

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company Bristol & District Estates Limited	Company number 4413821
In the High Court of Justice, Birmingham District Registry (full name of court)	Court case number 9419 of 2008


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

I/We (a)
Robin David Allen
Deloitte LLP
3 Rivergate
Temple Quay
Bristol
BS1 6GD

Richard Michael Hawes
Deloitte LLP
Blenheim House
Fitzalan Court
Newport Road
Cardiff, CF24 0TS

administrator(s) of the above company attach a progress report for the period

(b) Insert date	From	To
	(b) 27 August 2008	(b) 26 August 2009

Signed 
Joint / Administrator(s)

Dated 25.9.09

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

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COMPANIES HOUSE

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**BRISTOL AND DISTRICT ESTATES LIMITED
(IN ADMINISTRATION)
("the Company")**

**Court No. 9419 of 2008
High Court of Justice, Chancery Division,
Birmingham District Registry**

**SIX MONTHLY PROGRESS REPORT TO CREDITORS
PURSUANT TO RULE 2.47 OF THE INSOLVENCY RULES 1986**

25 September 2009

This report has been prepared for the sole purpose of advising the Creditors. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by Creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.

The Administrators act as agents of the Company without personal liability

**R D Allen and R M Hawes
Deloitte LLP
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Temple Quay
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CONTENTS	Page
1. INTRODUCTION	2
2. THE ADMINISTRATORS' PROPOSALS	3
3. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT	5
4. DISTRIBUTIONS TO CREDITORS	6
5. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS	7
6. JOINT ADMINISTRATORS' FEES AND EXPENSES	8

APPENDICES

- 1. Statutory information**
- 2. Joint Administrators' receipts and payments account**
- 3. Joint Administrators' time costs**

ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used:

"The Act"	Insolvency Act 1986 (as amended)
"The Rules"	Insolvency Rules 1986 (as amended)
"the Administrators"	Robin David Allen and Richard Michael Hawes
"the Bank"	HSBC Bank Plc
"the Company"	Bristol and District Estates Limited (in Administration)
"Deloitte"	Deloitte LLP
"the Directors"	A Simmonds, D Cockerell and A Gainsford
"Machen"	Freehold undeveloped site at Chestnut Close, Machen, Caerphilly
"Ridgeway Lane"	Freehold development site at 127 Ridgeway Lane, Whitchurch, Bristol

1. INTRODUCTION

1.1 Introduction

This report has been prepared in accordance with Rule 2.47 of the Rules to provide creditors with an update on the progress of the Administration of the Company since our first progress report to creditors dated 25 March 2009 and covers the period 27 August 2008 to 26 August 2009.

Given the information previously provided to creditors in our first report to creditors, we have not included detailed background information in respect of the Company and have focussed on progress of the administration since the previous report.

A schedule of statutory information in respect of the Company is attached at Appendix 1.

1.2 Details of the appointment of the administrators

Robin David Allen and Richard Michael Hawes of Deloitte were appointed Joint Administrators of the Company by the Directors on 27 August 2008.

For the purposes of Paragraph 100(2) of Schedule B1 of the Act, the Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

2. THE ADMINISTRATORS' PROPOSALS

2.1 Introduction

As previously reported to creditors, the Administrators concluded that there was no realistic prospect of achieving a sale of the business as a going concern.

Consequently, the Administrators have performed their functions in relation to the Company with the objective set out in Paragraph 3(1)(c) Schedule B1 of the Act, which is to realise the Company's assets in order to make a distribution to the secured creditors and / or preferential creditors.

The Administrators did not call a meeting of creditors in accordance with Paragraph 52(1) of Schedule B1 of the Act, as the Company has insufficient assets to enable a distribution to be made to unsecured creditors.

The Administrators' proposals in order to achieve this objective are as follows:

- 1) As a sale as a going concern cannot be achieved, the assets be sold by such means as the Administrators deem appropriate following relevant advice from the Administrators' agents;
- 2) The Administrators continue with their enquiries into the conduct of the directors of the Company and continue to assist any regulatory authorities with their investigation into the affairs of the Company;
- 3) The Administrators be authorised to agree the claims of all classes of creditors unless the Administrators conclude, in their reasonable opinion, that the Company will have no assets available for distribution to a particular type of creditor;
- 4) The Administrators be authorised to distribute funds to any secured or preferential creditor as and when claims are agreed and funds permit and in relation to distributions to unsecured creditors when the court gives permission;
- 5) Creditors whose debts amount to at least 10% of the total debts of the Company may request that the Administrators convene a meeting of creditors in order to appoint a Creditors Committee comprising not more than five and not less than three creditors;
- 6) The secured creditor of the Company approves the Administrators' fees as provided for in Rule 2.106 of the Rules, by reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administration;
- 7) On completion of the realisation of the assets and distribution of funds to creditors (if any available), and as quickly and efficiently as is reasonably practicable, the Administrators implement the most cost effective steps to formally conclude the Administration;

