

The Insolvency Act 1986

# Notice of move from administration to dissolution

Pursuant to paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 and Rule 2.48(1) of the Insolvency (Scotland) Rules 1986

Name of Company

Grant Residential Property Limited

Company number

SC279227

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

I / We (a) Fiona Livingstone Taylor and Colin Peter Dempsterof Ernst & Young LLP, G1, 5 George Square, Glasgow, G2 1DY

(b) Insert name and address of registered office of company

having been appointed administrators of

(b) Grant Residential Property LimitedG1, 5 George Square, Glasgow, G2 1DY

(c) Insert date of appointment

on (c) 16 March 2011

by (d)

the Company's Directors

(d) Insert name of applicant / appointor

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply.

I attach a copy of the final progress report.

Signed

Joint Administrator

Dated

11/8/14

## 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

Chris Orr

Ernst &amp; Young LLP, G1, 5 George Square, Glasgow, G2 1DY

Tel: 0141 2269502

DX Number:

DX Exchange:



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13/08/2014  
COMPANIES HOUSE

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

Companies House, 139 Fountainbridge, Edinburgh, EH3 9FF

DX235 Edinburgh / LP 4 Edinburgh-2

WEDNESDAY

**TO MEMBERS AND ALL KNOWN CREDITORS**

12 August 2014

Ref: FLT/MAR/CO/PF21.1  
Direct line: 0141 2269502  
Direct Fax: 0141 2269003  
Chris Orr  
email: corr@uk.ey.com

Dear Sirs

**Grant Residential Property Limited (In Administration) (the Company)**

*The Court of Session*

**Registered office address: G1, 5 George Square, Glasgow, G2 1DY**

I write in accordance with Rule 2.48 of the Insolvency (Scotland) Rules 1986 to provide you with a final report on the progress of the administration. It is my intention to apply to the Registrar of Companies to have the Company dissolved. The report covers the period from 16 March 2014 to 12 August 2014 and should be read in conjunction with the Statement of Administrators' proposals (the Proposals) dated 6 May 2011 and my previous six monthly progress reports.

Grant Residential Property Limited, registered number SC279227, entered administration on 16 March 2011 and F L Taylor and C P Dempster were appointed to act as Joint Administrators (the Administrators). The appointment was made by the Company's Directors under the provisions of paragraph 22(2) of Schedule B1 to the Insolvency Act 1986. Under the terms of the appointment, any of the functions to be performed or powers exercisable by the Administrators may be carried out by either one of them acting alone or by either or both of them acting severally.

**Summary of the Administrators' proposals**

The purpose of the Administration was to realise the Company's property in order to make a distribution to one or more secured or preferential creditors.

No major amendments or deviations from the Proposals were made during the course of the Administration.

As previously reported, the principal activity of the Company was the operation of a buy to let residential property portfolio comprising of 399 properties which catered for the student market.

Following the appointment of the Administrators, the incumbent managing agent was engaged to continue to provide trading support for the Company's portfolio for an initial period of two months. The management of the portfolio was then transferred to Grainger RAMP Limited (GRAMP) who continued to manage the day to day trading operations of the portfolio, under



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the supervision of the Administrators, in addition to implementing the agreed disposal strategy for the properties.

The sales strategy provided for 208 properties to be sold with vacant possession with the remaining 191 properties being sold as part of an investment sale alongside 175 properties from Grant West Property Limited (In Administration).

An offer to purchase these investment properties was accepted in October 2012 and 191 Grant Residential Property Limited properties were sold to a combination of SHIP 1 S.a.r.l and SHIP 2 Limited for consideration of £20,292,106 plus £446,962 of deferred consideration which was received in October 2013.

The sale of the remaining 208 properties identified for vacant sales was completed in April 2014 for a total consideration of £30,517,359.

In addition to the above property sales, the Company has ingathered total net rental income of £1,844,398 in the period from 16 March 2011 to 12 August 2014.

During the period of the Administration, £48,382,521 was paid to the Company's principal secured lender, Lloyds Banking Group plc, in respect of amounts due under its standard securities. A further distribution to LBG of £1,165,747 has been made in respect of floating charge distributions.

