

The Insolvency Act 1986

## Administrator's progress report

**2.24B**

Name of Company Acacia Properties Limited
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Company Number 04647551
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In the High Court of Justice, Chancery Division, Birmingham District Registry [full name of court]
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Court case number (For court use only) 8172 of 2013
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Insert full name(s) and  
address(es) of the  
administrator(s)

We<sup>(a)</sup>

Kerry Bailey of BDO LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3HF

Anne Buchanan of BDO LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3HF

administrators of the above company attach a progress report for the period

(b) Insert dates

From (b) 4 April 2013
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To (b) 3 October 2013
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Signed

For the Joint Administrators

Dated

01/11/2013

## 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.

Kerry Bailey

3 Hardman Street, Spinningfields, Manchester, M3 3HF

Tel 0161 817 7500

DX Number

DX Exchange



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06/11/2013

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COMPANIES HOUSE

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

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

WEDNESDAY



TO ALL KNOWN CREDITORS

Our Ref 4023863/KFB/AB/JCT/AW/ADME2404/

1 November 2013

Dear Sirs

**Acacia Properties Limited  
In Administration**

**Report to creditors on the progress of the administration pursuant to Rule 2.47 of the Insolvency Rules 1986**

I write to give you a progress report on the conduct of the administration for the period from 4 April 2013 to 3 October 2013. This report should be read in conjunction with the Administrators' report and proposals dated May 2013.

The following schedules are attached to this report:

- 1 Statutory information
2. A summary of the Administrators' receipts and payments account for the period of the report

#### **General overview**

The statutory information for the Company is at Appendix I.

The Company was incorporated on 24 January 2003. The Company owned three properties, which it leased on long term leases to national operators. The properties are subject to charges with three different lenders.

One of the Company's properties is situated in Stirling, central Scotland and was leased to Dreams Plc, ("Dreams") a national chain of bedroom furniture suppliers. The property has three floors, the upper two of which were sub-leased to a chain of snooker halls, Rileys Pool and Snooker Limited ("Rileys").

Following the administration of both Rileys and Dreams, the directors of the Company recognised that the Company would not be able to meet the loan repayments on the Stirling property without the rental income from Dreams and that the Company would become insolvent as a result.

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The directors sought professional advice and passed resolutions to convene meetings of members and creditors, with the intention of placing the Company into Creditors' Voluntary Liquidation.

Upon receipt of the notice convening the meeting of creditors pursuant to Section 98 of the Insolvency Act 1986, one of the secured creditors, West Bromwich Commercial Limited, exercised the ability under their qualifying floating charge to appoint administrators.

### **Progress of the Administration**

The Administrators' strategy for each property has been agreed in conjunction with the chargeholders of the properties and their requirements.

#### **55-59 Upper Craigs, Stirling**

The property at 55-59 Upper Craigs, Stirling ("Stirling Property") is subject to a legal charge with West Bromwich Commercial Limited ("West Bromwich"). As noted above, the property was leased to Dreams, with the two upper floors sub-let to Rileys.

The Administrators have appointed Richard Fee of Reef Properties Limited as asset manager of the property. In addition, GBR Phoenix Beard and Eric Young and Co have been engaged to provide facilities management and marketing services respectively.

#### **106 High Street, Eltham**

The property at 106 High Street, Eltham ("Eltham Property") is subject to a mortgage with the Bank of Ireland ("BOI"). The property is currently leased to Shoe Zone Limited.

The incumbent management company, Meghraj Properties Limited ("Meghraj") have been retained to act as property agents for the purposes of collecting rent and dealing with ongoing property management issues. Lambert Smith Hampton have been engaged at the request of the chargeholder to provide a property valuation.

#### **124-126 and 128-130 High Street, Stevenage**

The property at 124-126 and 128 -130 High Street, Stevenage ("Stevenage Property") is subject to a mortgage with Newcastle Building Society ("Newcastle"). The property comprises a restaurant on the ground floor, which is currently leased to Pizza Express, and two flats on the upper floors, which are on long leaseholds.

Sanderson Weatherall have been instructed to provide a valuation on the property and to market the property for sale. Meghraj have been retained as detailed above.

### **Asset realisation**

The Company's assets are the three properties and the credit balance in the Company's bank account at the date of appointment.

#### **Rental income**

The Stevenage and Eltham Properties are fully let with performing tenants. Rent is being paid on a quarterly basis, collected by Meghraj which is then remitted to the respective chargeholders, after deduction of their management fee.

#### **Cash at Bank**

At the date of appointment, the Company's bank account with National Westminster Bank Plc was in credit by £63,023. The bank account has been closed and the funds received by the Administrators.

The cash at bank figure included sums due to the two other lenders in respect of rent received for the properties subject to their fixed charges. These sums have now been paid over.

#### **Costs incurred other than Administrators' expenses**

There are holding costs associated with the individual properties, which each chargeholder has agreed to meet, either by placing the Administrators in funds to meet the expenditure or by reimbursing the costs through deduction from the rental income.

#### **Creditor claims**

##### Secured creditors

West Bromwich has a legal charge registered in Scotland in respect of the property 55-59 Upper Craigs, Stirling. In addition, they hold a floating charge debenture over the assets and undertaking of the Company, created on 19 December 2007 and registered on 3 January 2008.

BOI hold a mortgage on the property at 106 High Street, Eltarn, which was registered at Companies House on 7 November 2006. They also hold a Deed of Rental Assignment, registered on the same date.

Newcastle holds a mortgage on the property at 124-126 and 128-130 High Street, Stevenage. They also hold a floating charge debenture over the assets and undertaking of the Company, created on 7 January 2008 and registered on 10 January 2008, together with a Deed of Rental Assignment registered on the same date.

