

The Insolvency Act 1986

Administrator's progress report

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

Name of Company Hilljamm LLP	LLP number SO300197
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We (a) Robert Caven, of Grant Thornton UK LLP, 95 Bothwell Street, Glasgow, G2 7JZ and John Montague of Grant Thornton UK LLP, 7 Exchange Crescent, EH3 8LL, Joint Administrators of the above LLP, attach a progress report for the period

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

from

9 January 2013

to

(b) 8 July 2013

Signed

Joint Administrator

(b) Insert dates

Dated

15/8/13

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

Mathew Clark

Grant Thornton UK LLP, 95 Bothwell Street, Glasgow

G2 7JZ

Tel 0141 223 0822

DX Number

DX Exchange

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

Companies House, 37 Castle Terrace, Edinburgh EH1 2EB
DX 235 Edinburgh / LP 4 Edinburgh-2

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19/08/2013

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COMPANIES HOUSE

Our Ref RXC/MDG/MZC/H01527/RR/7

To all known creditors

Recovery and Reorganisation

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14 August 2013

Dear Sirs

Hilljamm LLP - In Administration ("the LLP")

1 Introduction

- 1.1. Following the appointment of Joseph McLean and myself as Joint Administrators of the LLP on 9 January 2013 by the Court of Session, Edinburgh, I now report on the progress of the Administration for the period to 8 July 2013.
- 1.2. I enclose Form 2.20B(Scot) together with an account of my receipts and payments for the 6 months ended 8 July 2013 in accordance with Rule 2.38 of the Insolvency (Scotland) Rules 1986.
- 1.3. In accordance with paragraph 100 (2) of Schedule B1 to the Insolvency Act 1986 the functions of the Joint Administrators are to be exercised by any or all of them.
- 1.4. Please note that Joseph McLean is authorised to act as an Insolvency Practitioner by The Institute of Chartered Accountants of Scotland and I am authorised by The Insolvency Practitioners Association.
- 1.5. This report should be read in conjunction with the Joint Administrators' Statement of Proposals ("the Proposals") which was sent to all creditors on 5 March 2013.

2 Statutory information

2.1. The Company's statutory details are as follows:

Statutory Information	
LLP Name	Hilljamm LLP (formerly Bell and Scot LLP)
Registered No.	SO300197
Court No.	P1266/12
Registered Office on Appointment	16 Hill Street, Edinburgh, EH2 3LD
Current Registered Office	95 Bothwell Street, Glasgow, G2 7JZ
Date of Incorporation	13 February 2003
Date of Appointment	9 January 2013
Directors	Shareholding
Belsco 1043 Limited	-
Belsco 1044 Limited	-

3 Joint Administrators' receipts and payments

- 3.1. A summary of my receipts and payments from the date of my appointment to 8 July 2013 is attached at Appendix A.
- 3.2. This shows net funds in hand of £103,110.
- 3.3. Significant receipts and payments consist of:
- Sale proceeds from 14-20 Hill Street of £1,460,000
 - Debtor realisation of £70,490
 - Distribution to Secured Creditor of £1,368,140
 - Legal fees and disbursements of £10,407
 - Joint Administrators' fees (approved by the secured creditor) of £24,370

4 Progress report

- 4.1. At the date of my appointment, the LLP owned four townhouse properties at 14 to 20 Hill Street, Edinburgh, EH2 3LD ("the Properties") and two car parking spaces at New Silvermills Lane. There was also a debtor book.
- 4.2. The Properties had previously all been used as office accommodation by the LLP, with 20 Hill Street occupied by tenants at the date of my appointment. The other properties were vacant.
- 4.3. Craig Watson Property Consultants ("CWPC") was appointed as property managing agent and undertook a review of the tenants position and provided a valuation of the Properties.

- 4.4. Following the termination of the tenant leases at 20 Hill Street to enable a sale with vacant possession, a marketing process was undertaken in order to complete a sale of the Properties. Discussions with CWPC identified that the optimal outcome would be achieved by marketing the properties for sale as single lots and combined.
- 4.5. The marketing process consisted of contacting all previously interested parties and relevant commercial property agents. Active online marketing and advertisement in the Scotsman was also undertaken.
- 4.6. Following a period of marketing, a closing date for bids was held on Tuesday 26 March 2013. A sale at £1,460,000 completed on 4 May 2013.
- 4.7. In relation to the car parking spaces, CWPC has been appointed to market and sell the spaces. This process is currently ongoing with communication taking place with interested parties.
- 4.8. Upon my appointment, £76,745.18 was due to the LLP from a number of debtors. Prior to my appointment, extensive attempts were previously made by the directors of the LLP to collect the debts and as such only £3,490.30 has been recovered to date. In addition, £66,550 was collected prior to my appointment by the directors of the LLP.
- 4.9. We are continuing to pursue the outstanding debts due to the LLP.
- 4.10. Other actions taken following my appointment also include the following:
- corresponding with appointed managing agent, CWPC, on a regular basis with regards to repair issues and all other property specific matters
 - insurance brokers were advised immediately on appointment. Insurance requirements for the Properties were assessed and pre-appointment insurance cover reviewed
 - initial notification of the appointment was provided to the relevant parties, including all known creditors of the LLP
 - provision of the Joint Administrator's proposals for achieving the objectives of the Administration of the LLP, issued in accordance with section paragraph 49(1) of Schedule B1 to the Insolvency Act 1986
 - relevant returns submitted to HMRC
 - corresponding with secured creditor on an on-going basis
 - investigations in to the actions of the Directors of the LLP

