

The Insolvency Act 1986

Administrator's progress report

Name of Company <i>Fallapit House Limited</i>	Company number <i>05705718</i>
In the <i>High Court of Justice</i> <i>Chancery Division</i> <i>Companies Court</i> [full name of court]	Court case number <i>1062 / 2012</i>

(a) Insert full name(s) and address(es) of administrator(s)

++We (a) Graham Paul Bushby and Guy Edward Brooke Mander of Baker Tilly Restructuring and Recovery LLP, The Pinnacle 170 Midsummer Boulevard, Milton Keynes, MK9 1BP

administrator(s) of the above company attach a progress report for the period

(b) Insert dates

from (b) <i>9 January 2013</i>	to (b) <i>21 June 2013</i>
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Signed *[Signature]* Joint / Administrator(s)Dated *19 July 2013***Contact Details:**

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

<i>Anne Carstens of Baker Tilly Restructuring & Recovery LLP</i>	
<i>The Pinnacle, 170 Midsummer Boulevard, Milton Keynes</i>	
<i>MK9 1BP</i>	Tel <i>01908687800</i>
DX Number	DX Exchange

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



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COMPANIES HOUSE

SATURDAY

**IN THE MATTER OF
FALLAPIT HOUSE LTD IN ADMINISTRATION
IN THE HIGH COURT OF JUSTICE, CHANCERY DIVISION, COMPANIES COURT
NO 1062 OF 2013**

JOINT ADMINISTRATORS' PROGRESS REPORT

24 JUNE 2013

**GRAHAM BUSHBY AND GEORGE ANTHONY PETER MALONEY
JOINT ADMINISTRATORS**

APPOINTED 03 FEBRUARY 2012

**BAKER TILLY RESTRUCTURING AND RECOVERY LLP
THE PINNACLE
170 MIDSUMMER BOULEVARD
MILTON KEYNES MK9 1BP**

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1. PURPOSE OF REPORT

This report has been prepared in accordance with insolvency legislation to provide creditors with information relating to the progress of the Administration in the period from 9 January 2013 to 21 June 2013. This report should be read in conjunction with any previous reports that have been issued, copies of which are available on request.

This report has been prepared solely to comply with the statutory requirements of Rule 2.47 of the Insolvency Rules 1986 (as amended). It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to significant change. Neither the Administrators nor Baker Tilly Restructuring and Recovery LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this proposal.

2. PROGRESS OF THE ADMINISTRATION

2.1 Freehold Property

As stated in previous reports the Company's main asset is the freehold development site at Fallapit Estate, East Allington, Totnes, Devon ("the Development"). The Development consists of 32 units in total. Phase I, comprising 23 units, is complete, of these 18 units were sold prior to the Administrators' appointment. Phase II comprises 9 units of which 8 units (known as "Block E") are partially complete, the remaining unit was intended to be a standalone "Eco-House" and is constructed to foundation level.

Construction

With the sanction of the secured creditor a process has now commenced to complete Phase II (excluding the Eco-House). A tender process was undertaken and a contractor appointed.

Construction has been underway since April 2013 with the bulk of the construction work on site to date consisting of rectification work, such as the correction of drainage and location of services and the commencement of the internal works.

Construction is scheduled to complete during September 2013.

North Paddock

We have ascertained that the title of an area of land adjacent to the estate known as the North Paddock is owned by the Company.

We have undertaken a valuation of the land and are currently considering options for its realisation.

Marketing and Sales

The development has benefited from continual marketing since our appointment as administrators. During this time, the properties have been advertised in local and regional press plus national exposure through the main property portals such as rightmove and primelocation, with over 50 brochures and numerous viewings in this time.

We received significant unsolicited interest in the "Eco-House" site and as a result we instructed Mansbridge and Balment to place it on the market on an "as is" basis. The property was advertised in local press and on leading internet sites. A deadline for best and final offers was set for 20 December 2012 and a number of offers were received. Following this problems we accepted an offer and expect to exchange and complete shortly.

We have also received offers on four of the five units completed within Phase 1 (pre Administration). After negotiations offers have been accepted subject to contract and these units.

We are unable to disclose sale prices at this time so as to not prejudice the sales.

Mansbridge and Balment remain instructed to market the completed units together with the Block E units.

The site remains secure and under our control.

2.2.1 Potential Claim for Compensation for Mis-selling of Interest Rate Hedging Product

As you may be aware, a settlement agreement was recently reached between the Financial Services Authority ("FSA") and certain major banks, including IBRC in relation to the sale of interest rate hedging products. We are currently investigating whether or not the Company was sold a relevant Interest Rate Hedging Product, and whether there is an entitlement to redress within the framework of the FSA settlement, or otherwise.

