

The Insolvency Act 1986

Administrator's progress report

Name of Company Stopgate Properties Limited	Company number 4175681
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In the High Court of Justice Manchester District Registry Chancery Division	Court case number 3101 of 2007
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[full name of court]

(a) Insert full name(s) and
address(es) of
administrator(s)We (a) Leslie Ross and David Michael Riley of Grant Thornton UK LLP, Royal Liver Building Liverpool
L3 1PS joint administrators of the above company attach a progress report for the period

from

to

(b) Insert dates

(b) 11 September 2007

(b) 2 March 2010

Signed



Joint Administrator (IP No 7244)

Dated 11 March 2010

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.

Dave Jones

Grant Thornton UK LLP, Royal Liver Building Liverpool L3 1PS

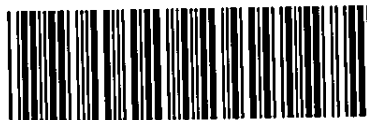
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COMPANIES HOUSE

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

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



Grant Thornton

Our Ref LR/S00451/DKJ/7

To the Creditors

2 March 2010

Dear Sirs

Stopgate Properties Limited - In Administration

**High Court of Justice
Manchester District Registry
Chancery Division**

Number 3101 of 2007

1 INTRODUCTION

- 1.1 Following the appointment of myself and David Rley as joint administrators of the above company by Yorkshire Bank plc on 11 September 2007, I now report on the progress of the administration to date
- 1.2 I enclose Form 2.24B together with an account of my receipts and payments (Appendix A) for the period ended 2 March 2010 in accordance with Rule 2.47 of the Insolvency Rules 1986
- 1.3 In accordance with paragraph 100 (2) of Schedule B1 to the Insolvency Act 1986 the functions of the administrators are to be exercised by any or all of them

2 STATUTORY INFORMATION

- 2.1 The company's statutory details are as follows

registered number 4175681

registered office Grant Thornton UK LLP
Royal Liver Building
Liverpool
L3 1PS

Recovery and Reorganisation

Grant Thornton UK LLP
Royal Liver Building
Liverpool L3 1PS

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Chartered Accountants

Member firm within Grant Thornton International Ltd

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales. No OC307742. Registered office: Grant Thornton House, Mutton Street, Euston Square, London NW1 2EP. A list of members is available from our registered office.

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business.

A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address.

former trading address

Alexandra House
Hanson Road
Liverpool
L9 7BP

3 PROGRESS REPORT

- 3 1 A refinancing of the existing property portfolio could not be achieved and consequently there was no prospect of rescuing the company as a going concern
- 3 2 I am therefore continuing with a sale of the apartments at The Focus Building together with the remaining apartments at Victoria Street which I consider will achieve a better result for the company's creditors as a whole than would be likely if the company were wound up, or realising property in order to make a distribution to one or more secured or preferential creditors

Commercial Properties

- 3 3 The two commercial properties, Emirates House and Alexandra House, were sold in January 2009 and realised £425,000 in total

Apartments 74 and 77, The Focus Building

- 3 4 Draft contracts for the sale of both units have been issued to prospective purchasers and I am anticipating exchange and completion shortly

38/40 Victoria Street

- 3 5 This was a redevelopment of a city centre commercial site into 12 separately contained apartments that was completed in September 2008. I incurred completion costs of £444,762 as itemised in my receipts and payments account at Appendix A
- 3 6 To date I have sold ten apartments realising £1,260,000, however, my receipts and payments account only includes proceeds from nine apartments of £1,150,000. I am awaiting funds to be transferred from my solicitor in relation to the tenth apartment as the sale has only recently been completed
- 3 7 As regards the remaining two apartments, I have exchanged contracts for sale on one apartment, with completion expected shortly, and am nearing a simultaneous exchange and completion in respect of the other apartment

Other matters

- 3 8 Other than a sale of the apartments as detailed above, all realisations have now been completed and are itemised in my receipts and payments account at Appendix A
- 3 9 In accordance with paragraph 76(2)(b) of Schedule B1 to the Insolvency Act 1986 the administration was extended for a period of 12 months to give a revised date for the automatic termination of the administration of 10 March 2010. A further extension is being sought to allow sale of the remaining properties and finalise outstanding taxation matters

