

AM10

Notice of administrator's progress report



Companies House

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08/02/2020

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COMPANIES HOUSE

1 Company details

Company number 09190191
Company name in full Environ Freshford Mill Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Damian
Surname Webb

3 Administrator's address

Building name/number 25 Farringdon Street
Street
Post town London
County/Region
Postcode EC4A4AB
Country

4 Administrator's name ^①

Full forename(s) Mark
Surname Boughey

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ^②

Building name/number Hartwell House
Street 55-61 Victoria Street
Post town Bristol
County/Region
Postcode BS16AD
Country

② Other administrator
Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

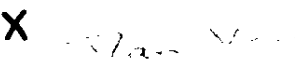
6 Period of progress report

From date	^d 1	^d 2	^m 0	^m 7	^y 2	^y 0	^y 1	^y 9	
To date	^d 1	^d 1	^m 0	^m 1	^y 2	^y 0	^y 2	^y 0	

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature 	X							
Signature date	^d 0	^d 7	^m 0	^m 2	^y 2	^y 0	^y 2	^y 0	

AM10

Notice of administrator's progress report



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	Joseph Boulton
Company name	RSM Restructuring Advisory LLP
Address	25 Farringdon Street
Post town	London
County/Region	
Postcode	E C 4 A 4 A B
Country	
DX	
Telephone	0203 201 8000



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☒ The company name and number match the information held on the public Register.
- ☒ You have attached the required documents.
- ☒ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

In the matter of

Environ Freshford Mill Limited In Administration

('the Company')

in the High Court of Justice, Business & Property Courts of England & Wales no 4678 of 2019

Joint Administrators' progress report

7 February 2020

Damian Webb and Mark Boughey

Joint Administrators

**RSM Restructuring Advisory LLP
25 Farringdon Street
London
EC4A 4AB
Tel: 0203 201 8000
Email: restructuring.london.core@rsmuk.com**

Sections

1. Progress of the administration in the previous six months
2. Details of what remains to be done and matters preventing closure
3. Creditors' claims and dividend prospects
4. Receipts and payments summary
5. Joint Administrators' remuneration, expenses and disbursements
6. Creditors' right to information and ability to challenge remuneration and expenses

Appendices

- A. Statutory and other information
- B. Dividend information
- C. Summary of receipts and payments
- D. RSM Restructuring Advisory LLP charging, expenses and disbursements policy statement
- E. RSM Restructuring Advisory LLP current charge out and disbursement rates
- F. Statement of expenses incurred in the period from 12 July 2019 to 11 January 2020

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 12 July 2019 to 11 January 2020. 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 the relevant legislation. 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 RSM Restructuring Advisory 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 report.

1. Progress of the administration in the previous six months

1.1 Realisation of assets

The Joint Administrators are obliged to realise and get in the Company's property and maximise realisations. In some cases this does not result in sufficient realisations to result in a financial return to creditors, after taking into account the costs and expenses of realisation and dealing with the legislative requirements of administering the case. Details of the realisations made are set out below, with information relating to dividends, if any, contained within Appendix B.

1.1.1 Freshford Mill Development

The Company holds a beneficial interest in Freshford Mill, a former manufacturing site dating back to the late-17th Century, on the banks of the River Frome in Freshford, Somerset ("the Site"). The Company was incorporated to develop 24 residential units on the Site, alongside Freshford Mill Management Company Limited – in Administration ("FMMC") which was incorporated during the same period to hold the freehold for the Site.

The Site is secured by a joint charge over both the Company and FMMC. As previously advised, the Company's secured creditors, Wellesley Finance Plc ("Wellesley"), have appointed Ben Lovell and Rosalind Goode of Avison Young as Joint Receivers over the Site. Further details as to the role of the Joint Receivers and a brief outline of their progress since their appointment is outlined in Section 2.1.1.

1.1.2 Cash at Bank

The Joint Administrators have realised £117,720 from NatWest in respect of the funds held on the Company's pre-appointment bank account.

1.1.3 Bank Interest Gross

The Joint Administrators have realised a total of £83 in respect of interest accrued on funds held in the Administration bank account with Royal Bank of Scotland.

1.2 Investigations

In accordance with our statutory obligations, we have filed the appropriate documentation in relation to the conduct of the directors.

