

The Insolvency Act 1986

Administrator's progress report

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

Name of Company Rutherford Property Developments Limited	Company number SC255121
---	--------------------------------

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

I / We (a) Blair Carnegie Nimmo and Gary Steven Fraser
of KPMG LLP, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG
administrator(s) of the above company attach a progress report for the period

from

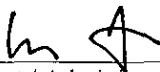
(b) 7 December 2009

to

(b) 6 December 2010

(b) Insert dates

Signed


Joint / Administrator(s)

Dated

6/12/10

Contact Details:

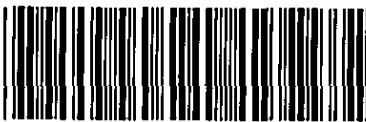
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

	Tel
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
235 Edinburgh / LP 4 Edinburgh-2

SATURDAY



SYLG6Q10

SCT

18/12/2010

427

COMPANIES HOUSE



**Rutherford Property
Developments Limited
(in administration)**

**Joint Administrators'
progress report to creditors
pursuant to Rule 2.38 of the
Insolvency Rules (Scotland)
1986**

KPMG LLP

6 December 2010

This report contains 8 pages

bcn/gsf/dcm/dmb



Notice: About this Report

This Report has been prepared by Blair Carnegie Nimmo and Gary Steven Fraser, the Joint Administrators of Rutherford Property Developments Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Rutherford Property Developments Limited.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Blair Carnegie Nimmo and Gary Steven Fraser are authorised to act as insolvency practitioners by Institute of Chartered Accountants in Scotland.

The Joint Administrators act as agents for Rutherford Property Developments Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administration.



Contents

1	Introduction	3
2	Progress of the administration to 6 December 2010	3
3	Estimated outcome for creditors	2
4	Prescribed part	2
5	Administrators' remuneration	4
6	Future conduct of the administration	5
7	End of the administration	3

Appendices

1. Statutory and other information
2. Administrators' time costs up to 6 December 2010
3. Charge out rates and Administrator's expenses up to 6 December 2010
4. A creditors' guide to administrators' fees - Scotland
5. Receipts and Payments for the period from 7 December 2009 to 6 December 2010.

1 Introduction

We, Blair Carnegie Nimmo and Gary Steven Fraser of KPMG LLP were appointed Joint Administrators of Rutherford Property Developments Limited ("RPDL") or ("the Company") pursuant to the lodging of a notice of appointment of administrators by the holder of a qualifying floating charge at the Court of Session in Edinburgh on 7 December 2009.

In accordance with paragraph 100 (2) of schedule B1 of the Insolvency Act 1986 the functions of the Joint Administrators may be exercised by either of or both the Joint Administrators.

In accordance with Rule 2.38 of the Insolvency (Scotland) Rules 1986 we set out our progress report for the period from 7 June 2010 to 6 December 2010.

Additional statutory information is set out in Appendix 1.

2 Progress of the administration to 6 December 2010

2.1 Sale of properties

At the date of our appointment as Joint Administrators, RPDL held three residential properties which it had developed from a disused farm steading at Blackerstone Steadings, Abbey St Bathans, Duns ("the Development"). The Development comprises four units (units 1-4), one of which (unit 2) was sold prior to the appointment of the Joint Administrators.

We appointed a firm of Quantity Surveyors, Gordon Johnston Associates ("GJA") as property manager with a view to assessing and managing the necessary remedial works and overseeing maintenance of the development during the sales process.

We also appointed Strutt and Parker LLP ("SP") as selling agent to market and oversee the sales process.

GJA successfully completed all remedial works necessary at the Development and all properties have now been sold, the final unit, unit 1, was sold on 25 June 2010. Details of the sales are included at appendix 5. Total realisations of £818,000 are in line with estimated realisations included in Appendix 2 of our previous report to creditors, which predicted sales income of £817,500.

Total costs of realisations are subject to finalisation, and we anticipate that they will be in the region £43,000 to £44,000 (before administrators' costs). This compares favourably with our initial expectations that costs would be in the region £69,000 to £71,000. The reduction resulted from being able to sell the properties without building guarantees, instead relying on the architect's certificates which resulted in £24,000 of cost savings.



