A further distribution will be made prior to the conclusion of the Administration. The Bank will not achieve a full recovery of its lending.

4.2 Preferential creditors

As the Company employed no staff as at the date of the Administrators' appointment it is anticipated that there will be no preferential claims against the Company.

4.3 Prescribed Part ("PP") and unsecured creditors

The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs to be set aside for unsecured creditors. This equates to

- 50% of net property up to £10,000,
- Plus, 20% of net property in excess of £10,000
- Subject to a maximum of £600,000

Sales from the property portfolio and rental income is captured by the Bank's fixed charge security. As no floating charge realisations are anticipated there will be no funds available to make a distribution to unsecured creditors, even under the PP.

5. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

5.1 Investigations

As part of the Administrators' statutory duties, an investigation into the conduct of the Company Directors was completed

In this regard, the statutory required confidential report was submitted to The Insolvency Service on 4 December 2012

5.2 SIP2 – Initial Assessment of Potential Recoveries

As part of our duties as Administrators, we are obliged shortly after our appointment to review all of the information available to us and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of creditors. This initial assessment included enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Company.

Having completed this review, we identified no further avenues of recovery.

If you have any information that you feel we should be made aware of in relation to the above, please contact us as a matter of urgency.

5.3 SIP13 (E&W) – Transactions with connected parties

In accordance with the guidance given in SIP13 (E&W), we confirm that there have been no transactions with connected parties during the period of this report or in the two years prior to our appointment.

5.4 EC Regulations

As stated in the Administration Order in respect of the Company, Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

6. JOINT ADMINISTRATORS' PRE-ADMINISTRATION COSTS

Pre-Administration costs are defined as the remuneration charged and expenses incurred by the Administrator (or other person qualified to act as such) before the Company entered into Administration but with a view to its doing so

The time incurred by the Administrators and their staff for the pre-appointment period from 7 June 2012 to 8 July 2012 is summarised in the table below

	Partners & Directors (Hours)	Managers (Hours)	Total (Hours)	Time Cost £	Average Hourly Rate £
Preparation for Administration		3	3	1,170 00	390 00
Total fees unpaid as at the date of appointment				1,170 00	

During this pre-appointment period, the Administrators spent time planning and preparing to ensure the duties of the Administrators were fulfilled efficiently subsequent to their appointment, including meetings and telephone calls with the Directors and the Bank, reviewing information in respect of the status of the assets, agreeing the likely Administration strategy and planning the key steps to be taken immediately upon appointment

This time was incurred dealing with these tasks which were considered necessary to place the Company into administration and the orderly and efficient dealing with the Company's affairs upon appointment

Approval of costs

In the absence of a creditors committee, and it is anticipated that there are no preferential claims and it is anticipated that there will be no funds available to the unsecured creditors, approval for Pre-Administration costs were sought and granted from the Secured Creditor on 7 September 2012. No fees in relation to pre-administration costs have been drawn to date

7. JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES

7.1 Joint Administrators' Remuneration

7.1.1 Basis of Remuneration

Where the Administrators have made a statement under Paragraph 52(1)(b) of Schedule B1 of the Act, and in the absence of a creditors' committee, the Administrators remuneration may be fixed by approval of each secured creditor and/or any preferential creditors of the Company where applicable. Approval was obtained from the Secured Creditor, there being no preferential creditors, on 7 September 2012.

The basis of the Administrators' remuneration has been fixed by reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed (plus VAT).

Remuneration will be drawn at a significantly lower level than the time costs incurred. Remuneration of £80,000 has been drawn to date.

The Administrators' post appointment gross time costs are summarised below.

Period	Hours £	Average Hourly Rate £	Total Time cost £	Fees Drawn £
9 July 2012 to 6 May 2014	454.13	470.53	£213,679.60	£60,000.00
7 May 2014 to 6 November 2014 (Appendix 3)	114.70	401.62	£46,065.75	£20,000.00
Total (Appendix 4)	568.83	456.63	£259,745.35	£80,000.00

The Administrators' time costs incurred since our appointment to 6 November 2014, total £259,745.35 which represents 568.83 hours at an average rate of £456.63 are analysed at Appendix 4. In addition, a separate analysis of our time costs incurred since the period reported in our last report, being from 7 May 2014 to 6 November 2014, is attached at Appendix 3, totalling £46,065.75 which represents 114.70 hours at an average rate of £401.62 (this time is charged in six minute increments).

The work has been categorised into the following task headings and sub categories:

- **Administration and Planning** includes such tasks as case planning and set-up, appointment notification, statutory reporting, compliance, cashiering, accounting and administrative functions.
- **Investigations** includes investigating the Company's affairs and in particular any antecedent transactions and also reporting on the conduct of its directors.