The Administrators lodged an application with the Court of Session seeking to make a prescribed part distribution in the Administration to unsecured creditors pursuant to paragraph 65(3) of Schedule B1 of the Insolvency Act 1986. Permission was granted on 5 June 2014.

Non preferential claims totalling £9,612 were accepted and were subsequently paid in full plus statutory interest, calculated at 15%.

#### **Extensions to the Initial period of appointment**

The Administration was extended with the consent of the secured creditors for a period of six months, to 15 September 2012, and a further two periods of twelve months by consent of the Court of Session to 15 September 2014, to allow the Administrators to fully realise the Company's assets.

#### **Summary of progress (16 March 2014 to 12 August 2014)**

##### *Trading income*

The Administrators finalised the reconciliation of all trading income and expenses during the period with net expenses of £568 being recorded.

##### *Sale of assets*

The Company concluded the sale of its last residential property during the period with proceeds of £80,000 being ingathered.



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#### *End of Administration*

The expenses of the Administration have been finalised and the Administrators have concluded the tasks necessary to bring the Administration to a close. As all of the Company's property has been distributed, a notice to that effect has been lodged with the Registrar and the Company will be dissolved after a period of three months from the lodging of this notice.

#### **Receipts and payments account**

I enclose a receipts and payments account for the period from 16 March 2013 to 12 August 2014, and for the whole period of the Administration.

#### **Joint Administrators' remuneration and disbursements**

The Administrators' remuneration was fixed on a time-cost basis by the secured creditor in accordance with Rule 2.39 of the Insolvency (Scotland) Rules. The Administrators incurred time costs of £655,029, against which the sum of £430,511 (plus VAT) was drawn. An analysis of the time spent is attached as Appendix 2 to this report. At Appendix 3 there is a statement of the Administrators' policy in relation to charging time and disbursements.

The sum of £4,584 (plus VAT) was drawn in respect of disbursements, as recorded in the abstract of receipt and payments at Appendix 1. There is an analysis of Category 2 disbursements (ie, those disbursements paid to the Joint Administrators' firm) at Appendix 2.

#### **The Prescribed Part**

The prescribed part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Insolvency Act 1986. The prescribed part applies to floating charges created on or after 15 September 2003. As the Company had a number of floating charges which were created after 15 September 2003, the prescribed part applies in this Administration.

The Company traded profitably under the control of the Administrators and, as such, the value of the Company's net property was sufficient to allow a prescribed part distribution of £238,631. As stated above, non-preferential claims totalling £9,612 were accepted and paid in full plus statutory interest, calculated at 15%. The remainder of the prescribed part was distributed to LBG under its various floating charges.



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### End of Administration

As indicated, it is my intention to now apply to the Registrar of Companies to have the Company dissolved.

Yours faithfully  
for Grant Residential Property Limited (In Administration)

A handwritten signature in black ink, appearing to be 'F L Taylor'.

F L Taylor  
Joint Administrator

Encs: Joint Administrators' Receipts and Payments Account  
Summary of Joint Administrators' Time-Costs and Category 2 Disbursements  
Joint Administrators' Policy on Fees and Disbursements

F L Taylor is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales and C P Dempster is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland.

The affairs, business and property of the Company are being managed by the Joint Administrators, F L Taylor and C P Dempster, who act as agents of the Company only and without personal liability.

We may collect, use, transfer, store or otherwise process (collectively, "Process") information that can be linked to specific individuals ("Personal Data"). We may Process Personal Data in various jurisdictions in accordance with applicable law and professional regulations including, (without limitation) the Data Protection Act 1998.

