

The Insolvency Act 1986

Administrator's progress report

Name of Company The Gateway (Leeds) Limited ✓	Company number 05037556
In the High Court of Justice Chancery Division Companies Court [full name of court]	Court case number 5914 of 2013

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

We (a) James Money and Sarah Rayment of BDO LLP, 55 Baker Street, London, W1U 7EU

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

(b) Insert date

From

(b)

27 June 2016

to

(b)

26 December 2016

Signed



Joint/administrator(s)

Dated

24.1.17

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.

c/o Robert Ferne, BDO LLP, 55 Baker Street, London, W1U 7EU

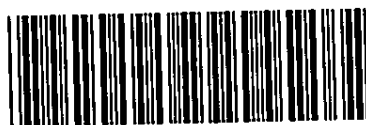
Our Ref

Tel : 020 7893 3562

DX Number

DX Exchange

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



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25/01/2017

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COMPANIES HOUSE

WEDNESDAY



Tel: +44 (0)20 7486 5888
Fax: +44 (0)20 7487 3686
DX 9025 West End W1
www.bdo.co.uk

55 Baker Street
London W1U 7EU

24 January 2017

Please ask for: Robert Ferne
Telephone 020 7893 3562

TO ALL KNOWN CREDITORS

Dear Sir(s)

The Gateway (Leeds) Limited - In Administration ("the Company")

It is now approaching 42 months since my appointment in respect of the Company. In accordance with Rule 2.47 of the Insolvency Rules 1986 this report covers the progress made in implementing the approved proposals and achieving the statutory purpose of the Administration during the period 27 June 2016 to 26 December 2016.

This report should be read in conjunction with my previous progress reports.

1 Statutory Information

The Joint Administrators are as follows:

- James Money and Sarah Rayment of BDO LLP, 55 Baker Street, London W1U 7EU who were appointed in respect of the above Company on 27 August 2013 by National Asset Loan Management Limited ('NALM'), being the holder of a Qualifying Floating Charge pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986. and,
- Arron Kendall and Simon Thomas of Moorfields Advisory Limited ('Moorfields'), 15th Floor, 88 Wood Street, London EC2V 7QF who were appointed in respect of the above Company on 21 December 2016 by OCM Emru Debtco DAC ("OCM"), a company incorporated in the Republic of Ireland who has recently acquired from NALM their loan and associated security referred to above (as part of a larger loan portfolio sale by NALM).

The Administration proceedings are dealt with in the High Court of Justice, Chancery Division, and the Court case number is 5914 of 2013.

Under the provisions of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 the Administrators carry out their functions jointly and severally and none of the Administrators have exclusive power to exercise any function.

Following the appointment of Messrs Kendall and Thomas of Moorfields (as above), the Company's registered office has been changed and is now situated c/o Moorfields Advisory Limited, 88 Wood Street, London EC2V 7QF. The registered number is 05037556.



I enclose, for your information, a summary of my receipts and payments to date showing a balance in hand of £1,061,561, together with a copy of my abstract account covering the period ending 26 December 2016, and report as follows.

2 Receipts & Payments

The receipts and payments shown are largely self-explanatory, although I would comment specifically on the following:

Receipts

2.1 Residential apartment sales

Since my last report, one apartment was sold (during the current reporting period) at £167,500 whilst one other unit completed on 29 December 2016 (outside the current reporting period) at £170,000. As a consequence there now remain 34 apartments to be sold at the Company's development known as The Gateway, East Street, Leeds ("the Gateway")

2.2 Book debts

To date I have recovered book debts in the sum of £292,318 including £6,000 in the current reporting period.

2.3 Residential rental income

In this period, rental income totalling £149,377 has been collected from the remaining/unsold residential apartments, all of which are being managed by our local property agents, Morgans City Living ("Morgans").

2.4 Commercial rent

Rent demanded and collected from the commercial tenants based at the Gateway was £220,019 in the latest 6 month period.

2.5 Insurance Claim

During the current reporting period we received a payment from the insurers in relation to a claim for flood damage at the site in the sum of £13,000.