2.2 Statutory investigations

In accordance with the Joint Administrators' statutory duties, an investigation into the conduct of the directors has been undertaken. Our report has been submitted to the Dti.

3 Estimated outcome for creditors

3.1 Secured creditors

National Westminster Bank plc ("the Bank") had a claim against the Company as at the date of the appointment of £1,444,019.90. It should be noted that interest continues to accrue on this balance.

The costs of realisation are being finalised and it is anticipated that the Bank will recover £678,000 under its standard security.

3.2 Preferential creditors

The Company had no employees. No preferential claims have come to light and none are anticipated.

3.3 Unsecured creditors

As a result of the significant shortfall to the secured creditor, there is no likelihood that a dividend will be available to the unsecured creditors. As detailed below, there will be no prescribed part.

4 Prescribed part of the Company's net property pursuant to Section 176A of the Insolvency Act 1986

The floating charge was granted after 15 September 2003. Therefore s.176A is applicable, which would allow a prescribed part of the Company's net property to be available for unsecured creditors.

The value of the Company's net property which would, but for s.176A, be available for the floating charge creditor is £nil. A prescribed part will not therefore be payable.

5 Administrators' remuneration

In the period from the Joint Administrators' appointment to 6 December 2010, time costs of £26,289.05 have been incurred. This is made up of 107.57 hours at an average of £244.39 per hour. This includes costs from all KPMG LLP in-house specialists used on this case. A full analysis of these costs, prepared in accordance with the provisions of SIP 9, is attached at Appendix 2 and 3. The Joint Administrators have not drawn any remuneration or expenses to date.

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff have charged time directly to the assignment and are included in the

analysis of time spent. The cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates.

6 Future conduct of the administration

The Joint Administrators will continue to manage the business and affairs of the Company.

The key remaining issues to be dealt with are:

- Final accounts have only recently been received from Scottish Power and the Joint Administrators' lawyer in respect of the administration period. We have settled these sums and are awaiting the recovery from HM Revenue & Customs of the input VAT incurred on these costs.
- Contributions from the other residents at the Development towards shared costs are due to the Company. We had been unable to reclaim these funds until final bills were received from Scottish Power.
- deal with case completion and closure
- any other matters arising.

Upon completion of these remaining issues, we will take the necessary steps to end the administration.

7 End of the administration

We had hoped to avoid the need to extend the administration, but due to the above matters it was necessary for us to seek the consent of the floating charge holder to the extension of the administration for six months. Consent was granted on 2 December 2010 and the administration will now end on 6 June 2011.

It is likely that the Company will be dissolved following the conclusion of the administration.

Blair Carnegie Nimmo
Joint Administrator
KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Gary Steven Fraser
Joint Administrator
KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG



Appendix 1 – Statutory information

Company Name	Rutherford Property Developments Limited
Date of Incorporation	1 September 2003
Company number	SC255121
Previous registered office	Chestnut Lodge Chimside Station Duns TD11 3LJ
Present registered office	Saltire Court 20 Castle Terrace Edinburgh EH1 2EG
Authorised share capital	50 ordinary A redeemable shares of £1 each 50 ordinary B shares of £1 each
Called up share capital	50 ordinary A redeemable shares of £1 each 50 ordinary B shares of £1 each
Shareholders	Deborah L Rutherford 25 ordinary B shares Alan G Rutherford 25 A redeemable ordinary shares Simon G Rutherford 25 ordinary B shares Roslyn AM Rutherford 25 A redeemable ordinary shares
Directors	Deborah L Rutherford Simon G Rutherford Other directors during the three year period to the date of our appointment: Alan G Rutherford Roslyn AM Rutherford
Company secretary	Deborah L Rutheford



Rutherford Property Developments Limited (in administration)
Joint Administrators' progress report to creditors pursuant to Rule 2.38 of the Insolvency
Rules (Scotland) 1986
KPMG LLP
6 December 2010

Appendix 2 - Joint Administrators' time costs from 7 December 2009 to 6 December 2010