# Appendix 1

## Grant Residential Property Limited (In Administration)

### Joint Administrators' Abstract of Receipts and Payments from 16 March 2011 to 12 August 2014

Estimated to Realise per Directors' Statement of Affairs	Receipts	Notes	Period from 16/03/2011 to 15/03/14	Period from 16/03/14 to 12/08/2014	Total
£			£	£	£
	Balance on Administrators' trading account (see separate account below for breakdown)		1,844,966	(568)	1,844,398
73,462,000	Property Sales	1	50,729,465	80,000	50,809,465
	Deferred Property Sales		446,962	-	446,962
	Bank Interest received		37,286	1,661	38,946
	Pre-appointment monies		32,348	-	32,348
<u>73,462,000</u>			<u>53,091,027</u>	<u>81,093</u>	<u>53,172,119</u>
	<b>Payments</b>				
	Administrators' Fees		(487,813)	(28,800)	(516,613)
	Administrators' Outlays		(3,326)	(2,175)	(5,501)
	Agents' Fees		(1,868,533)	(1,011,196)	(2,879,729)
	Other Selling Costs		(5,843)	(230)	(6,073)
	Public Notices		(565)	(170)	(735)
	Storage Charges		(33)	(420)	(453)
	Postage		(437)	-	(437)
	Employee Costs		(67,677)	-	(67,677)
	Legal Fees		(133,598)	1,341	(132,257)
	Distributions - Secured Creditors		(48,359,672)	(22,849)	(48,382,521)
	Distributions - Floating Charge		(750,000)	(415,747)	(1,165,747)
	Distributions - Unsecured Creditors		-	(14,376)	(14,376)
			<u>(51,677,498)</u>	<u>(1,494,622)</u>	<u>(53,172,119)</u>
	Net receipts for period		<u>1,413,529</u>	<u>(1,413,529)</u>	<u>-</u>
	<b>Represented by:</b>				
	Bank Balance				<u>-</u>
	<b>Trading Account</b>				
	<b>Income</b>				
	Rental Income		<u>5,446,958</u>	<u>5,429</u>	<u>5,452,387</u>
	<b>Expenditure</b>				
	Managing Agents' Commission		1,104,399	(744)	1,103,655
	Utilities		12,386	12,231	24,616
	Factor Fees		3,528	(969)	2,559
	Rates		172,368	1,970	174,338
	Water Rates (net refund)		(229)	-	(229)
	HMO Certificates		49,758	-	49,758
	Insurance		224,598	26	224,624
	Professional Fees		72,696	-	72,696
	Repairs and Maintenance		1,962,151	(6,668)	1,955,483
	Bank Charges		135	150	285
	Other Property Costs		204	-	204
			<u>3,601,992</u>	<u>5,997</u>	<u>3,607,989</u>
	Net rental income		<u>1,844,966</u>	<u>(568)</u>	<u>1,844,398</u>

#### Notes

1. The figure as stated in the Directors' Statement of Affairs comprises 399 properties.
2. As the Company was not registered for VAT, all receipts and payments are stated inclusive of VAT.

## Appendix 2

### Grant Residential Property Limited (In Administration)

#### Summary of Joint Administrators' time-costs and category 2 disbursements from 16 March 2014 to 12 August 2014

Classification of work function	Hours					Time Cost £	Average Hourly Rate £
	Partner / Director	Senior Manager / Manager	Other Senior Professionals	Assistants	Total Hours		
Accounting and Administration	1.0	7.3	4.8	29.6	42.7	8,821	207
Bank & Statutory Reporting	1.9	7.9	-	-	9.8	3,730	381
Creditors (Mandatory)	0.6	23.6	-	-	24.2	8,894	368
Legal Issues	-	-	-	0.5	0.5	68	135
Statutory Duties	0.3	6.0	0.3	-	6.6	2,352	356
Trading (Mandatory)	-	16.2	-	-	16.2	5,847	361
VAT & Taxation	0.2	0.5	-	16.5	17.2	3,384	197
<b>Total</b>	<b>4.0</b>	<b>61.5</b>	<b>5.1</b>	<b>46.6</b>	<b>117.2</b>	<b>33,095</b>	<b>282</b>
<b>Total fees claimed (£)</b>	<b>2,352</b>	<b>21,799</b>	<b>1,632</b>	<b>7,312</b>		<b>33,095</b>	
<b>Average hourly rate (£)</b>	<b>588</b>	<b>354</b>	<b>320</b>	<b>157</b>			
<b>Current charge out rates</b>					<b>Current charge out rates £</b>		
Partner					600		
Director	Executive Director				570		
	Director				490		
Manager	Assistant Director				430		
	Senior Executive				335		
Other senior professionals	Executive				265		
	Assistant Executive				195		
Assistants and support	Analyst				135 - 195		
	Accounting and Treasury Executive				115		

Appendix 2 (contd.)