We are aware that a number of banks are in the process of developing a methodology to implement the terms of the settlement reached with the FSA in respect of the sale of these products. Our understanding is that this process will take several months to refine and finalise and, until such time, our own investigations cannot be completed. However, it should be noted that there has not, as yet, been any clarification as to how any such compensation would be treated and thus which creditors would have priority. The Joint Administrators are therefore at present unable to ascertain whether any such funds would therefore be available for creditors.

Consequently, to ensure creditors' rights to any potential claim are protected, we are at present unable to conclude the Administration.

2.3. Trading

No trading has taken place since the date of Administration to date

2.4. Investigations

In accordance with our statutory obligations, we have filed the appropriate documentation with the Department of Business, Innovation and Skills in relation to the conduct of the Directors

2.5. Administration and Planning

This includes dealing with the commencement of the case administration, statutory filing of appointment documents with Companies' House, requesting the submission of the Statement of Affairs, together with day-to-day case administration duties, maintenance of records and on-going statutory obligations.

These include but are not limited to handling receipts and payments, tax issues such as notifying HMRC of the appointment and general correspondence. Other matters which are required to be dealt with as part of the appointment and which will fall under this heading include case planning and strategy, case reviews, bonding, obtaining company searches, maintenance and obtaining books and records, general meetings/correspondence with creditors, statutory and other advertising, insurance, re-directed mail, statutory receipts and payments accounts and preparing the Administrators' proposals

3. ASSETS REMAINING TO BE REALISED

In view of the on-going completion of the units we have taken the view not to disclose an estimated realisations value for the property at this time as this may be prejudicial to the sale of the units

To date we have not sold any of the units, although offers have been accepted a number of units subject to contract (see 2.1 above).

4. EXTENSION OF THE ADMINISTRATION

As set out above, the Joint Administrators are seeking a further 18 month extension from the Court to allow time to pursue the build out strategy of the development. Formal confirmation will be sent to all creditors in respect of the outcome of the extension request.

5. CREDITORS' CLAIMS AND DIVIDEND PROSPECTS

Dividend prospects and projected returns to creditors, where known, are detailed in Appendix A, including any amount due to under the prescribed part Please note that these are indicative only and should not be used as the sole or principal basis for any bad debt provision or other purposes. They may be subject to revision and additional costs

The agreement of creditors' claims by the Joint Administrators (or any subsequently appointed Supervisor or Liquidator) is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by creditors themselves.

6. RECEIPTS AND PAYMENTS SUMMARY

We attach as Appendix B a summary of our receipts and payments for the period from 9 January 2013 to 21 June 2013

VAT Basis

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately.

7. COSTS AND JOINT ADMINISTRATORS' REMUNERATION

The firm's charging, expenses and disbursements policy was provided with the Joint Administrators' proposals. A further copy can be provided on request

7.1. Pre-Administration costs

There were no unpaid pre-appointment costs at the date of appointment

7.2. Joint Administrators' Remuneration and Disbursements

As there is unlikely to be any return to unsecured creditors we will, in accordance with legislation, agree our fees and disbursements with the secured creditors, as appropriate

The Joint Administrators' have sought and obtained approval for their remuneration in the sum of £73,702 on account from the secured lender. They have incurred time costs of £188,413 50 plus VAT in respect of Baker Tilly Restructuring and Recovery LLP for the Administration of which £64,420.50 has been incurred in this period and Baker Tilly Ryan Glennon has incurred time costs of €4,538 plus VAT of which €375 has been incurred in this period. An analysis of time incurred in the period is attached at Appendix F

Approval was also given to the drawing of disbursements, including category 2 disbursements. Details of the current rates are attached at Appendix C. Category 2 disbursements incurred in the period are detailed in Appendix D.

7.3. Other Professional Costs

Appendix E includes details of other professional costs that have been incurred. The receipts and payments abstract at Appendix B sets out which of these costs have been paid. All such costs are subject to review before being paid and any payments made in the period are disclosed in the receipts and payments account at Appendix B.

