

The Insolvency Act 1986

Administrator's progress report

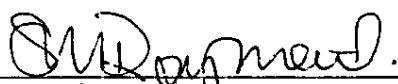
Name of Company Borderbeach Limited	Company number 06387396
In the High Court of Justice Chancery Division Companies Court <small>[full name of court]</small>	Court case number 16545 of 2009

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

We (a) Shay Bannon and Sarah Rayment of BDO LLP, 55 Baker Street, London, W1U 7EU

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

	From	to
(b) Insert date	(b) 20 July 2010	(b) 22 November 2010

Signed 
Joint Administrator

Dated 22/11/10

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.

BDO LLP, 55 Baker Street, London, W1U 7EU	
Our Ref MJC/NJA/00144576	Tel 020 7893 2146
DX Number	DX Exchange

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



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02/12/2010
COMPANIES HOUSE

THURSDAY

22 November 2010

Our Ref MJC/NJA/00144576

Please ask for Andrew Haynes
Direct line: 020 7893 2226**TO ALL CREDITORS AND MEMBERS**

Dear Sirs

Borderbeach Limited - In Administration ("the Company")

It is nearing 18 months since my appointment in respect of the Company. In accordance with Rule 2.47 of the Insolvency Rules 1986 I am now reporting the progress made in implementing the approved proposals and achieving the statutory purpose of the Administration. This report should be read in conjunction with my previous reports to creditors

1 Statutory Information

- 1.1 The Joint Administrators are Shay Bannon and Sarah Rayment of BDO LLP, 55 Baker Street, London, W1U 7EU and they were appointed in respect of the above Company on 20 July 2009. Under the provisions of paragraph 100(2) of schedule B1 of the Insolvency Act 1986 the Administrators carry out their functions jointly and severally and neither Administrator has exclusive power to exercise any function.
- 1.2 Following cash flow difficulties with the development, an application to the court for the appointment of Joint Administrators was made by The Bank of Scotland Plc ("the Bank"), being a Qualifying Floating Charge Holder, pursuant to Paragraph 22 of schedule B1 of the Insolvency Act 1986. The Administration proceedings are dealt with in the High Court of Justice, Chancery Division and the court case number is 16545 of 2009.
- 1.3 The Company's registered office is situated at 55 Baker Street, London, W1U 7EU and formerly at 22 High Street, Trumpington, Cambridge, CB2 9LP and the registered number is 06387396.
- 1.4 I enclose, for your information, a summary of my receipts and payments to date showing an overdrawn balance of £346,632.47 together with a copy of my abstract account covering the last six month period, and report as follows:

2 Receipts and Payments

- 2.1 The receipts and payments shown are largely self-explanatory, although I would comment specifically on the following; that the costs to date have been supported by the Bank who have provided the Company the use of an overdraft facility.



3 Trading / Realisation of Assets

- 3.1 As stated in my previous reports, the Company was set up as a property development company, with the intention to acquire and sell (and / or possibly develop) its freehold site at Nacton Road, Ipswich ("the Site").
- 3.2 Following our appointment as Joint Administrators, we undertook an immediate review of the Company's affairs and operations. Arrangements were made to secure the property and repair the damage to the perimeter fencing in order to comply with the requirement of the insurance policy.
- 3.3 Due to the nature of the property we engaged environmental specialists to perform tests on the Site. We also instructed valuation agents to provide us with a report on the valuation
- 3.4 We are working with the secured creditor, the only party with an economic interest in the outcome of any disposal, in order to sell the property.
- 3 5 We have entered into sale negotiations with an interested party which, due to a number of circumstances, have become protracted. I am unable to disclose further information at present without compromising the sale negotiations.

4 Statement of Affairs

- 4.1 As previously advised, the directors initially submitted an incorrect statement of affairs. A revised statement of affairs has still not been submitted despite numerous requests. We do not expect to receive the Statement of Affairs from the directors.

5 Future of the Administration

- 5.1 I would refer creditors to my earlier reports, which outlined the three statutory purposes of an Administration.
- 5.2 The third statutory purpose of an Administration is to realise the Company's assets in order to make a distribution to one or more secured or preferential creditors. I still anticipate this to be the case.
- 5.3 The Joint Administrators' proposals anticipated exiting the Administration by way of dissolution. It is the Joint Administrators' view that dissolution of the Company remains the most appropriate exit route from the Administration.

6 Extension of Administration

- 6.1 In order to facilitate the sale of the Site, the Joint Administrators sought approval from the Bank, pursuant to Paragraph 78 of Schedule B1 of the Insolvency Act 1986, for the Company's Administration to be extended for a further period of six months. This approval was given and the Administration was extended to 19 January 2011.
- 6.2 In order to proceed with the sale of the Site, an application is being made by the Joint Administrators to the High Court pursuant to Rule 2.112(1) of the Insolvency Rules 1986, for the Company's Administration to be extended for a further period of 12 months.