Grant Residential Property Limited (In Administration)

Summary of Joint Administrators' time-costs and category 2 disbursements from  
16 March 2011 to 12 August 2014

Classification of work function	Hours					Time Cost £	Average Hourly Rate £
	Partner / Director	Senior Manager / Manager	Other Senior Professionals	Assistants	Total Hours		
Accounting and Administration	15.8	73.0	139.9	243.3	472.0	97,595	207
Agreement of PMA	5.7	35.2	24.8	-	65.7	20,721	315
Bank & Statutory Reporting	13.4	53.9	36.4	67.8	171.5	44,498	259
Bank Oversight Meetings/Calls	13.2	17.4	10.8	-	41.4	15,726	380
Creditors (Mandatory)	2.1	15.1	1.1	8.6	26.9	7,623	283
Debtors	2.0	2.4	5.0	-	9.4	3,076	327
Immediate Tasks	1.5	4.2	-	-	5.7	2,318	407
Investigation/CDDA (Mandatory)	-	0.9	2.7	-	3.6	934	259
Legal Issues	3.5	1.0	-	0.5	5.0	2,267	453
Other Assets (Mandatory)	-	2.0	-	-	2.0	740	370
Other Matters	-	0.5	-	5.4	5.9	913	155
Out of scope	-	-	-	0.2	0.2	8	38
PR	-	1.0	-	-	1.0	370	370
Property	93.9	536.3	327.2	368.2	1,325.6	375,738	283
Public Relations Issues	0.2	-	-	-	0.2	109	545
Review of Cash Flow s	1.0	2.5	9.0	-	12.5	3,815	289
Statutory Duties	2.9	17.1	28.1	9.7	57.8	14,896	258
Trading (Mandatory)	2.0	32.3	12.3	2.6	49.2	15,432	314
TUPE	8.0	52.6	63.3	-	123.9	36,298	293
VAT & Taxation	0.2	5.6	6.9	47.6	60.3	12,154	202

Total	155.4	853.0	667.5	753.9	2,439.8	655,029	268
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Total fees claimed (£)	86,494	315,122	151,522	101,892	655,029
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Average hourly rate (£)	523	369	227	135
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Current charge out rates

		Current charge out rates £
Partner		600
Director	Executive Director	570
	Director	490
Manager	Assistant Director	430
	Senior Executive	335
Other senior professionals	Executive	265
	Assistant Executive	195
Assistants and support	Analyst	135 - 195
	Accounting and Treasury Executive	115

Expenses Summary

Category 1 disbursements

Travel	3,180.42
Postage/Stationary	245.70
Subsistence	647.19
Bonding	320.00
Telephone	41.66
Accommodation	149.00
	4,583.97

Category 2 disbursements

Printing	2.24
Filing	41.52
Mileage	1.35
Travel	45.11

**Grant Residential Property Limited (In Administration)**

**Officeholders' charging policy for fees**

The Administrators engaged a manager and other staff to work on the cases. The work required was delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance was provided by Accounting and treasury executive dealing with the company's bank accounts and statutory compliance issues. Work carried out by all staff was subject to the overall supervision of the Administrators.

All time spent by staff working directly on case-related matters was charged to a separate time code established for each case. Each member of staff had a specific hourly rate, which was subject to change over time. The average hourly rate for each category of staff over the period is shown in Appendix 2, as are the latest hourly rates used. The latest hourly rates may be higher than the average rates, if hourly rates increased over the period covered by this report.

**Officeholders' charging policy for disbursements**

Statement of Insolvency Practice No. 9 ("SIP 9") published by R3 (The Association of Business Recovery Professionals) divides disbursements into two categories.

Category 1 disbursements comprise payments made by the office holders' firm, which comprise specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. These disbursements can be paid from the insolvent's assets without approval from the Committee. In line with SIP 9, it is our policy to disclose such disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as the Committee require to support the disbursements drawn.