8. CREDITORS' RIGHT TO INFORMATION AND ABILITY TO CHALLENGE EXPENSES

In accordance with the provisions of Rules 2.48A and 2.109 of the Insolvency Rules 1986 creditors have a right to request further information about remuneration or expenses (other than pre-Administration costs) and to challenge such remuneration or expenses

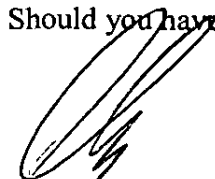
A request for further information must be made in writing within 21 days of receipt of this report

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the administrator are in all the circumstances excessive

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question

A Creditors Guide to Fees Charged by Administrators, can be accessed at the website of the Insolvency Practitioners Association (www.insolvency-practitioners.org.uk - "Regulation and Guidance > Creditors Guides to Fees"), or the Institute of Chartered Accountants in England & Wales (www.icaew.com - "Technical Resources > Insolvency > Creditors' guides") Alternatively I can provide you with a copy on written request to my office

Should you have any further queries please do not hesitate to contact me



G P Bushby
Baker Tilly Restructuring and Recovery LLP
Joint Administrator

Graham Bushby is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales
George Anthony Peter Maloney

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

Appendix A

STATUTORY, DIVIDEND AND OTHER INFORMATION

Company Name:	Fallapit House Ltd
Functions	The Joint Administrators' appointment specified that they would have power to act jointly and severally. The Joint Administrators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment.
Previous Company Names:	Fallapit House SVP Ltd
Company Number:	05705718
Date of Incorporation:	10/02/2006
Trading Name	Fallapit House Ltd
Trading Address	The Fallapit Estate, East Allington, Totnes, Devon, TQ9 7QE
Principal Activity	Construction - Property Development
Registered Office	c/o Baker Tilly Restructuring and Recovery LLP The Pinnacle 170 Midsummer Boulevard Milton Keynes MK9 1BP
Appointor	IBRC Asset Finance Plc (formerly Anglo Irish Asset Finance Plc of Old Jewry, London, EC2R 8DN)
Details of any extension:	Secured creditor granted and extension to 3 August 2013 A further extension is currently being sought
Proposed exit route:	Dissolution and if not possible then Creditors' Voluntary Liquidation

Dividend Prospects	Owed	Paid to Date	Estimated future Prospects
Secured creditor (1)	£7,485,337	NIL	Payment In full / shortfall
Preferential creditors	n/a	n/a	n/a
Unsecured creditors	£103,511	NIL	Not known
Estimated net property	£not specified		
Estimated prescribed part available for unsecured creditors	N/A		
Whether and why the Administrators intend to apply to court under S176(A)(5) IA86	N/A		

Appendix B

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD 9 JANUARY 2013 TO 21 JUNE 2013

SOA Value £		09/01/2013 to 20/06/2013		Total to 20/06/2013	
		£	£	£	£
4,705,000 00	SECURED ASSETS				
	Freehold Land and Property	0 00		0 00	
			0 00		0 00
(7,854,333 52)	SECURED CREDITORS				
	Claims	0 00		0 00	
			0 00		0 00
	ASSET REALISATIONS				
0 00	Bank Interest Gross	7 04		10 31	
0 00	Insurance claim Refund	1,416 00		1,416 00	
0 00	Refund of phone/broadband charges	0 00		77 07	
0 00	Refund. Water Charges	0 00		227 29	
			1,423 04		1,730 67
	COST OF REALISATIONS				
0 00	1 Bouchard - Council Tax	(1,201 93)		(2,913 49)	
0 00	1 De Challon - Council Tax	(1,421 48)		(3,444 04)	
0 00	1 Martel - Council Tax	(1,421 48)		(3,444 04)	
0 00	2 Martel - Council Tax	(1,201 93)		(2,913 49)	
0 00	3 Bouchard - Council Tax	(1,017 95)		(2,729 51)	
0 00	Administrators fees - Ireland	(2,383 74)		(2,383 74)	
0 00	Agents / Valuers Fees	(1,356 25)		(4,856 25)	
0 00	Appointee Disbursements	(2,584 00)		(2,584 00)	
0 00	Appointee Fees	(71,318 00)		(71,318 00)	
0 00	Bank Charges	(32 36)		(63 83)	
0 00	Buld Costs Architect Fees	(6,000 00)		(8,250 00)	
0 00	Buld Costs Building Regulation	(600 00)		(2,864 20)	
0 00	Buld Costs Electrical Works	(860 00)		(860 00)	
0 00	Buld Costs Marketing Materials	(16,110 00)		(16,110 00)	
0 00	Buld Costs Mechanical Engineer	(7,790 00)		(18,367 65)	
0 00	Buld Costs Construction	(70,800 00)		(70,800 00)	
0 00	Consultancy Fees	(10,000 00)		(10,000 00)	
0 00	H&S Inspection	(2,200 00)		(2,200 00)	
0 00	Insurance	(25,497 23)		(25,497 23)	
0 00	Insurance claim - payment of	(1,416 00)		(1,416 00)	
0 00	Insurance Directors & Officers	(4,664 00)		(4,664 00)	
0 00	Insurance Premium Fee	(1,000 00)		(1,000 00)	
0 00	Legal Fees	(6,687 00)		(6,687 00)	
0 00	Mail Redirection	0 00		(110 00)	
0 00	Management Company Costs	(6,276 55)		(9,276 55)	
0 00	Property General Maintenance	0 00		(27,876 55)	
0 00	Security Costs	(13,056 23)		(92,606 30)	
0 00	Utilities Electricity	(2,038 68)		(3,763 54)	
0 00	Utilities Gas	(1,690 17)		(1,690 17)	
0 00	Utilities Water charges	(108 02)		(475 55)	
			(260,733 00)		(401,165 13)
(93,320 44)	UNSECURED CREDITORS				
	Trade and Expense Creditors	0 00		0 00	
			0 00		0 00
(100 00)	EQUITY				
	Ordinary Shares	0 00		0 00	
			0 00		0 00
			(259,309 96)		(399,434 46)
	REPRESENTED BY				
	Barclays Bank Plc - Float Account			115,892 21	
	NAMA Facility 1 (£605,000 00)			(539,167 92)	
	VAT Receivable (Payable)			23,841 25	
					(399,434 46)
					(399,434 46)