7 Prospects for Creditors**7.1 Secured Creditors**

- 7.1.1 Under a debenture registered on 13 December 2007, the Bank has a fixed and floating charge over the assets of the Company. The balance due to the Bank is £20,087,546, which continues to incur interest and charges. Based on current information, it appears that the Bank will suffer a substantial shortfall.

7.2 Preferential Creditors

- 7.2.1 The Company did not have any employees. There are still, therefore, no claims to be lodged by preferential creditors.

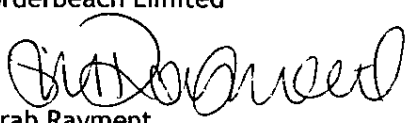
7.3 Unsecured Creditors

- 7.3.1 Under the provisions of Section 176A of the Insolvency Act 1986 the Joint Administrators must state the amount of funds available to the unsecured creditors in respect of the prescribed part. This provision only applies where a company has granted a floating charge to a creditor after the 15 September 2003, as has happened in this case.
- 7.3.2 Unfortunately the Company's net property under the floating charge is less than the prescribed minimum (currently £10,000), and the cost of distributing the prescribed part would be disproportionate to the benefits. Therefore under section 176A(3) of the Insolvency Act 1986 the prescribed part provisions will not apply in this Administration.

8 Joint Administrators' Remuneration

- 8.1 Under the terms of the Insolvency Rules 1986, the Joint Administrators are obliged to fix their remuneration in accordance with Rule 2.106(2) of the Insolvency Rules 1986. This permits remuneration to be fixed either as a percentage of the value of the property with which the Joint Administrators have to deal, or by reference to the time the Joint Administrators and their staff have spent attending to matters in the Administrations or, a fixed amount.
- 8.2 In respect of this Administration, the secured creditor has approved the Joint Administrators' remuneration on a time costs basis. To date costs of £118,496 have accrued but not yet been drawn in respect of remuneration. I attach schedules which summarises the time costs accrued to date and indicates the work undertaken in that respect
- 8.3 Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. No category 1 disbursements have been recovered in this matter.

Yours faithfully
For and on behalf of
Borderbeach Limited


Sarah Rayment
Joint Administrator
Authorised by the Insolvency Practitioners Association
Encs:

Borderbeach Limited
(In Administration)

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 20/07/2010 To 22/11/2010 £	From 20/07/2009 To 22/11/2010 £
RECEIPTS			
		-	-
PAYMENTS			
Sub Contractors		275 00	42,465 56
Insurance		31,725 00	91,700 00
Professional Fees		-	2,271 05
Security		86,112 70	153,646.20
Bank Charges & Interest		415 59	860.66
Agents/Valuers Fees (1)		-	18,220.74
Legal Disbursements		259 13	259.13
Legal Fees (2)		1,410 00	1,460.00
Vat Input		15,163 20	35,749.13
		135,360 62	346,632.47
OVERDRAWN BALANCE - 22 November 2010			(346,632.47)

BDO LLP
55 Baker Street
London
W1U 7EU

S Rayment & S Bannon
Joint Administrators
22 November 2010

Note:

1. The Bank has provided an overdraft facility to the Joint Administrators to finance the Administration.
2. A revised statement of affairs has not been provided by the directors
3. VAT is not recoverable.

Borderbeach Limited - In Administration

Summary of Time Charged and Rates Applicable for the Period From 20/07/2009 to 22/11/2010

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AVERAGE RATE
	Hours	Total £	Hours	Total £			Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	£
B Steps on Appointment	0 25	110 50	1 45	507 50	11 00	2,827 00	1 00	240 00					13 70	3,685 00	268 98
C Planning and Strategy	3 10	1,601 25	77 25	25,000 50			0 40	96 00	0 15	17 85			80 90	26,715 60	330 23
D Case Progression	0 70	364 00	6 40	2,193 35	10 00	2,570 00	29 20	7,025 00	62 15	7,745 10	2 70	239 20	111 15	20,136 65	181 17
E Asset Realisation / Dealing	24 70	12,999 00	72 75	23,527 50	7 00	1,799 00	13 35	3,244 75					117 80	41,570 25	352 89
G Employee Matters			0 15	52 50					0 75	87 75			0 15	52 50	350 00
H Creditor Claims													0 75	87 75	117 00
I Reporting	3 10	1,629 00	12 50	4,167 00			5 60	1,352 00	13 45	1,573 65			34 65	8,721 65	251 71
K Work	2 20	1,144 00	22 50	7,344 00	35 00	8,995 00					0 50	44 00	60 20	17,527 00	291 15
	34 05	17,847 75	193 00	62,792 35	63 00	16,191 00	49 55	11,957 75	76 50	9,424 35	3 20	283 20			

Net Total	419 30	118,496 40
Other Disbursements		951 92
Grand Total		£119,448 32