- **Realisation of Assets** includes such tasks as identifying and securing assets, dealing with the sale of the development, development issues and any related legal issues
- **Creditors** include such tasks as creditor set up, communication and meetings, retention of title issues, corresponding with Secured Creditors, reviewing and obtaining advice in relation to security granted to the Bank. Also, dealing with dealing with customer creditors and submitting documentation to HM Revenue & Customs
- **Other matters** include corporation tax issues

"A Creditors' Guide to Remuneration" is available for download at www.deloitte.com/uk/sip-9-england-and-wales

Should you require a paper copy, please send your request in writing to the Administrators at the address on the front of this report and this will be provided to you at no cost

Expenses

The Administrators' direct expenses incurred and drawn to date are as follows

Nature of expenses	Total £
Travel	80 70
Insurance	30 00
Total	110 70

No expenses have been incurred during the period. Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred

7.2 Charge out rates

The range of charge out rates for the separate categories of staff is based on our 2014 charge out rates as summarised below. Manager rates include all grades of assistant manager.

Grade	£ 2012 (1 Jan – 31 Aug)	£ 2012 / 2013 / 2014 (Sept 2012 – Aug 2014)	£ Sept 2014 Onwards
Partners/Directors	585 to 920	605 to 950	615 to 970
Managers	295 to 700	305 to 720	310 to 735
Assistants and Support Staff	150 to 295	155 to 305	160 to 310

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Corporate Finance or Deloitte Real Estate may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands.

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Charge out rates were subject to an average increase of 2% as at 1 September 2014 and are set out in the above table.

7.3 Other professional costs

To advise on appropriate legal matters and to prepare required legal documentation the Administrators instructed Walker Morris, a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations. All legal fees are based upon their recorded time costs incurred will be reviewed before being approved for payment.

BLP, a firm of lawyers, have been instructed for the discrete task of preparing an Asset Management Agreement (the agreement between Drinkstone and SWIP). The Bank has previously developed a pro forma document for such appointments which is cost effective for Drinkstone to utilise. BLP received a fixed fee.

Whiting & Partners, Drinkstone's former accountants, have been instructed to provide financial information relating to the rent/service charge position with fees based on the time costs incurred.

SWIP have been appointed as asset managers. Their fees comprise an annual management fee (a fixed annual fee) and a sale related fee (percentage of the realisations achieved).

JLL have been appointed as property managers to oversee the day to day management of the properties. Their fees comprise of an initial take-on fee (a fixed fee) and a management fee (a fixed annual fee).

Barbican, an agency specialising in the design and print of marketing brochures were instructed to provide a brochure in order to market the properties for sale on a fixed fee basis.

Footprint, a firm who provide tracing services, were instructed to provide ordnance information in order to market the property for sale on a fixed fee basis.

Miss C Weeks, provided services to assist with the drafting of plans in relation to the sale of Academia House.

MP Real Estate, and BSMH, firms of property consultants, were instructed to act as sales agents and were paid a commission based upon the sales achieved

The professional costs paid to date are summarised in the table below All professional costs are reviewed and analysed before payment is approved

	NET (£)	VAT (£)	TOTAL (£)
<u>Agents Fees</u>			
JLL	11,866 13	2,372 33	14,238 46
SWIP	10,816 30	2,163 26	12,979 56
Footprint	91 00	18 20	109 20
Miss C Weeks	23 00	-	23 00
MP Real Estate	14,625 00	2,925 00	17,550 00
BSMH	<u>27,881 60</u>	<u>5,576 32</u>	<u>33,457 92</u>
	65,303 03	13,055 11	78,358 14
BLP	10,029 25	2,005 85	12,035 10
Bond Dickinson	5,541 40	1,107 28	6,648 68
Walker Morris	16,287 00	3,250 40	19,537 40
Whiting & Partners	75 00	15 00	90 00
Barbican	1,625 00	325 00	1,940 00
Total	98,860.68	19,758 64	118,609 32

7 4 Creditors' right to request information

Any secured creditor or, unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with leave of the Court, may, in writing, request the Administrators to provide additional information regarding remuneration or expenses to that already supplied within this report Such requests must be made within 21 days of receipt of this report, in accordance with Rule 2 47(1)(fa) and 2 48A of the Rules

7 5 Creditors' right to challenge Remuneration and/or Expenses

Any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors or, with leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 2 109(4) of the Rules), reducing the amount or the basis of remuneration which the Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2 109 of the Rules