Appendix C

BAKER TILLY RESTRUCTURING AND RECOVERY LLP JOINT ADMINISTRATORS' CURRENT CHARGE OUT AND DISBURSEMENT RATES

HOURLY CHARGE OUT RATES				
	Baker Tilly Restructuring and Recovery LLP Rate at commencement £	Baker Tilly Restructuring and Recovery LLP Current rate £	Baker Tilly Ryan Glennon LLP Rate at commencement €	Baker Tilly Ryan Glennon LLP Current rate €
Partner	£405	£405	€375	€375
Manager	£295 - £205	£295 - £205	€275 - €190	€275 - €190
Administrator	£155 - £100	£155 - £100	€105	€105
Support staff	£100	£100	€50	€50

"CATEGORY 2" DISBURSEMENT RATES (TABLE A)	
<i>For use in respect of cases where the appointment is on or after 1 April 2011</i>	
Travel & Subsistence	
Motor travel	40p per mile (from 1 April 2010) 42 5p per mile (from 1 April 2011)
Subsistence	£23 per night
Circulars to Members / Creditors	
Labels	£ 0 06 per sheet (16 labels)
Headed paper	£ 0.08 per sheet
Plain paper	£ 0 01 per sheet
Large envelopes	£ 0 03 each
Small envelopes	£ 0 02 each
Photocopying charge	£ 0 05 per sheet
Stationery	
Lever arch files	£0 95 per file
Cashiering files	£0 90 per file
A-Z dividers	£1.46 per set
1-31 dividers	£2.66 per set
Coloured dividers (5 part)	£0 19 per set
Coloured dividers (10 part)	£0 22 per set
Multi-punch pockets	£0 14 per pocket
Storage costs	£0 48 large £0.31 standard per month
Storage boxes	£2 50 large £1.75 standard per box
Sundry	
Faxes	£0.62 per sheet
Internal room hire (for meetings)	£25 or £80 per room

"CATEGORY 2" DISBURSEMENT RATES (TABLE B)	
Fax	62p per fax
Photocopying	6.5p per sheet
Internal room hire	£25 or £80 per room used
Subsistence	£23 per night
Travel (car)	38p per mile (up to and including 31 March 2010) 40p per mile (from 1 April 2010) 42 5p per mile (from 1 April 2011)

Appendix D**BAKER TILLY RESTRUCTURING AND RECOVERY LLP
JOINT ADMINISTRATORS' CATEGORY 2 DISBURSEMENTS TABLE**

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest		
Recipient, Type and Purpose	Paid	Unpaid
	£	£
Mileage – own car	-	£174 25
Subsistence	-	£2 9
Total	-	£176 34

