Rule 2 47

Form 2 24B

The Insolvency Act 1986

Administrator's progress report

2.24B

Name of Company	Company Number
Rock Investment Holdings Limited	04800398

In the	Court case number
High Court of Justice, Chancery Division, Companies Court (full name of court)	14728 of 2009

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

~~I~~ / We (a) Laurie Katherine Manson of 141 Bothwell Street, Glasgow, G2 7EQ, John Bruce Cartwright of Erskine House, 68-73 Queen Street, Edinburgh, EH2 4NH and Peter Norman Spratt of Plumtree Court, London, EC4A 4HT, all of PricewaterhouseCoopers LLP

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

(b) Insert dates

from (b) 28 November 2009 to (b) 27 May 2010

Signed LK Manson

Joint / Administrator~~(s)~~

Dated 23/06/10

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COMPANIES HOUSE

PRICEWATERHOUSECOOPERS

Rock Investment Holdings Limited (in Administration)
High Court of Justice, Chancery Division, Companies Court
Case No. 14728 of 2009

Joint Administrators' progress report for the period 28 November 2009 to 27 May 2010

23 June 2010

Contents

1. Joint Administrators' progress report for the period 28 November 2009 to 27 May 2010

Introduction

In accordance with Rule 2 47 of the Insolvency Rules 1986 ("IR86"), the Joint Administrators ("the Administrators") write to provide the Company's creditors with details of the progress of the Administration of Rock Investment Holdings Limited ("the Company") in the period since their previous progress report This report covers the period 28 November 2009 to 27 May 2010 ("the Period")

Background information

As previously explained, the Company is a subsidiary of Rock Joint Ventures Limited ("RJV") RJV is the parent company of a group of subsidiaries which had invested in real estate in the United Kingdom and the United States of America ("the Rock Group") The Company is an intermediate holding company within the Rock Group, with shareholdings in a number of subsidiaries with real estate assets in the United Kingdom ("the RIH Group") The Company has no employees and a company connected to the Rock Group, Birchridge Limited ("Birchridge") provided management and other head office services to the Rock Group

The Company itself does not own any real estate and its only significant assets are

1 the shareholdings in the RIH Group subsidiaries,
2 debtor balances due from those subsidiaries in respect of funding provided by the Company, which effectively acted as "banker" to the RIH Group, and
3 five separate Joint Venture ("JV") arrangements with a well established house builder

Actions taken to date by the Administrators

Since the Administrators' appointment, the Company has continued to act as an intermediate holding company within the Rock Group In conjunction with the directors of the RIH Group subsidiaries, third party professional agents, and a firm of asset managers, the Administrators have carried out a review of the RIH subsidiaries in order to determine a strategy for maximising the realisable value of the underlying properties and other assets held by the subsidiaries

The Administrators have negotiated a funding facility with the Company's bankers ("the Bank"), which is being used to make funding available to the subsidiaries to allow them to meet ongoing expenditure incurred since 28 May 2009 and required in connection with the management and/ or development of their properties thereby ensuring that, insofar as possible, the value of the RIH Group real estate portfolio is protected and enhanced

Since the Administrators' last report, two subsidiaries of the Company have been subject to formal insolvency processes Goodview Limited ("Goodview") was placed in Administrative Receivership on 19 February 2010, and Insigniacorp Limited ("Insigniacorp") was placed in Administration on 22 February 2010 These subsidiaries had significant tax liabilities due to HM Revenue & Customs as a result of transactions that took place prior to 28 May 2009

The remaining RIH Group subsidiaries are not in an insolvency process and they continue to operate under the control of their respective directors

The Administrators are in ongoing discussion with the Bank regarding the long term strategy to be implemented, taking into account the level of interest received in the RIH Group real estate portfolio and the various options available as regards the work out and disposal of the portfolio

Discussions are ongoing with the JV partner regarding the Company's remaining JV interests

1. Joint Administrators' progress report for the period 28 November 2009 to 27 May 2010

Asset realisations

There have been no realisations during the Period from the Company's shareholdings in the RIH Group subsidiaries or from the debtor balances due from them

Receipts and payments account

An account of the receipts and payments in the Administration for the Period is set out in section 3 to this report

The only receipt in the period relates to the repayment of a loan made to a subsidiary in the previous period (£28k)

Payments comprise the following

1) amounts loaned to subsidiaries to allow them to meet their ongoing costs in relation to the management of their real estate portfolio (£454k),
2) costs incurred on behalf of the subsidiaries in connection with their corporate governance, for example statutory audit costs, tax compliance, and Companies House filing costs (£36k),
3) legal fees and expenses incurred in the UK (£55k),
4) the Administrators' remuneration covering the period 28 May to 30 November 2009 (£670k plus irrecoverable VAT of £101k), a total of £771k, and
5) bank charges and interest payable to the Bank (£15k)

The Bank has provided funding to RIH of approximately £1 3m in the Period in order that these payments could be made

Outcome for creditors

The Company's major assets comprise its investments in the RIH Group subsidiaries and debtor balances owing from those subsidiaries The Bank holds security over these assets but not over the JV interests Taking into account the security held by the Bank and the debt owing to the Bank, the Joint Administrators consider that there will be a shortfall to the Bank in respect of its lending, and that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part as provided by Section 176A IA86

The prescribed part is calculated with reference to a percentage of the Company's "net property" which is the sum available from asset realisations to the holder of a floating charge following settlement of all costs and expenses associated with those realisations and settlement of any preferential claims The Administrators are not aware of any preferential claims against the Company

At the present time it is unclear whether there will be any "net property" and therefore whether a prescribed part will apply This will depend on the level of realisations after associated costs (if any) generated from the debtor balances due from the Group subsidiaries and the JV interests

