

The Insolvency Act 1986

**R2.45(1)(a)****Notice of end of  
administration****Pursuant to paragraph 80(2) of Schedule B1 to the Insolvency Act 1986  
and Rule 2.45(1)(a) of the Insolvency (Scotland) Rules 1986**

Name of Company

Horizon (Lochend) LLP

Company number

SO301119

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

We (a) Gary Steven Fraser  
KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

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

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

having been appointed Joint Administrators of (b) Horizon (Lochend) LLP,  
c/o KPMG LLP, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG ('the Company')

(c) Insert date of  
appointment

on (c) 22 September, 2009 by (d) the Company

(d) Insert name of  
appointor

hereby give notice that we think the purpose of administration has been sufficiently achieved in  
relation to the Company.

We attach a copy of the final progress report.

Signed



Joint Administrator

Dated

20 March 2014

(e) Insert date  
and time

**Endorsement to be completed by the court**

This form and the attached documents were lodged on (e) \_\_\_\_\_

**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

Kylie Burgess  
KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

DX Number DX 553002 Edinburgh 50

Tel +44 (0) 131 527 6620  
DX Exchange

When you have completed and signed this form, please send it to the  
Registrar of Companies at:-  
Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge,  
Edinburgh, EH3 9FF  
DXED235 Edinburgh 1 / LP- 4 Edinburgh 2



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COMPANIES HOUSE

FRIDAY



**Horizon (Lochend) LLP  
(in administration)**

**Joint Administrators' final progress  
report to creditors pursuant to Rule  
2.38 and 2.42 of the Insolvency  
(Scotland) Rules 1986**

**20 March 2014**

**KPMG LLP**

**20 March 2014**

*This report contains 13 Pages*

*gsf/gp/lf*



*Horizon (Lochend) LLP  
(in administration)*

*Joint Administrators' final progress report to creditors pursuant to Rule 2.38 and 2.42 of  
the Insolvency (Scotland) Rules 1986  
KPMG LLP*

*20 March 2014*

## **Notice: About this Report**

This Report has been prepared by Blair Carnegie Nimmo and Gary Steven Fraser, the Joint Administrators of Horizon (Lochend) LLP, solely to comply with their statutory duty under Rule 2.38 and Rule 2.42 of the Insolvency (Scotland) Rules 1986 to provide the creditors with a final update on 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 Horizon (Lochend) LLP.

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 Rule 2.38 and Rule 2.42 of the Insolvency (Scotland) Rules 1986 does so at their 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. Blair Carnegie Nimmo and Gary Steven Fraser are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland. The Joint Administrators act as agents for Horizon (Lochend) LLP 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.



**Horizon (Lochend) LLP**  
**(in administration)**

*Joint Administrators' final progress report to creditors pursuant to Rule 2.38 and 2.42 of  
the Insolvency (Scotland) Rules 1986*  
**KPMG LLP**

20 March 2014

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**Horizon (Lochend) LLP**  
**(in administration)**

*Joint Administrators' final progress report to creditors pursuant to Rule 2.38 and 2.42 of  
the Insolvency (Scotland) Rules 1986*

**KPMG LLP**

**20 March 2014**

## **1 Introduction**

We, Blair Carnegie Nimmo and Gary Steven Fraser of KPMG LLP, were appointed Joint Administrators of Horizon (Lochend) LLP ("Horizon" or "the LLP") on 22 September 2009.

We were appointed by the members of the LLP.

In accordance with Rule 2.38 and Rule 2.42 of the Insolvency (Scotland) Rules 1986 we set out below our final progress report.

The receipts and payments account for the period 22 September 2013 to 20 March 2014 is attached at Appendix 2. This shows funds in hand totalling £Nil.

## **2 Progress to date including realisation of assets**

### **2.1 Sale of the properties**

As previously reported, at the time of our appointment Horizon owned the following property assets at Lochend Park, Hawkhill Avenue, Edinburgh, EH7 6BY:

- a Phase 1 development of 52 flats at blocks 13, 15 and 17 Lochend Park View, Edinburgh. 19 of the flats were sold prior to our appointment leaving 33 owned by the LLP which were unoccupied;
- an adjacent Phase 2 site which the LLP planned to develop on completion of the Phase 1 site. The Phase 2 site had some of the foundations in place and was hoarded off.

Following a tender process we appointed Rettie & Co to market and sell all 33 flats owned by the LLP and the Phase 2 site.

#### **2.1.1 Phase 1**

All remedial works were completed at the 33 flats and building warrants and guarantees subsequently obtained. Trinity Factors were appointed as factors to all 3 blocks at the development.

We revised our sales strategy in March 2012 when 14 flats remained to be sold. Lindsays were appointed to market the properties as individual flats. All flats have now been sold realising £4,584,766.



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*20 March 2014*

#### **2.1.2 Phase 2**

An acceptable offer for the Phase 2 development site was received and the sale concluded on 15 March 2013 for £500,000.

#### **2.2 Other assets**

We are not aware of any other assets owned by the LLP.