	Partner / Director	Manager	Admin- istrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
Cashiering							
General (Cashiering)			5.92	6.90	12.82	2,179.80	170.03
Reconciliations			0.20		0.20	48.00	240.00
General							
Books and records			0.30	1.50	1.80	237.00	131.67
Fees and WIP			0.30		0.30	72.00	240.00
Statutory and compliance							
Appointment			21.00		21.00	5,040.00	240.00
Checklist & reviews			9.60		9.60	2,304.00	240.00
Tax							
Initial reviews - CT and VAT		0.25	1.70		1.95	514.25	263.72
Creditors							
Committees							
Reports	1.00				1.00	535.00	535.00
Creditors and claims							
General correspondence			5.00		5.00	1,200.00	240.00
Secured creditors			4.00		4.00	960.00	240.00
Statutory reports			28.00	1.90	29.90	6,929.00	231.74
Investigation							
Directors							
Statement of affairs			3.00		3.00	720.00	240.00
Realisation of assets							
Asset Realisation							
Freehold property		14.00	3.00		17.00	5,550.00	326.47
Total in period					107.57	26,289.05	244.39



Rutherford Property Developments Limited (in administration)
Joint Administrators' progress report to creditors pursuant to Rule 2.38 of the Insolvency
Rules (Scotland) 1986
KPMG LLP
6 December 2010

Appendix 3 – Charge Out Rates and Joint Administrators' expenses KPMG charge out rates as at 6 December 2010

Rutherford Property Developments Limited (in administration)

Grade	Hourly rate from 1 October 2010 onwards £
Partner / Director	460 to 535
Managers	345 to 425
Administrators	175 to 240
Support	110



Rutherford Property Developments Limited (in administration)
Joint Administrators' progress report to creditors pursuant to Rule 2.38 of the Insolvency
Rules (Scotland) 1986
KPMG LLP
6 December 2010

Appendix 4 – A creditor's guide to administrator's fees – Scotland

A creditors' guide to fees can be found at
[https://www.r3.org.uk/uploads/sip/SIP9%20Scotland %20%201-4-2007.pdf](https://www.r3.org.uk/uploads/sip/SIP9%20Scotland%20%201-4-2007.pdf),
however, if you are unable to access this guide and would like a copy please
contact David Begley on 0131 527 6954.



Rutherford Property Developments Limited (in administration)
Joint Administrators' progress report to creditors pursuant to Rule 2.38 of the Insolvency
Rules (Scotland) 1986
KPMG LLP
6 December 2010

Appendix 5 – Receipts and Payments account as at 6 December 2010

**Rutherford Property Developments
(In Administration)
Administrators' Abstract of Receipts & Payments**

Statement of Affairs	From 07/12/2009 To 06/12/2010	From 07/12/2009 To 06/12/2010
ASSET REALISATIONS		
Freehold property	817,885.90	817,885.90
Insurance refund	102.51	102.51
	<u>817,988.41</u>	<u>817,988.41</u>
OTHER REALISATIONS		
Bank interest, gross	239.39	239.39
	<u>239.39</u>	<u>239.39</u>
COST OF REALISATIONS		
Specific bonds	10.00	10.00
Sundry expenses	135.00	135.00
Agents'/Valuers' fees	10,415.00	10,415.00
Advertising	2,060.00	2,060.00
Legal fees	12,168.09	12,168.09
Heat & light	1,153.63	1,153.63
Other property expenses	8,642.95	8,642.95
Insurance of assets	1,304.87	1,304.87
Bank charges	40.00	40.00
	<u>(35,929.54)</u>	<u>(35,929.54)</u>
FLOATING CHARGE CREDITORS		
Floating charge	768,000.00	768,000.00
	<u>(768,000.00)</u>	<u>(768,000.00)</u>
	<u><u>14,298.26</u></u>	<u><u>14,298.26</u></u>
REPRESENTED BY		
Floating ch. VAT rec'able		3,140.63
Floating charge current		11,157.63
		<u><u>14,298.26</u></u>

Gary Steven Fraser
Administrator