##### Unsecured creditors

The directors have advised that the Company had no outstanding liabilities to trade and expense creditors at the date of appointment.

##### HM Revenue and Customs

There will be a claim from HM Revenue and Customs in respect of VAT for quarter end 31 March 2013. The Company's accountants have completed the computations required which calculate the liability to be £17,555.

#### **Distributions**

##### Prescribed Part

Section 176A, Insolvency Act 1986 requires the Administrators to set aside a prescribed amount of the Company's "net property" towards the satisfaction of unsecured debts. Net property is the amount of property that would otherwise be available for satisfaction of holders of debentures secured by, or holders of, any floating charge created by the Company after 15 September 2003.

As previously advised, West Bromwich has a floating charge created on 19 December 2007 and registered on 3 January 2008. Newcastle also holds a floating charge debenture over the assets and undertaking of the Company, created on 7 January 2008 and registered on 10 January 2008.

The Company's net cash at bank balance is subject to West Bromwich's floating charge and therefore the terms of the Prescribed Part will apply.

Based on the current information, the Administrators consider that the amount available to unsecured non-preferential creditors under the Prescribed Part will be £9,000. The Administrators are seeking a specific resolution regarding distribution at a meeting of creditors to be convened as detailed below.

## **Remuneration and disbursements**

### **Remuneration**

The Administrators' remuneration for dealing with each of the properties has been agreed directly with the three lenders on an individual basis.

In respect of the Stevenage and Eltam properties, which are fully tenanted, a fixed fee of £500 plus VAT per month has been agreed with the lenders

In regards to the Stirling property, the Administrators remuneration has been agreed on the basis of time spent specifically dealing with this property. To date, the Administrators have received approval from West Bromwich for remuneration of £20,000 plus VAT which will be settled directly

### **Disbursements**

The Administrators' disbursements to date comprise statutory bond of £132 50 and advertising of £69 75 plus VAT.

## **Revision of Administrators' Proposals**

The Administrators made a statement under Paragraph 52 of the Schedule and decided not to summon a meeting of creditors. As no creditors requested that a meeting be convened, the Administrators' original proposals were therefore deemed to have been accepted as circulated.

The Administrators did not anticipate that there would be sufficient surplus funds to enable a distribution to be made under the terms of the Prescribed Part. However, as it now appears that a distribution will be possible, the Administrators are seeking to revise their original proposals in accordance with paragraph 54 of Schedule B1 to the Insolvency Act 1986

A statement of the Administrators' revised proposals will be sent under separate cover together with a Notice of Business by Correspondence and a proxy form, which will enable creditors to vote on the revised proposals.

## **Concluding Comments**

I trust the above provides you with sufficient information, but if you require more or have any questions please contact Anne Williams on 0161 833 8332.

Yours faithfully

  
**Kerry Bailey**  
Joint Administrator

## 1. STATUTORY INFORMATION

<b>Company name</b>	Acacia Properties Limited
<b>Registration number</b>	04647551
<b>Registered office address</b>	3 Hardman Street, Spinningfields, Manchester, M3 3AT
<b>Court details</b>	High Court of Justice, Chancery Division, Birmingham District Registry No. 8172 of 2013
<b>Administrator(s) details</b>	Kerry Bailey PKF (UK) LLP 3 Hardman Street, Spinningfields, Manchester, M3 3HF Appointed: 04/04/2013 Resigned:  Anne Buchanan PKF (UK) LLP 3 Hardman Street, Spinningfields, Manchester, M3 3HF Appointed 04/04/2013 Resigned
<b>Function (Schedule B1 para 100(2))</b>	The Joint Administrators are to act jointly and severally in all matters relating to the administration
<b>Appointor's details</b>	West Bromwich Building Society
<b>Details of administration extension</b>	It is not envisaged that there will be any extensions of time to the initial period of administration of one year, as set out in Schedule B1 paragraph 76

**Acacia Properties Limited  
(In Administration)**

**Summary of Receipts & Payments**

<b>RECEIPTS</b>	<b>Statement of Affairs (£)</b>	<b>From 04/04/2013 To 03/10/2013 (£)</b>	<b>From 04/10/2013 To 01/11/2013 (£)</b>	<b>Total (£)</b>
West Bromwich Commercial Limited		3,945 60	0 00	3,945 60
Rent Received (Stevenage)		16,250 00	16,250 00	32,500 00
Rent Received (Eltham)		13,125 00	13,125 00	26,250 00
Cash at Bank		63,023 77	0 00	63,023 77
Sundry Receipts		0 00	0 97	0 97
Bank Interest Gross		7 01	0 00	7 01
		<b>96,351 38</b>	<b>29,375 97</b>	<b>125,727 35</b>
<b>PAYMENTS</b>				
Newcastle Building Society		31,485 68	15,957 50	47,443 18
Agents' Fees (Stevenage)		1,680 63	365 63	2,046 26
Agents' Fees (Stirling)		3,288 00	0 00	3,288 00
Bank of Ireland		25,541 26	0 00	25,541 26
Agents' Fees (Eltham)		2,295 31	295 31	2,590 62
Non-Reclaimable VAT		532 19	0 00	532 19
Bank Charges		30 00	15 00	45 00
		<b>64,853 07</b>	<b>16,633 44</b>	<b>81,486 51</b>
<b>Net Receipts/(Payments)</b>		<b>31,498 31</b>	<b>12,742 53</b>	<b>44,240 84</b>
<b>MADE UP AS FOLLOWS</b>				
VAT Receivable		920 60	132 19	1,052 79
Bank 1 - Current		36,452 71	18,485 34	54,938 05
VAT Payable		(5,875 00)	(5,875.00)	(11,750 00)
		<b>31,498 31</b>	<b>12,742 53</b>	<b>44,240 84</b>