#### **2.3 Investigation matters**

In accordance with our statutory obligations we have submitted our report to the Insolvency Service following our investigation of the LLP's affairs prior to our appointment. The content of this report is confidential and cannot be disclosed to creditors or to any other third parties.

### **3 Amounts payable to secured creditors, preferential creditors and the floating charge holder**

#### **3.1 Secured lenders**

Bank of Scotland plc ("the Bank") has a secured claim against the LLP totalling £8,311,600. It should be noted that interest continued to accrue on this balance throughout the administration.

Mathon plc ("Mathon") has a secured claim against the LLP totalling £1,549,294. Mathon's standard security and floating charge were created and registered prior to the Bank's, however when the Bank's securities were created and registered there was a ranking agreement entered into whereby:

- The Bank's fixed charge ranks first to the extent of their "Priority debt" – up to £8 million;
- The Bank's floating charge ranks second to the extent of the balance of the Priority debt; and
- Then Mathon's debt ranks.

The Bank is therefore the first ranking chargeholder.

Bryan Jackson and Anne Buchanan of PKF LLP were appointed Joint Administrators of Mathon on 17 February 2010. Prior to this, Mathon's loan book was assigned to Heather Capital Limited ("Heather").



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*KPMG LLP  
20 March 2014*

Paul Duffy of Ernst & Young LLP was appointed Provisional Liquidator of Heather on 2 March 2010. Heather discharged its standard security held over the properties owned by the LLP in July 2010 to allow the flat sales to take place.

### **3.2 Preferential creditors**

The LLP has no preferential creditors that we are aware of.

### **3.3 Floating charges**

As noted above, the Bank and Mathon both hold bond and floating charges over all of the business and assets of the LLP.

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

The floating charges held by the secured lenders were granted after 15 September 2003 and therefore s.176A is applicable.

However, the availability of a distribution via a Prescribed Part is directly dependent on the level of floating charge realisations. In this case, all assets are subject to a fixed charge security and a Prescribed Part is not available to unsecured creditors.

## **5 Dividend prospects for creditors of the LLP**

Given the level of the secured lenders' debt and the sales value of the properties, there will be no distribution to unsecured creditors.

No recovery has been made by Mathon/ Heather.

## **6 Creditors' meeting**

In accordance with Paragraph 52 (1) (b) of Schedule B1 to the Insolvency Act 1986, the Joint Administrators elected not to hold an initial meeting of the creditors of the LLP on the basis that insufficient funds would be realised to enable a distribution to be made to unsecured creditors.

I can confirm that we did not receive any requests from creditors of the LLP to summon an initial meeting of creditors.

## **7 Joint Administrators' fees**

I enclose, at Appendix 3, an analysis of our time and costs properly incurred in the period from 22 September 2013 to 20 March 2014 in attending to the significant amount of work required in this case. In this period, a total of 42 hours were spent by our firm's staff in relation to the activities listed below at a total cost of £9,419.50.

Key areas where costs have been incurred are, *inter alia*, as follows:-

- liaising with the open cover insurers acting on behalf of the Joint Administrators to ensure that appropriate cover remained in place at all times;
- seeking advice, as appropriate, from our specialist tax and VAT advisers in relation to the financial position of the LLP;
- corresponding with the secured lender;
- dealing with creditor correspondence and queries;
- undertaking all statutory and administrative matters as required;
- undertaking all cashiering requirements including reconciling the administration bank accounts, and
- distributing remaining funds to the secured lender, as appropriate, once all statutory aspects had been dealt with.





**Horizon (Lochend) LLP**  
**(in administration)**

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**KPMG LLP**  
**20 March 2014**

The Joint Administrators have received approval from the Bank as fixed charge creditor to draw fees of £200,000 plus VAT. All fees have now been settled and no further approval will be sought.

For your information, I would advise that a creditors' guide to fees can be found at:-

[http://www.r3.org.uk/uploads/sip/SIP9%20 Scotland %20%201-4-2007.pdf](http://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 Lianne Fraser on 0131 527 6620.

## **8 Extension and end of the Administration**

Pursuant to Paragraph 76 (1) of Schedule B1 to the Insolvency Act 1986, the Administration was scheduled to automatically end on 21 September 2010, one year after the granting of the Administration order. An extension of six months to 21 March 2011 was granted by the secured lender. Further extensions of twelve months to 21 March 2012, 21 March 2013 and 21 March 2014 were subsequently granted by the Court.

## **9 Other matters**

I have continued to attend to all statutory and administrative matters as required including the submission of our report on the directors' conduct to The Insolvency Service, and the completion and submission of VAT and tax returns to HM Revenue & Customs.

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

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

20 March 2014



*Horizon (Lochend) LLP  
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*KPMG LLP  
20 March 2014*

## **Appendix 1**

### **Statutory and other information**



**Horizon (Lochend) LLP**  
**(in administration)**

*Joint Administrators' final progress report to creditors pursuant to Rule 2.38 and 2.42 of  
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**KPMG LLP**

**20 March 2014**

## **Statutory and other information**

### **EC regulation**

This Administration is a main proceeding under the EC Regulation on Insolvency Proceedings. Article 3 of the EC Regulation defines main proceedings and the LLP is registered in Scotland, has its main centre of interest in Scotland and does not fall within one of the excepted categories. Consequently, the Administration is governed by the Insolvency Act 1986 and not any other European Union Member State's insolvency law.