1.3 Case specific matters

1.3.1 VAT position

The Joint Administrators were made aware on appointment that the Company was a VAT registered entity. The Joint Administrators engaged RSM's tax team who reviewed the position and advised that VAT on development costs could be reclaimed by the Joint Administrators.

1.3.2 Repayment of Reservation Deposit

Following their appointment, the Joint Administrators were advised that a £5,000 reservation deposit had been paid for one of the development properties, Letcombe Lodge, some months before their appointment. The prospective purchasers advised they no longer wished to progress with the sale and sought a refund of the £5,000 in question. The Joint Administrators took steps to identify the £5,000 payment in the Company's pre-appointment bank statements and arranged repayment of these funds.

1.3.3 Website

The Company previously ran a marketing website for the development at <https://www.freshfordmill.com/>, which the Joint Receivers advised they would wish to continue running as part of their own marketing. During the period, the Joint Administrators made contact with the original website developer in order for the relevant control to be handed to the Joint Receivers in order to make their proposed changes.

1.3.4 Employees

The Company had two employees, who were made redundant following the appointment of Administrators. RSM's employee relations team have supported these employees with the submission of their claim to the Redundancy Payment Office.

1.4 Administration and planning

Certain aspects of the work that the Joint Administrators undertake are derived from the underlying legal and regulatory framework for cases of this nature. This work, which does not usually result in any direct financial return to creditors, is a necessary aspect of ensuring that the Joint Administrators are complying with both of their legislative and best practice responsibilities, and ensuring that the case is managed efficiently and effectively. It includes matters such as:

- Periodic case reviews, ongoing case planning and strategy;
- Maintaining and updating computerised case management records;
- Dealing with routine correspondence not attributable to other categories of work;
- Ongoing consideration of ethical and anti-money laundering regulations;
- General taxation matters, including seeking tax clearance from HMRC;
- Preparation of receipts and payments accounts, maintenance of cashing records;
- General administrative matters in relation to closing the case;
- Pension schemes, liaising with PPF/Pensions Regulator/Trustees; and
- Consideration of Health and Safety and environmental regulations.

2 Details of what remains to be done and matters preventing closure

2.1 Assets remaining to be realised

2.1.1 Freshford Mill

As previously advised, Ben Lovell and Rosalind Goode of Avison Young were appointed as fixed charge Receivers by the Company's secured charge holder, Wellesley, following the appointment of Administrators. The Joint Administrators granted consent to their appointment, pursuant to paragraph 43(2)(a) Schedule B1 of the Insolvency Act 1986. As noted in the Joint Administrators Statement of Proposals, the Joint Receivers have been developing the proposed scheme alongside the Administration.

The Joint Receivers have regularly updated the Joint Administrators on the progress of the development confirming that Phase 1, comprising of 10 units, will shortly be fully completed subject a few minor finishing works being finalised. Accordingly, the Joint Receivers have instructed Knight Frank to undertake marketing for the sale of these units and viewings are currently taking place with the properties known as Rackham House and Letcombe Lodge fully furnished as show homes. Following the full completion of the site, Avison Young will be finalising the relevant planning sign-offs for the site ahead of sale of the units.

Following the impending completion of the Phase 1, the Joint Receivers have advised they are now considering the strategy in respect of the build-out of Phase 2 of the development, being 14 units that had previously been put on hold. At this time, the Joint Receivers are designing phase 2, together with undertaking remediation work ahead of application for planning.

The Joint Receivers are hoping to submit a planning application in respect of Phase 2 in June 2020. We will update creditors on the progress of the development, together with any sales of the Phase 1 units in our next report to creditors.

2.1.2 VAT Refund

As advised in the Joint Administrators' proposals, the Company's management accounts indicated a potential VAT refund due to the Company. The Joint Administrators continue to investigate this matter further and consider whether there is likely to be any prospect of realisation and if so, the level of work required to reclaim these funds.

2.1.3 Contaminated Land Tax Relief

The Joint Administrators are investigating whether the Company may have a claim for a repayment of tax due to the contaminated land issues.

2.1.4 Debtors

As noted in the proposals, information provided by the directors indicates that there is £27,124 due to the Company in respect of book debts. We are currently assessing the likelihood of any realisations in this regard.