5 Joint Administrators' remuneration and disbursements

- 5.1. The Joint Administrators fees and outlays are required to be approved by the secured creditor in accordance with Rule 2.39(8) of the Insolvency (Scotland) Rules 1986.
- 5.2. To date, fees of £24,370 have been drawn, as approved by the secured creditor.
- 5.3. In accordance with Statement of Insolvency Practice 9 (SIP9) a time and charge out summary for the period to 8 July 2013 is attached at Appendix B. This schedule shows time costs of £30,415.55 equating to 147.76 hours at an average rate of £205.84 per hour.
- 5.4. A copy of "A Creditors' Guide to Administrators' Remuneration" can be downloaded from the Insolvency Practitioners Association website (www.insolvency-practitioners.org.uk - navigate via "Technical" to "Creditors' Guide to Fees"). Alternatively, I can supply this information by post on request.

6 Dividend prospects

Secured creditors

- 6.1. To date, a distribution of £1,368,140 has been made to the secured charge holder. The secured charge holder is expected to suffer a shortfall against its total amount lent.

Preferential creditors

- 6.2. The LLP had no employees or other preferential creditors at the date of my appointment.

Unsecured creditors

- 6.3. The bond and floating charge granted to the Bank post-dates the commencement of the Enterprise Act 2002.
- 6.4. Section 176A of the Insolvency Act 1986 provides that, in these circumstances, a Prescribed Part be set aside for payment to the unsecured creditors. This entitles unsecured creditors to a percentage share of realisations from floating charge assets, after deducting any costs of realisation and settling any preferential claims.
- 6.5. Total unsecured creditors, based on information provided by the LLP and creditors claims received to date, are estimated to be c.£69,487.

- 6.6. As the prescribed part is based on future recoveries from floating charge realisations, net of the costs and expenses of the Administration process, it is unclear at this time whether any funds will be available for a Prescribed Part. I would however note that, other than by way of the Prescribed Part, it is unlikely that there will be any funds available for distribution to the unsecured creditors.

7 Ending the Administration

- 7.1. Until such time that all assets have been realised, the Joint Administrators will remain in office. As such, an extension to the Administration may be required. Should you have any objections to this, please put them in writing addressed to Rob Caven, Joint Administrator of Hilljamm LLP, C/O Grant Thornton UK LLP to the above address. Any objections are required to be made within 21 days of the date of this report.
- 7.2. Following realisation of the remaining assets of the LLP, should there be sufficient net funds available for a prescribed part, the Joint Administrators may make an application to Court for consent to distribute the prescribed part. Following this, the Joint Administrators will file notice to move the LLP from Administration to Dissolution in accordance with Paragraph 84 of Schedule B1 to the Insolvency Act 1986.
- 7.3. Alternatively, the Joint Administrators may convert the Administration to a Creditors Voluntary Liquidation in accordance with Paragraph 83 of Schedule B1 to the Insolvency Act 1986. The same Joint Administrators would be appointed Joint Liquidators.

8 Next Report

- 8.1. The Joint Administrators are required to provide a progress report at the end of the next accounting period (being 8 January 2014) or earlier if the Administration has been finalised.

Yours faithfully
for and on behalf of Hilljamm LLP



Robert Caven
Joint Administrator

The affairs, business and property of Hilljamm LLP are being managed by Rob Caven and Joseph McLean, appointed as Joint Administrators on 9 January 2013. Joe McLean is licensed to act as an insolvency practitioner by The Institute of Chartered Accountants Scotland and Rob Caven by the Insolvency Practitioners Association. The Joint Administrators contract as Agents of the LLP and without personal liability