- 8) The Company will move from Administration to Liquidation or dissolution. Liquidation may be Creditors' Voluntary Liquidation in accordance with Paragraph 83 Schedule B1 of the Act or Compulsory Liquidation under R4.7(7) of the Rules as the Administrators deem appropriate. Dissolution will be in accordance with Paragraph 84 of Schedule B1 of the Act.
- 9) The Administrators be appointed Joint Liquidators of the Company if it is placed into Creditors Voluntary Liquidation. Please note that the creditors may nominate a different person as the proposed liquidator (provided nomination is made after receipt of these proposals and before the proposals are approved).
- 10) The Administrators be discharged from liability in respect of any action of theirs as Administrators on vacation of office (whether because they vacate office by reason of resignation, death or otherwise, because they are removed from office or because their appointment ceases to have effect) in accordance with Paragraphs 98 & 99 Schedule B1 of the Act.

2.2 Progress on and achievement of the approved proposals

We have summarised below the progress and current status in respect of each of the approved proposals:

Proposal	Current status
1	The Administrators are continuing to realise the Company's development sites, Ridgeway Lane and Machen.
2	The Administrators previously reported that they had concluded their investigations into the conduct of the directors and have submitted the conduct report on the Directors to DBERR. However, the Administrators have now established that there may have been preference transactions and are continuing to investigate these.
3	To date, there have been insufficient asset realisations to allow a distribution to any class of creditor and, therefore, no creditors' claims have been agreed to date.
4	There have been no distributions to date.
5	No creditors have requested that a meeting of creditors be held.
6	No fees have been drawn to date.
7, 8 & 10	Asset realisation remains ongoing.
9	The Administrators do not believe that a CVL will be appropriate, there being insufficient realisations to allow for a distribution to unsecured creditors.

Further information in respect of the realisation of assets, the status of liabilities and the estimated outcome for creditors is contained in the following sections of this report.

3. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

3.1 Introduction

Attached at Appendix 2 is a Receipts and Payments Account covering the period from 27 August 2008 to 26 August 2009.

In this section, we have summarised the main asset realisations during the Administration to date and details of the assets still to be realised.

3.2 Asset realisations to date

As previously reported, the Administrators' actions since appointment have been directed towards identifying the most appropriate strategy for dealing with Ridgeway Lane and Machen on the basis of advice received from Alder King property agents. There have been no further asset realisations since our previous report.

3.3 Estimated future realisations

Following our last report, we have instructed Alder King to market the Ridgeway Lane and Machen sites for sale. Alder King is currently taking the necessary steps to market the sites.

The value expected to be realised for the sites remains uncertain.

The Bank has provided the Administrators with an overdraft facility in the sum of £27k to cover the costs of marketing the sites and carrying out remedial work at Ridgeway Lane (required to safeguard the adjoin properties from any further deterioration resulting from a trench dug by the Company prior to the Administration).

4. DISTRIBUTIONS TO CREDITORS

4.1 Secured creditors

At the date of Administration the Bank was owed £2.6m. Present indications are that the Bank is likely to suffer a shortfall under its fixed charge security, which covers the various sites.

4.2 Preferential creditors

These relate to employee liabilities for arrears of wages and holiday pay. Preferential creditors are paid in priority to the secured floating charge holders.

It is anticipated that there will be no distribution available to the preferential creditors.

4.3 Prescribed part

The Prescribed Part (Section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations exceeding £10,000, net of costs, to be set aside for unsecured creditors after satisfaction of preferential creditor claims.

Realisations in respect of floating charge assets relate to those described in "Other Assets" detailed in our previous report. Realisations from these are expected to be absorbed by the costs of the Administration. There will therefore be no distributions to unsecured creditors under the prescribed part.

4.4 Unsecured creditors

It appears unlikely that there will be monies available to unsecured creditors; either in relation to the prescribed part, or from any surplus available after repayment of the other classes of creditor.

5. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

5.1 Extensions to the initial appointment period

Due to the ongoing disposal of the Company's assets, it was not possible to conclude the Administration within one year from commencement. Therefore, the Administration was extended for a period of one year (to 27 August 2010) by a court order obtained on 13 August 2009.

5.2 Investigations

The Administrators previously reported that they had concluded their investigations into the conduct of the Directors and have submitted the appropriate return to the DBERR. However, the Administrators have now established that there may have been preference transactions in respect of the repayment of a loan provided to the Company by one of the Directors. We are continuing to investigate these and will provide a further update in our next report.

5.3 SIP 13 – Transactions with connected parties

In accordance with Statement of Insolvency Practice Number 13, details of the Company's transactions with connected parties prior to the Administration are detailed below:

- A loan provided to the Company by Rosemead Homes Ltd ("Rosemead"), a 100% owned subsidiary of the Company, totalling £47k.
- Sub-contractor services provided to the Company by Rosemead, with an outstanding balance due to Rosemead at the date of the Administration totalling £228k; and
- A loan provided to the Company by a director, Alan Gainsford, totalling £250k.