2.2 Other outstanding matters

2.2.1 VAT Reclaims

As noted above, the Joint Administrators have clarified that they are able to reclaim VAT on the costs of the development of Freshford Mill, currently being undertaken by the Joint Receivers. The Joint Administrators are in the process of completing the relevant VAT returns in order to process this reclaim and are liaising with the Receivers in this respect.

3 Creditors' claims and dividend prospects

Dividend prospects and projected returns to creditors, where known, are detailed in Appendix B, including any amount 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.

The Joint Administrators are obliged to deal with a number of matters in relation to creditors to comply with both the legislative and best practice requirements and to ensure creditors are kept informed. Creditors will only derive an indirect financial return from this work on cases where a dividend has been paid. These matters include:

- Preparation and issue of progress reports and associated documentation;
- Maintenance of schedules of preferential and unsecured creditors' claims;
- Dealing with correspondence and telephone calls; and
- Where necessary, consideration of creditors' claim; acceptance or rejection of claims and complying with legislative obligations in relation to adjudication of creditors' claims generally for voting and, if applicable, dividend purposes.

4 Receipts and payments summary

We attach as Appendix C a summary of our receipts and payments for the period from 12 July 2019 to 11 January 2020, along with cumulative figures where applicable. Receipts and payments are shown net of VAT with any amount due to or from HM Revenue and Customs shown separately.

5 Joint Administrators' remuneration, expenses and disbursements

5.1 Pre-administration costs

The Administrators are not requesting payment of any pre-administration costs.

5.2 Authority for remuneration

The Joint Administrators have not sought authority for the basis of their remuneration in the period.

As there is unlikely to be any return to unsecured creditors other than by the prescribed part we will, in accordance with legislation, agree our fees and disbursements with the secured creditors ('the specified creditors'), as appropriate.

A fixed fee of £20,000 (plus VAT and disbursements) will be requested from the relevant approving body for the life of the appointment. A fixed fee has been requested (rather than any other basis) following discussion with Wellesley having considered the division of duties with the Joint Receivers.

We consider this amount to be a fair representation of the work which we intend to carry out, outlined in the scope and assumption attached to this report, compared to separate matters we have undertaken of similar complexity.

Any increase to this fixed fee will require the further approval of the relevant approving body.

5.3 Expenses and disbursements

Attached are the Joint Administrators' charging, expenses and disbursement policy statement, together with the current rates. Details of the expenses (including category 1 and category 2 disbursements) that the Joint Administrators have incurred in the period of the report are also attached, along with cumulative figures.

The amount of the expenses incurred is higher than the estimate provided to creditors on 6 September 2019. The Joint Administrators have paid various expenses for the development of the site through the Joint Receivers, totalling £83,333.

6 Creditors' right to information and ability to challenge remuneration and expenses

In accordance with the provisions of the relevant legislation creditors have a right to request further information about remuneration or expenses (other than pre-administration costs) and to challenge such remuneration or expenses.

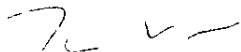
A request for further information must be made in writing within 21 days of receipt of this report.

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 Administrators' Fees, which provides information for creditors in relation to the remuneration of an Administrator, can be accessed at <https://rsmuk.ips-docs.com/case/1116018/84L5CqGw> under 'general information for creditors'. A hard copy can be requested from my office by telephone, email or in writing.

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



Damian Webb
RSM Restructuring Advisory LLP

Appendix A

Statutory and other information

Company Information	
Company name:	Environ Freshford Mill Limited
Company number:	09190191
Date of incorporation:	28 August 2014
Trading name:	Environ Freshford Mill Limited
Trading address	Freshford Mill, Rosemary Lane, BA2 7PL
Principal activity:	Construction of domestic buildings
Registered office:	RSM Restructuring Advisory LLP 25 Farringdon Street London EC4A 4AB (previously c/o Nicholsons, 1st Floor, Bridge House, 25 Fiddlebridge Lane, Hatfield, Hertfordshire, AL10 0SP)
Previous company names:	Mindlast Limited (changed 1 October 2014)