Appendix A: Receipts and Payments Account as at 8 July 2013

	From 09/01/2013 To 08/07/2013	From 09/01/2013 To 08/07/2013
SECURED ASSETS		
Freehold Land & Property	1,460,000	1,460,000
	<u>1,460,000</u>	<u>1,460,000</u>
COSTS OF REALISATION		
Administrators Fees	16,790	16,790
Legal Fees	10,377	10,377
	<u>(27,167)</u>	<u>(27,167)</u>
SECURED CREDITORS		
Chargeholder (1)	1,368,140	1,368,140
	<u>(1,368,140)</u>	<u>(1,368,140)</u>
ASSET REALISATIONS		
Book Debts	70,490	70,490
Bank/ISA InterestGross	17	17
Trading Surplus/(Deficit)	(18,005)	(18,005)
	<u>52,502</u>	<u>52,502</u>
COST OF REALISATIONS		
Specific Bond	13	13
Administrators Fees	7,500	7,500
Administrators Expenses	80	80
Legal Fees (1)	30	30
Professional Fees	150	150
Statutory Advertising	15	15
Insurance of Assets	6,295	6,295
	<u>(14,083)</u>	<u>(14,083)</u>
DISTRIBUTIONS		
	3	3
	<u>(3)</u>	<u>(3)</u>
	<u>103,110</u>	<u>103,110</u>
REPRESENTED BY		
Vat on Purchases		5,153
Fixed Current Account		55,846
Floating Current Account		48,850
Fxd Ch VAT on Purchases		5,409
Fxd Ch VAT on Sales		(292,000)
Office		(15)
Trade Creditors		(292,816)
HMRC - Fxd VAT received/paid		572,683
		<u>103,110</u>

Appendix B: Time and charge out summary to 8 July 2013

Joint Administrators' Basis of Remuneration

Remuneration is charged on the basis of the time costs of the Insolvency Practitioner and his staff. Standard filing and secretarial costs are not charged or recovered from the case.

We set out below our firm's current charge out rates for the periods from 1 July 2012 to 30 June 2014:

Staff Category	Av. Hourly Rate(£) from 1/07/2012 to 30/06/2013	Av. Hourly Rate(£) from 1/07/2013 to 30/06/2014
Partner	440	455
Associate Director/ Director	365 to 410	375 to 425
Assistant Manager/ Manager	230 to 295	245 to 305
Administrator/Executive	125 to 195	155 to 245
Support Staff	95 to 120	95 to 120

Work is allocated to staff members based upon their experience, grade and the complexity of the task involved.

Summary of Time costs incurred

A summary of our time costs is set out below:

	Partner			Manager			Executive			Administrator			Total		
	Hrs	£	Avg Hly	Hrs	£	Avg Hly	Hrs	£	Avg Hly	Hrs	£	Avg Hly	Hrs	£	Avg Hly
Administration and Planning	1.80	752.00	417.78	19.60	6,700.00	341.84	7.00	887.50	126.79	43.26	5,597.05	129.38	71.68	13,936.55	194.46
Creditors	0.50	220.00	440.00	10.25	3,023.75	295.00	-	-	-	7.45	501.25	129.97	18.20	4,145.00	227.75
Holday period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-	-	-	5.80	785.00	135.34	5.80	785.00	135.34
Realisation of Assets	2.50	1,100.00	440.00	24.90	7,345.50	295.00	-	-	-	24.70	3,103.50	125.85	52.10	11,549.00	221.67
Tracing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	4.80	2,072.00	431.67	54.75	17,069.25	311.77	7.00	887.50	126.79	81.21	10,386.80	127.50	147.75	30,415.55	205.84

The time costs are split into 4 standard categories. A guide as to what might be included in each category is as follows:

Administration and planning: this includes work such as case planning, case reviewing, administrative set-up, appointment notification, maintenance of records, statutory reporting and compliance.

Investigations: this includes work such as investigating into directors conduct and investigating antecedent transactions.

Realisation of assets: this includes work such as identifying, securing and insuring assets, administering retention of title claims, debt collection, property, business and asset sales for property covered by both fixed and floating charges.

Creditors: this includes work such as communication and meetings with creditors, reviewing and adjudicating on creditors preferential and ordinary unsecured claims, corresponding with secured creditors, reviewing security documentation issues and preparing, recording, reviewing and adjudicating on employee preferential and unsecured claims.

Classification of Disbursements

The analysis above purely represents time costs of the Insolvency Practitioner and his staff and does not account for disbursements.

Category 1

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and postage.

Where Category 1 disbursements are paid by the Insolvency Practitioner's firm, these are reimbursed as and when funds are available.

Category 2

Category 2 disbursements will comprise cost allocations which may arise on some Category 1 disbursements where supplied internally: typically, items such as room hire and document storage. Also typically included will be routine or more specialist copying or printing, and allocated communication costs provided by the practitioner firm. Business mileage is also classed as a Category 2 disbursement.

Category 2 disbursements are paid as and when approval is obtained.

Use of Agents and Subcontractors

Agents and subcontractors are utilised where there is the need for specialist knowledge. Only agents and subcontractors with the appropriate qualifications are employed. Where possible, their fees and expenses are agreed in advance.