We have limited information on the above transactions and we have, therefore, not reached any conclusions on these transactions.

There have been no transactions with connected parties during the Administration.

6. JOINT ADMINISTRATORS' FEES AND EXPENSES

6.1 Joint Administrators' Fees

An analysis of the Administrators' time costs for the period from 27 August 2008 to 26 August 2009 is attached at Appendix 3. This includes details of the hourly charge-out rates applied by grade in the Administration.

As noted above, the Administrators anticipate that all net realisations will be payable to the Bank under their fixed charge security. In accordance with Rule 2.106(5A) of the Rules, the Administrators will therefore seek approval of the basis of their remuneration and disbursements from the Bank.

6.2 Disbursements

Disbursements incurred in the Administration to date total £2,585.10, detailed as follows:

	£
Train Fair	483.35
Parking	14.09
Mileage	31.96
Redirection of post	24.90
Statutory Advertising	165.37
Land Registry Search	37.50
Bonding and Insurance of Assets	1,419.00
Collection / Storage of Books and Records	408.93
Total	<u>2,585.10</u>

The disbursement for mileage is charged by reference to mileage properly incurred by the Joint Administrators and their staff in attending to matters arising in the Administration. It is calculated at the prevailing standard mileage rate (currently 40p per mile) used by Deloitte LLP at the time when the mileage is incurred.

Bristol & District Estates Ltd (in administration)
Statutory Information

Company name	Bristol & District Estates Ltd
Previous names	Rosemead Group Ltd Bristol and District Estates Ltd
Company number	4413821
Date of incorporation	10 April 2002
Registered office	3 Rivergate Temple Quay Bristol BS1 6GD

Ordinary issued and called up share capital

Authorised shares of £1 each	
- Ordinary shares	1,020
- Preference shares	1,000,000
Allotted, called up and fully paid:	
- Ordinary shares	120
- Preference shares	1,000,000

Shareholder

		<u>Shares</u>
Ordinary shares:	A Simmonds	40
	D Cockerell	40
	L Gainsford	40
Preference shares:	Trustees of the Rex International Ltd Pension Scheme	1,000,000

Directors	A Simmonds D Cockerell A Gainsford
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Company secretary	T Marshall
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Bankers	HSBC Bank Plc
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Auditors	Gordon Wood, Scott & Partners
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Bristol & District Estates Limited (in Administration)**Receipts & Payments Account to 26 August 2009**

	Book Value	Estimated to realise (directors' statement of affairs)	Realised / Paid to Date
	£	£	£
Receipts			
Development sites	2,298,000	144,000	6,500.00
Chattel Assets	11,000		3,925.00
Sundry receipts			144.88
Bank Interest Gross			0.07
			10,569.95
Payments			
Agents/Valuers Fees			8,435.00
Other Property Expenses			950.00
Bank Charges			475.64
VAT Receivable			750.00
			10,610.64
Balance in Hand			(40.69)

Bristol and District Estates Limited (in Administration)

Summary of time costs incurred by the Administrators to 26 August 2009

Classification of work function	Partners & Directors	Senior Managers & Managers	Supervisors & Support Staff	Total	Total	Average Rate
	Hours	Hours	Hours	Hours	£	£
Administration and Planning	22.0	70.7	32.6	125.3	23,832	190
Creditors	-	75.4	1.3	76.7	16,680	218
Reporting & Investigations	-	11.3	-	11.3	2,588	230
Other Specific Matters	2.0	8.4	5.5	15.9	3,097	195
Realisation of Assets	25.0	48.3	2.9	76.2	17,098	224
TOTAL	49.0	214.1	42.2	305.3	63,294	207
Total Time Costs per Grade	12,900	45,422	4,972	63,294		

Notes:

Administration includes statutory compliance, statutory reporting, administration strategy, administration and filing, insurance and bordereau, standard letters, notices and directors questionnaires, compliance, supervision and management of the Administration

Creditors includes reporting to creditors, creditors and third parties queries, proprietary creditors, employee issues (redundancy, P45, DTI etc).

Reporting and Investigations includes investigating the Company's affairs and in particular antecedent transactions and also reporting on the conduct of its directors.

Realisation of assets includes identifying and securing assets, obtaining advice on and reviewing the disposal strategy for Ridgeway Lane and Machen, sale of chattel assets, VAT / Taxation.

Other Specific Matters relate to tax advice provided by internal tax specialists in respect of corporation tax and VAT.

All partners and technical staff (including cashiers) assigned to the case record their time spent working on the case on a computerised time recording system.

Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

This summary should be read in conjunction with the attached report and explanatory notes.

"A Creditor's Guide to Fees" is available for download at www.r3.org.uk/publications/default.asp?dir=professional&pag=SIPS&i=402. Should you require a paper copy please send your request in writing to us at the above address and we will provide this to you at no cost.