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports

DRINKSTONE OFFICE PARK LIMITED (IN ADMINISTRATION)
STATUTORY INFORMATION

Company Name	Drinkstone Office Park Limited
Previous Names	
Proceedings	In Administration
Court	High Court of Justice, Chancery Division, Leeds District Registry
Court Reference	940 of 2012
Date of Appointment	9 July 2012
Joint Administrators	Matthew James Cowlshaw, Neville Barry Kahn and David John Langton Deloitte LLP Four Brindleyplace Birmingham B1 2HZ
Registered office Address	5, Old Hall Barns, Pakenham Bury St Edmunds, Suffolk, IP31 2NG
Company Number	04163880
Incorporation Date	20 February 2001
Bankers	Lloyds TSB Bank plc
Appointment by	QFCH
Directors at date of Appointment	Mr Macgregor Robertson Mr Iain Robertson Muir
Directors' Shareholdings	Mr Macgregor Robertson 50% Mr Iain Robertson Muir 50%

**Drinkstone Office Park Limited
(In Administration)**

**JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
9 July 2012 to 6 November 2014**

		9 July 2012 to 6 May 2014 £	7 May 2014 to 6 November 2014 £	Total £
RECEIPTS				
Sale of Academia House		1 250 000 00		1 250 000 00
Sale of Acas House and Ross House		-	1 950 000 00	1 950 000 00
Post appointment rent monies		346 625 00	29 491 62	376 116 62
Post appointment service charge monies		9 650 00	-	9 650 00
Bank interest		22 66	-	22 66
Cash at bank		30 851 83	-	30 851 83
		<u>1,637,149.49</u>	<u>1,979,491.62</u>	<u>3,616,641.11</u>
PAYMENTS				
Direct labour		1 164 00	-	1 164 00
Insurance		24 812 08	20 004 07	44 816 15
Bank charges		130 35	71 10	201 45
Repairs and maintenance		4 689 38	1 991 13	6 680 51
Security		388 12	-	388 12
Administrators' fees	5	60 000 00	20 000 00	80 000 00
Administrators' expenses		80 70	-	80 70
Service charges		15 131 92	3 475 04	18 606 96
Marketing expenditure - Barbican		1 225 00	400 00	1 625 00
Accountants fees - Whiting & Partners		75 00	-	75 00
Legal fees - BLP		10 000 00	-	10 000 00
Legal expenses - BLP		29 25	-	29 25
Legal fees - Walker Morris		16 250 00	-	16 250 00
Legal expenses - Walker Morris		37 00	-	37 00
Legal fees - Bond Dickinson		-	4 750 00	4 750 00
Legal expenses - Bond Dickinson		-	791 40	791 40
Chargeholder	3	1 250 000 00	1 980 000 00	3 230 000 00
Health and safety		4 165 00	18 00	4 183 00
Heat and light		3 602 53	-	3 602 53
Agents fees		34 594 35	30 708 98	65 303 33
Insurance		30 00	-	30 00
Service charge loan		8 000 00	-	8 000 00
Statutory advertising		76 50	-	76 50
		<u>1 434 481 18</u>	<u>2 062 209 72</u>	<u>3 496 690 90</u>
Balance in hand		<u>202 668 31</u>	<u>(82 718 10)</u>	<u>119 950 21</u>
		<u>1,637,149.49</u>	<u>1,979,491.62</u>	<u>3,616,641.11</u>
Made up as follows				
Bank Account	2	494 328 52	(392 228 06)	102 100 46
VAT	1	<u>(291,660 21)</u>	<u>309,509 96</u>	<u>17,849 75</u>
		<u>202,668.31</u>	<u>(82,718.10)</u>	<u>119,950.21</u>

1 The Company is registered for VAT and the above receipts and payments are shown net of VAT

2 All funds are banked on an interest bearing account. The associated corporation tax charges will be accounted for to HM Revenue & Customs in due course

3 An interim distribution of £1,250 000 was made to the Secured Creditor upon completion of the sale on 16 April 2014 following the sale of Academia House, following the sale of Acas House and Ross House a further distribution of £180 000 was made

4 Further information, including a creditors right to request further information or to challenge remuneration and/or expenses can be found in sections 7.4 and 7.5 of the report

5 The basis of the Administrators' remuneration has been fixed by reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge our rates used by Deloitte at the time when the work is performed (plus VAT). Approval was obtained from the Secured Creditor (there being no committee and no preferential creditors) on 7 September 2012