### **Relevant court**

Notice of the appointment by the members was lodged at the Court of Session in Edinburgh on 22 September 2009.

### **Incorporation**

The LLP was established on 7 November 2006. The LLP number is SO301119.

### **Extensions to initial period of appointment**

An extension of six months to 21 March 2011 was granted by the secured lender. Further extensions of twelve months to 21 March 2012, 21 March 2013 and 21 March 2014 were subsequently granted by the Court.

### **Registered office and trading address**

The LLP's former registered office was situated at:

7-11 Melville Street  
Edinburgh  
EH3 7PE

As part of the Administration process, the registered office for the LLP has been changed to:

c/o KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2E

The LLP traded from premises at:

Lochend Park  
Hawkhill Avenue  
Edinburgh  
EH7 6BY



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*KPMG LLP  
20 March 2014*

## **Appendix 2**

### **Joint Administrators' receipts and payments accounts for the period from 22 September 2013 to 20 March 2014**

**Horizon (Lochend) LLP**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 22/09/2013 To 20/03/2014	From 22/09/2009 To 20/03/2014
	FIXED CHARGE ASSETS		
	Freehold property	NIL	5,084,766.00
	Reservation Fees	NIL	5,250.00
		NIL	5,090,016.00
	FIXED CHARGE COSTS		
	Administrators' fees	NIL	200,000.00
	Administrators' expenses	NIL	181.00
		NIL	-100,173.89
	FIXED CHARGE CREDITORS		
	Fixed charge creditor	26,444.93	4,434,444.93
		-26,444.93	-4,434,444.93
279.00	ASSET REALISATIONS		
	Cash at bank	NIL	279.34
		NIL	279.34
	OTHER REALISATIONS		
	Bank interest, gross	NIL	1,067.98
	interest net of tax. INLCUDING FINAL	3.38	-49.60
	Sundry refunds	NIL	126.79
		3.38	1,145.17
	COST OF REALISATIONS		
	Administrators' expenses	NIL	86.34
	Agent Fees - viewings	NIL	1,755.00
	Agents'/Valuers' fees	NIL	126,728.87
	Agents'/Valuers' outlays	NIL	3,293.94
	Legal fees	362.00	57,251.68
	Legal outlays	319.76	5,292.46
	Security Costs	NIL	27,550.20
	Telephone/Telex/Fax	NIL	63.02
	Heat & light	71.07	13,960.40
	Storage costs	19.63	98.18
	Statutory advertising	NIL	299.45
	Factor Charges	NIL	34,355.21
	Rates	NIL	719.00
	Other property expenses	NIL	163,422.92
	Insurance of assets	NIL	21,181.21
	Bank charges	30.00	756.70
		-802.46	-556,814.58
	FLOATING CHARGE CREDITORS		
-8,000,000.00	Floating charge	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
-1,020,334.00	Trade & expense	NIL	NIL
		NIL	NIL
-9,020,055.00	FLOATING CHARGE CURRENT	-27,244.01	NIL



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KPMG LLP  
20 March 2014*

### **Appendix 3**

#### **Joint Administrators' time costs for the period from 22 September 2013 to 20 March 2014**

# Horizon (Lochend) LLP (in administration)

Joint Administrators' time costs for the period

22/09/2013 to 20/03/2014

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
<b>Administration &amp; planning</b>							
<b>Cashiering</b>							
General (Cashiering)			1.90	4.40	6.30	£954.50	£151.51
Reconciliations (& IPS accounting reviews)			0.60		0.60	£159.00	£265.00
<b>General</b>							
Fees and WIP				1.00	1.00	£120.00	£120.00
<b>Statutory and compliance</b>							
Appointment and related formalities				0.25	0.25	£30.00	£120.00
Checklist & reviews			1.40		1.40	£273.00	£195.00
Closure and related formalities	2.40		5.20	2.10	9.70	£2,430.00	£250.52
Reports to debenture holders		2.50			2.50	£962.50	£385.00
Strategy documents		2.00			2.00	£770.00	£385.00
<b>Tax</b>							
Post appointment corporation tax			1.20		1.20	£318.00	£265.00
<b>Creditors</b>							
<b>Creditors and claims</b>							
General correspondence			0.30		0.30	£58.50	£195.00
Statutory reports			4.70		4.70	£916.50	£195.00
<b>Employees</b>							
Agreeing employee claims				1.00	1.00	£120.00	£120.00
<b>Realisation of assets</b>							
<b>Asset Realisation</b>							
Cash and investments			9.30		9.30	£1,848.50	£198.76
Freehold property			2.40		2.40	£459.00	£191.25
<b>Total in period</b>					<b>42.65</b>	<b>£9,419.50</b>	<b>£220.86</b>