Administration information		
Joint Administrator:	Damian Webb and Mark Boughey	
Date of appointment:	12 July 2019	
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.	
Appointor:	Wellesley Finance Plc, 6th Floor, St Albans House, 57/59 Haymarket, London, SW1Y 4QX	
Details of any extension:	None	
Proposed exit route:	Dissolution	
Correspondence address & contact details of case manager	William Eyre 0203 201 8000 RSM Restructuring Advisory LLP, 25 Farringdon Street, London, EC4A 4AB	
Name, address & contact details of Joint Administrators	Primary Office Holder Damian Webb RSM Restructuring Advisory LLP 25 Farringdon Street, London, EC4A 4AB 020 3201 8000 IP Number: 14970	Joint Office Holder: Mark Boughey RSM Restructuring Advisory LLP Hartwell House, 55-61 Victoria Street, Bristol, BS1 6AD 0117 945 2057 IP Number: 9611

Appendix B

Dividend prospects

Dividend prospects	Owed	Paid to date	Estimated future prospects
Wellesley Finance Plc	£19,476,225	NIL	Shortfall
Berrypink Limited & Hillplatt Limited	£4,676,971	NIL	Shortfall
Preferential creditors	TBC	NIL	Not known
Unsecured creditors	£333,093	NIL	Not known
Estimated net property	£107,120		
Estimated prescribed part available for unsecured creditors	£24,424		

* Any estimated outcome for creditors is illustrative and may be subject to change.

Appendix C

Summary of receipts and payments

Statement of Affairs		From 12 July 2019 to 11 January 2020	
	£		£
		RECEIPTS	
	0.00	Bank Interest Gross	82.66
	37,102.00	Debtors	NIL
	114,312.00	Cash at Bank	117,720.42
	10,995,946.00	Stock	NIL
	25,349.00	VAT Reclaim	NIL
			<hr/>
			117,803.08
		PAYMENTS	
		Bank Charges	(3.00)
		Receivership Costs	(83,333.00)
		Refund of Pre-App Reservation Deposit	(5,000.00)
			<hr/>
			(88,336.00)
			<hr/>
			29,467.08
		REPRESENTED BY	
		Bank - Floating (RBS)	12,800.48
		Vat Receivable	16,666.60
			<hr/>
			29,467.08

Appendix D

RSM Restructuring Advisory LLP charging, expenses and disbursements policy statement

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done.
- The current charge rates for RSM Restructuring Advisory LLP LONDON are attached.
- Time billed is subject to Value Added Tax at the applicable rate, where appropriate.
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.
- RSM Restructuring Advisory LLP's charge out rates are reviewed periodically.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 1' disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 2' disbursements.
- A decision regarding the approval of category 2 disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP will be sought from the relevant approving party in accordance with the legislative requirements.
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party.
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate.

Appendix E

RSM Restructuring Advisory LLP current charge out and category 2 disbursement rates

Hourly charge out rates		
	Rates at commencement £	Current rates £
Partner	625	625
Directors / Associate Directors	450 to 575	450 to 575
Manager	345	345
Assistant Managers	280	280
Administrators	105 to 210	105 to 210
Support staff	90 to 190	90 to 190

Category 2 disbursement rates	
Internal room hire	Location dependent
Subsistence	£25 per night (from 3 rd September 2013) £23 per night (up to 2 nd September 2013)
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)
'Tracker' searches	£10 per case

Appendix F

Statement of expenses incurred in the period from 12 July 2019 to 11 January 2019

Expenses (excluding category 2 disbursements)		£		
Type and purpose	Original estimate	Incurred to date	Paid to date	Unpaid to date
Bond	42.50	42.50	NIL	42.50
Statutory advertising	142.00	71.00	NIL	71.00
Website fee	8.00	NIL	NIL	NIL
Land registry fees	21.00	21.00	NIL	21.00
Storage agent (collection/storage of records)	300.00	NIL	NIL	NIL
Legal fees	1,500.00	NIL	NIL	NIL
Receivership Costs	NIL	83,333.00	83,333.00	NIL
Property Costs	NIL	5,000.00	5,000.00	NIL
Bank charges	20.00	3.00	3.00	NIL
Travel	26.21	26.21	NIL	26.21
Sub Total	2,059.71	88,496.71	88,336.00	160.71
Category 2 disbursements				
Recipient, type and purpose				
No category 2 disbursements incurred in period	N/A	N/A	N/A	N/A
Sub Total	NIL	NIL	NIL	NIL
Total	2,059.71	88,496.71	88,336.00	160.71

NOTE: This Appendix may include estimated amounts where actual invoices have not been received. The amounts paid in the period are shown in the attached receipts and payments account. Invoices may have been paid in a period after that in which they were incurred.