Average

	Partners & Directors			Assistant Directors			Managers			Assistant Managers			Assistants & Support			TOTAL			Average rate/h
	Hours	Cost (£)		Hours	Cost (£)		Hours	Cost (£)		Hours	Cost (£)		Hours	Cost (£)		Hours	Cost (£)		Cost (£)
Administration and Planning Cashiering and Statutory Filing Case Management and Closure Initial Actions Liaison with Other Insolvency Practitioners General Reporting	0 10	85 00	-	1 10	652 50	-	2 40	1 198 00	-	4 90	1 552 50	-	11 20	3 326 50	-	19 70	6 814 50	-	345 91
	-	-	-	3 55	1 651 75	-	-	-	-	4 10	1 300 00	-	6 45	1 256 00	-	14 10	4 207 75	-	298 42
	-	-	-	-	-	-	-	-	-	0 30	96 00	-	-	-	-	0 30	96 00	-	320 00
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	1 50	697 50	-	-	-	-	6 10	1 929 00	-	4 60	920 00	-	12 20	3 546 50	-	290 70
	0 10	85 00	-	6 15	3 001 75	-	2 40	1 198 00	-	15 40	4 877 50	-	22 25	5 502 50	-	46 30	14 664 75	-	316 73
Realisation of Assets Book Debts Other Assets (e.g. Stock) Chattel Assets Property - Freehold and Leasehold Retention of Title Sale of Business / Assets Third Party Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	16 50	10 280 50	-	24 00	11 247 50	-	-	-	-	-	-	-	-	-	-	40 50	21 528 00	-	531 56
	-	-	-	-	-	-	-	-	-	1 30	413 00	-	-	-	-	1 30	413 00	-	317 69
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	16 50	10 280 50	-	24 00	11 247 50	-	-	-	-	1 30	413 00	-	-	-	-	41 80	21 941 00	-	524 90
Creditors Employees Preferential Secured Shareholders Unsecured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	1 50	705 00	-	-	-	-	0 30	94 50	-	-	-	-	1 80	799 50	-	444 17
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	1 50	705 00	-	-	-	-	0 30	94 50	-	-	-	-	1 80	799 50	-	444 17
Case Specific Matters Litigation Pensions VAT Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	3 75	1 753 75	-	-	-	-	4 80	1 529 00	-	-	-	-	8 55	3 276 75	-	383 25
	-	-	-	1 25	581 25	-	6 10	3 217 00	-	0 90	265 50	-	8 00	1 320 00	-	16 25	5 383 75	-	331 31
	-	-	-	5 00	2 335 00	-	6 10	3 217 00	-	5 70	1 785 50	-	8 00	1 320 00	-	24 80	8 660 50	-	349 21
TOTAL HOURS & COST	16 60	10 365 50	-	36 65	17 289 25	-	8 50	4 415 00	-	22 70	7 173 50	-	30 25	6 822 50	-	114 70	46 065 75	-	401 62
FEE'S DRAWN																	20,000 00		