- 3 10 The amount due to the secured creditor at the date of my appointment was £2,896,776 secured by fixed charges over the company's properties and a floating charge dated 26 January 2006
- 3 11 Based on the figures currently to hand there will be no prescribed part of floating charge assets available to be set aside for the benefit of unsecured creditors under Section 176A of the Insolvency Act 1986, as the company's net property is less than the prescribed minimum
- 3 12 However if the Company's net property exceeds the prescribed minimum, if appropriate and in accordance with Section 176A (5) of the Insolvency Act 1986, I propose to make application to Court for an order that Section 176A should not apply if it transpires that the costs of distribution would be disproportionate to the benefits
- 3 13 I estimate that after costs the Bank will recover approximately £1 2 million and suffer a shortfall of approximately £1 7 million
- 3 14 As there will be a shortfall to the secured creditor I do not anticipate a dividend to unsecured creditors
- 3 15 In accordance with Statement of Insolvency Practice (SIP 9), I attach as Appendix B a summary of my time costs to 24 February 2010 by grade of staff and type of work This shows total time costs of £514,934, representing 2 128 hours at an average of £242 per hour Details of any matters which have had a significant impact on the time costs are included in the appendix, together with details of any disbursements charged during the period under review
- 3 16 As there will likely be no return to unsecured creditors, the joint administrators' remuneration and disbursements will have to be agreed with the secured creditor in accordance with Rule 2 106(5A) of the Insolvency (Amendment) Rules 2005 The secured creditor has approved interim administrators' fees of £125,000 which I have drawn

Yours faithfully
for and on behalf of Stopgate Properties Limited



Leslie Ross
Joint Administrator

APPENDIX A**STOPGATE PROPERTIES LIMITED - IN ADMINISTRATION****RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD 11 SEPTEMBER 2007 TO 2 MARCH 2010**

	£
RECEIPTS	
Realisation of assets	
Book debts	10,374
Commercial properties	425,000
Long leasehold - Victoria Street	1,150,000
Rent and electricity recharges	54,072
VAT refund	55,175
Insurance claims	135,016
Cash at bank	4,988
	<u>1,834,626</u>
PAYMENTS	
Administration expenses	
Completion costs - Victoria Street	444,762
Legal fees	50,435
Administrators' fees	125,000
Administrators' disbursements	2,866
Security and site clearance	60,464
Insurance	85,850
Utilities	36,658
Agents fees and marketing	26,753
Bank charges and interest	15,402
Statutory notices	201
Yorkshire Bank plc	775,000
VAT	18,856
	<u>1,642,247</u>
Balance at bank	<u>192,379</u>

Introduction

The following information is provided in connection with the Joint Administrators remuneration and disbursements in accordance with SIP 9

Explanation of Grant Thornton UK LLP charging and disbursement recovery policies

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown on the attached schedule. Details of the hourly charge-out rates are made available to creditors or committees at the time of fixing the basis of our fees. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it.

	To 30 June 2008 £	To 30 June 2009 £	From 1 July 2009 £
Partners	375	390	410
Manager up to	330	335	355
Administrators up to	175	195	205
Assistants and support staff up to	110	135	145

Disbursements

Out of pocket expenses are charged at cost. Mileage is charged at standard rates which comply with HM Revenue and Customs limits or AA recommended rates. Where a room is booked at a Grant Thornton UK LLP office for a meeting of creditors or of a creditors' meeting, a charge of £65 is made. Storage of records directly relating to a case at £8 per annum per box and confidential destruction at £2.20 per box. VAT is added to disbursement charges as necessary.

Time and Charge-out Summaries

Classification of Work Function	Partner Hours	Manager Hours	Other Senior Professional Hours	Assistant and Support Staff Hours	Total Hours	Time Cost £	Average Hourly Rate £
Admin & Planning	23 15	251 05	119 44	193 38	587 02	112,985	192 47
Investigations	32 50	23 50	0 00	8 75	64 75	19,098	294 95
Realisation of Assets	169 42	188 75	112 25	12 00	482 42	132,883	275 45
Trading	0 00	774 50	35 50	3 50	813 50	203,659	250 35
Creditors	41 95	100 25	1 50	36 50	180 20	46,309	256 99
Case specific matters (specify)							
Total hours and cost	267 02	1,338 05	268 69	254 13	2,127 89	514,934	241 99
Total fees claimed to date						£125,000	

Disbursements

Disbursements charged for the period from 11 September 2007 to 24 February 2010 total £3,525 98 and relate to the practitioners insolvency bond, mileage charged at the standard rate and courier charges