Extension to the Administration

The Administrators have obtained the consent of the Bank, in its capacity as secured creditor, to a six month extension of the period of Administration As a result of this extension, the Administration will now end automatically on 27 November 2010 unless further steps were taken to extend beyond that date Any further extension required would need approval of the Court

Ending the Administration

The Administrators are considering the most appropriate strategy for bringing the Administration to an end, however this will depend on the strategy to be implemented by the subsidiaries for the work out and disposal of their real estate portfolio Once the period required to facilitate that process is known, the Administrators will assess whether it is desirable to keep the Company in Administration throughout this period, and if so, whether this is feasible

Other options include placing the Company into liquidation with the appointed liquidator(s) monitoring disposals by the subsidiaries and collecting any repayments from the debtor balances owing by the subsidiaries

Administrators' remuneration

The Administrators' remuneration is approved by the Bank, in its capacity as secured creditor To date the Administrators have, with the Bank's approval, drawn remuneration of £670k plus VAT (which is irrecoverable in this case) covering the period 28 May 2009 to 30 November 2009

Next report

The Administrators' next report to creditors will be in approximately six months time

LK Manson

L K Manson
Joint Administrator of Rock Investment Holdings Limited

L K Manson, J B Cartwright and P N Spratt have been appointed as Joint Administrators of Rock Investment Holdings Limited to manage its affairs business and property as its agents As such they contract without personal liability Both L K Manson and J B Cartwright are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland P N Spratt is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales

2. Statutory and other information

Court details for the Administration:	High Court of Justice, Chancery Division, Companies Court 14728 of 2009
Full name:	Rock Investment Holdings Limited
Trading name:	Rock Investment Holdings, Rock Investments
Registered number:	04800398
Registered address:	5 Harmood Mews, Harmood Grove, London, NW1 8DH (formerly Fifth Floor, 20 North Audley Street, Mayfair, London W1K 6HX)
Company directors:	Timothy William Andrews Paul Zeital Kemsley (Resigned 28 May 2009) Nicholas Oliver Fox (Resigned 13 August 2009) Daniel Philip Levy (Resigned 4 August 2009)
Company secretary:	Timothy William Andrews
Shareholdings held by the directors and secretary.	None
Date of the Administration appointment:	28 May 2009
Administrators' names and addresses:	L K Manson, J B Cartwright, PricewaterhouseCoopers LLP, 141 Bothwell Street, Glasgow, G2 7EQ and P N Spratt, PricewaterhouseCoopers LLP, Plumtree Court, London EC4A 4HT
Changes in office holder:	N/A
Appointor's / applicant's name and address:	The directors of the Company, c/o 5 Harmood Mews, Harmood Grove, London, NW1 8DH (formerly Fifth Floor, 20 North Audley Street, Mayfair, London W1K 6HX)
Objective being pursued by the Administrators:	(b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), failing which, objective (c) realising property in order to make a distribution to one or more secured or preferential creditors
Division of the Administrators' responsibilities:	In relation to paragraph 100(2) Sch B1 IA86, during the period for which the administration is in force, any function to be exercised by the persons appointed to act as Joint Administrators may be done by any or all of the persons appointed or any of the persons for the time being holding that office
Extension of the period of Administration	The Joint Administrators have obtained the consent of the secured creditor for a six month extension to the Administration, covering the period 28 May 2010 to 27 November 2010
Proposed end of the Administration:	As noted in the Joint Administrators' proposals the "exit route" remains unclear but currently considered most likely are a CVL, dissolution or liquidation by the court

2. Statutory and other information

Estimated dividend for unsecured creditors:	Unknown but very unlikely to be a dividend
Estimated values of the prescribed part and the company's net property:	Unknown
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	The Joint Administrators will consult the creditors' committee, if one is appointed, prior to making an application to the court under Section 176A IA86 for an Order not to distribute the prescribed part to ordinary creditors if the Joint Administrators conclude that the cost of making a distribution would be disproportionate to the benefits
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to this administration and the proceedings are main proceedings

3. Receipts and payments account for the period 28 November 2009 to 27 May 2010

Rock Investment Holdings Limited (In Administration)
Joint Administrators' Receipts & Payments Account for period 28 November 2009 to 27 May 2010

			Period	Cumulative
		From	28/11/2009	28/05/2009
		To	27/05/2010	27/05/2010
Relating to Floating Charge/ Unsecured Assets			£	
Receipts	Funding received from Bank		1 303 113 51	2 347 690 39
	Bank interest received		0 00	1 02
	Disposal of JV interest		0 00	250,000 00
	Repayment of subsidiary loan		27 709 09	27 709 09
			1 330 822 60	2 625 400 50
Payments	**Costs of realisation**			
	Funding provided to subsidiaries		(453 972 85)	(1 313 768 88)
	Audit tax and governance costs paid on behalf of subsidiaries		(36 425 00)	(97 668 25)
	Administrators' remuneration		(670,000 00)	(670 000 00)
	Irrecoverable VAT on Administrators' remuneration		(100 500 00)	(100 500 00)
	Payments to asset manager		0 00	(233 000 00)
	Consultancy costs		0 00	(65 535 00)
	Legal fees		(55 262 70)	(127 742 93)
			(1,316,160 55)	(2 608 215 06)
	Appointment and administration related costs			
	Statutory Advertising		0 00	(84 66)
	Bank charges and interest payable		(14 662 05)	(17 100 78)
			(14 662 05)	(17 185 44)
	Balance		0 00	(0 00)

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LK Manson
Joint Administrator

Note Rock Investment Holdings Limited (In Administration) is not VAT registered Payments are shown inclusive of VAT since VAT is not recoverable