In Administration

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL			Average rate/h.
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)		
Administration and Planning	0.40	340.00	4.10	2,421.50	9.85	4,843.00	41.60	13,161.00	32.93	9,732.85	88.88	30,498.35	343.14	
Cashiering and Statutory Filing	-	-	21.90	10,169.50	6.80	2,770.00	28.80	9,053.50	11.25	2,133.00	68.75	24,126.00	350.92	
Case Management and Closure	8.00	4,942.50	-	-	7.75	3,022.50	3.40	1,041.50	11.30	2,090.50	30.45	11,097.00	364.43	
Initial Actions	-	-	-	-	-	-	-	-	-	-	-	-	-	
Liaison with Other Insolvency Practitioners	1.60	952.00	6.75	3,138.75	1.00	390.00	33.50	10,483.00	4.60	920.00	47.45	15,883.75	334.75	
General Reporting	10.00	6,234.50	32.75	15,729.75	25.40	11,025.50	107.30	33,739.00	60.08	14,876.35	235.53	81,605.10	346.47	
Investigations	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reports on Directors Conduct	-	-	1.00	465.00	-	-	2.30	724.50	-	-	3.30	1,189.50	360.45	
	-	-	1.00	465.00	-	-	2.30	724.50	-	-	3.30	1,189.50	360.45	
Realisation of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	
Book Debts	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Assets (e.g. Stock)	-	-	-	-	1.00	390.00	0.30	94.50	-	-	1.30	484.50	372.69	
Chattel Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	
Property - Freehold and Leasehold	96.40	59,786.50	57.25	26,708.75	15.60	6,227.50	2.80	882.00	-	-	172.05	93,604.75	544.06	
Retention of Title	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sale of Business / Assets	14.50	12,727.50	-	-	61.00	34,630.00	3.10	980.00	-	-	78.60	48,337.50	614.98	
Third Party Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	
	110.90	72,514.00	57.25	26,708.75	77.60	41,247.50	6.20	1,856.50	-	-	251.95	142,426.75	585.30	
Creditors	-	-	-	-	-	-	-	-	-	-	-	-	-	
Employees	-	-	-	-	0.10	40.00	-	-	-	-	0.10	40.00	400.00	
Preferential	-	-	-	-	-	-	-	-	-	-	-	-	-	
Secured	14.60	8,874.00	1.75	821.25	12.25	4,810.00	0.30	94.50	-	-	28.90	14,599.75	505.18	
Shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	
Unsecured	-	-	-	-	0.25	100.00	0.90	280.50	-	-	1.15	380.50	330.87	
	14.60	8,874.00	1.75	821.25	12.60	4,950.00	1.20	375.00	-	-	30.15	15,020.25	498.18	
Case Specific Matters	-	-	-	-	-	-	-	-	-	-	-	-	-	
Litigation	-	-	1.00	465.00	-	-	-	-	-	-	1.00	465.00	465.00	
Pensions	-	-	-	-	-	-	-	-	-	-	-	-	-	
VAT	-	-	3.75	1,753.75	1.05	551.25	7.40	2,342.00	-	-	12.20	4,647.00	380.90	
Tax	-	-	11.50	6,633.75	10.10	5,317.00	2.20	642.50	10.90	1,798.50	34.70	14,391.75	414.75	
	-	-	16.25	8,852.50	11.15	5,868.25	9.60	2,984.50	10.90	1,798.50	47.90	19,503.75	467.18	
	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL HOURS & COST	135.50	87,622.50	109.00	52,577.25	126.75	63,091.25	126.60	39,779.50	70.98	16,674.85	568.83	259,745.35	456.63	
FEE'S DRAWN												80,000.00		

**STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE
INSOLVENCY ACT 1986 (AS AMENDED)**

**Drinkstone Office Park Limited
In Administration**

Court Case No 940 of 2012

The Administrators' proposals deemed approved are as follows

- 1 the Administrators continue to manage the affairs and any remaining assets of the Company and the settlement of all Administration expenses,
- 2 the Administrators continue with their enquiries into the conduct of the Directors the Company and continue to assist any regulatory authorities with their investigation into the affairs of the Company,
- 3 the Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against the Company unless the Administrators conclude, in their reasonable opinion, that the Company will have no assets available for distribution,
- 4 the Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,
- 5 that, in the event the creditors of the Company so determine, at a meeting of creditors, a Creditors' Committee be appointed in respect of the Company comprising of not more than five and not less than three creditors of the Company,
- 6 that, if a Creditors' Committee is not appointed, the Secured Creditor of the Company shall be asked to fix the basis of the Administrators' remuneration in accordance with Rule 2 106(5A)(a), to be fixed by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT. In addition those creditors shall also be asked to agree the Administrators' expenses of which the Administrators' expenses for mileage be calculated by reference to mileage properly incurred (presently up to 45p per mile), by the Administrators and their staff in attending to matters arising in the Administration, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred, plus VAT where applicable,
- 7 that, if a Creditors' Committee is not appointed, the Secured Creditor of the Company shall be asked to approve the Administrators' Pre Administration Costs as detailed in Section 5 of the Administrators' Proposals and that the Administrators be authorised to draw their Costs, plus VAT, from the Administration estate,
- 8 that, following the realisation of assets and resolution of all matters in the Administration, and as quickly and efficiently as is reasonably practicable, the Administrators implement the most cost effective steps to formally conclude the Administration. This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Company or alternatively, seeking to put the Company into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors,

- 9 that, if the Company were to be placed into CVL, the Administrators propose to be appointed Liquidators and any Creditors' Committee appointed will become the Liquidation Committee pursuant to Rule 4.174 of the Rules. As per Rule 4.127 (5A) the Liquidators will continue to be remunerated on the same basis as was approved during the Administration. As per Paragraph 83(7) of Schedule B1 of the Act and Rule 2.117A(2)(b) of the Rules, the creditors may nominate a different person to be Liquidator provided the nomination is made before the proposals are approved by creditors. For the purposes of Section 231 of the Act the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.
- 10 in the absence of Creditors' Committee, the Secured Creditor of the Company shall be asked to agree that the Administrators be discharged from liability per Paragraphs 98 and 99 of Schedule B1 of the Act immediately upon the Administrators' filing their final report to creditors and vacating office.