Appendix E

STATEMENT OF EXPENSES INCURRED BY THE JOINT ADMINISTRATORS' IN THE PERIOD FROM 9 JANUARY 2013 TO 21 JUNE 2013

Type and Purpose	Incurred in Period
	£
Baker Tilly Restructuring and Recovery LLP	
Administrators Fees	64,420 50
Administrators Disbursements - Travel	174 25
Administrators Disbursements - Company searches	5 00
Administrators Disbursements - Legal Costs Martinueas	-
Administrators Disbursements - Legal Costs Eversheds	-
Administrators Disbursements - Legal Costs Michelmores	6,687 00
Costs of Realisations	
Council Tax	6,264 80
Architect Costs	2,250 00
Agents/Valuers Fees	1,356 25
Build Costs Architect Fees	6,000 00
Build Costs Building Regulation	600 00
Build Costs Electrical Works	860 00
Build Costs Marketing Materials	16,110 00
Build Costs Mechanical Engineer	7,790 00
Build Costs Pre Construction	70,800 00
Consultancy Fees	10,000 00
Health and Safety Inspection	2,200 00
Insurance	32,577 23
Management Company Costs	6,276 55
Security	13,056 23
Utilities Water	108 02
Utilities Electricity and Gas	3,728 85
Total	251,264.68
Baker Tilly Ryan Glennon	€
Administrators Fees - Baker Tilly Ryan Glennon	375 00
Total	375 00

The table above excludes any tax liability as the amounts due will depend on the position at the end of the accounting period. The statement above may include estimated amounts where actual invoices have not been received. The receipts and payments abstract at Appendix B sets out the expenses actually paid in the period.

Appendix F

JOINT ADMINISTRATORS' TIME COST ANALYSIS

FOR THE PERIOD FROM 09 JANUARY 2013 TO 21 JUNE 2013 – BAKER TILLY UK

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs	Average rates
Administration and Planning							
Case Management	0.0	2.0	6.2	0.0	8.2	£1,006.00	£122.68
Director(s)/Debtor/Bankrupt	0.0	0.0	2.4	0.0	2.4	£252.00	£105.00
Post appointment - general	0.0	2.5	2.5	0.0	5.0	£760.00	£152.00
Receipts and Payments	0.0	0.0	68.9	0.0	68.9	£7,281.00	£105.67
Tax Matters	0.0	0.8	2.2	0.0	3.0	£409.50	£136.50
Totals	0.0	5.3	82.2	0.0	87.5	£9,708.50	£110.95
Investigations							
Investigations/CDDA	0.0	0.0	1.2	0.0	1.2	£126.00	£105.00
Totals	0.0	0.0	1.2	0.0	1.2	£126.00	£105.00
Realisation of Assets							
Assets - general/other	0.0	1.0	0.0	0.0	1.0	£196.00	£196.00
Land and Property	10.0	153.6	61.0	0.0	224.6	£43,008.50	£191.49
Sale of business	0.0	0.1	0.0	0.0	0.1	£17.50	£175.00
Totals	10.0	154.7	61.0	0.0	225.7	£43,222.00	£191.50
Creditors							
Other Creditor Meetings and Reports	2.0	0.3	15.7	0.0	18.0	£2,511.00	£139.50
Secured Creditors	4.5	28.0	4.4	0.0	36.9	£7,190.50	£194.86
Unsecured Creditors	0.0	0.5	0.0	0.0	0.5	£87.50	£175.00
Totals	6.5	28.8	20.1	0.0	55.4	£9,789.00	£176.70
Case Specific Matters Legal Matters							
Legal Matters	0.0	9.0	0.0	0.0	9.0	£1,575.00	£175.00
Totals	0.0	9.0	0.0	0.0	9.0	£1,575.00	£175.00
TOTAL HOURS	16.5	197.8	164.5	0.0	378.8	£64,420.50	£170.58
TOTAL TIME COST	£6,682.50	£40,343.50	£17,394.50	£0.00		£64,420.50	
TOTAL AVERAGES	405.0	204.0	105.7	0.0			

FOR THE PERIOD FROM 09 JANUARY 2013 TO 21 JUNE 2013 – BAKER TILLY
RYAN GLENNON

HOURS SPENT	Partners	Manager	Administrators	Assistants	Total Hours	Total Time Costs	Average Hourly Rate
Administration and Planning	0.5	0.5	1.0	0.0	2.0	£376.00	£188.00
Investigation	0.0	0.0	0.0	0.0	0.0	£0.00	£0.00
Realisation of Assets	0.0	0.0	0.0	0.0	0.0	£0.00	£0.00
Trading	0.0	0.0	0.0	0.0	0.0	£0.00	£0.00
Creditors	0.0	0.0	0.0	0.0	0.0	£0.00	£0.00
Case Specific Matters	0.0	0.0	0.0	0.0	0.0	£0.00	£0.00
Total Hours	0.5	0.5	1.0	0.0	2.0	£376.00	
Total Time Costs	£188.00	£138.00	£50.00	£0.00	£376.00	£376.00	
Charge out Rates	£375	£275 - £190	£105	£50			