Payments

2.6 Professional Fees

Professional Fees comprise of a payment to Gerald Eve of £3,500 for fees in relation to a successful application to reduce the rating assessments on various commercial units.

2.7 Service charge & ground rent

Ground rent and service charge payments totalling £57,323 have been incurred in the latest reporting period bring the total of such expenditure during the Administration to date to £453,208.

2.8 Residential management fees

As mentioned above, the residential apartments are being managed by Morgans who have been paid the sum of £19,491 in relation to the latest reporting period

2.9 Residential maintenance and running costs

Various other management and running costs have been incurred during the latest reporting period including; electricity (£2,274), property maintenance (£4,950) other maintenance/running costs (£5,304) and sundry costs (£16,101).

2.10 Insurance

The insurance for the entire development is coordinated by the Administrators and is recovered through the service charge. As previously reported, the sum of £106,239 was paid in respect of the 12 month period ending 31 March 2017. During the current period an additional charge of £143 was incurred.

2.11 Administrators' Fees

Joint Administrators' fees totalling £20,000 plus VAT have been drawn during the period with the prior approval and consent of the then secured lender, NALM (further details in this regard are detailed in section 6 of this report).

3 Extension of Administration

As reported previously, the period of Administration was initially extended by six months with the consent of NALM, pursuant to Paragraph 78 of Schedule B1 of IA86, to 26 February 2015.

A further application was made and an Order granted by the High Court pursuant to Rule 2.112(1) of the Insolvency Rules 1986, for the Company's Administration to be extended again for a further period of 28 months to 26 June 2017.

A summary of the various applications made and Orders granted is detailed below

Duration	Source of extension	Extended date (until)
6 Months	NALM	26 February 2015
28 Months	Court application	26 June 2017

4 Prospects for Creditors

4.1 Secured Creditors

Under the debenture registered on 5 August 2004, the lender holds fixed and floating charges over the assets of the Company. At the date of our appointment, the indebtedness to NALM was £65,561,296. This figure is subject to accruing costs and charges. During the period, £161,583 was paid to OCM following the disposal of one of the apartments (referred to in 2.1 above).

Total distributions of £ 19,928,543 were made to NALM in respect of asset realisations prior to its debt being transferred to the new lender, OCM. OCM has received £161,583 following the disposal of a residential apartment during the current period.

As stated above, NALM's loan and associated security has now been sold to OCM. Based on current information, it is likely that the Secured Creditor will suffer a shortfall in this matter.

4.2 Preferential Creditors

The Company does not have any employees. Therefore, based on current information there are no claims to be lodged by preferential creditors

4.3 Unsecured Creditors

On 7 July 2016 a distribution was made to the unsecured creditors under the Prescribed Part provisions of the Insolvency Act. The total value of the unsecured creditor claims that were notified to us amounted to £43,388, and a dividend of 100p in the £1 was declared and paid. Unsecured creditors have therefore been paid in full. This payment is reflected in our enclosed summary Receipts & Payments account

5 Administrators' Remuneration

The creditors have already approved the Administrators' remuneration on a time costs basis and to date time costs of £552,334 have accrued. As referred to in paragraph 2.11 above, £20,000 has been drawn in respect of remuneration as authorised by NALM during the latest reporting period. To date, a total of £203,963 has been paid in respect of the Joint Administrators' fees. Attached is a schedule which summarises the total time costs incurred by BDO LLP since the commencement of the Administration to date and indicates the work undertaken in that respect. Additionally I attach a further schedule showing the time costs for the period since my last report to the current date.

I have separately attached a time cost summary showing a total of £995 incurred by Moorfields since their appointment on 21 December 2016

6 Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. Category 1 disbursements of £2,565 have accrued and £1,975 has been recovered in this matter.

I provide at the end of this report an extract from the Insolvency Rules 1986 setting out the rights of creditors to request further information and/or challenge the remuneration or fees within the Administration.

7 Future of the Administration

I refer creditors to my initial report, which outlined the three statutory purposes of the Administration.

The third statutory purpose is realising property in order to make a distribution to one or more secured or preferential creditors and will be achieved through the on-going disposal programme of the Company's assets.

As mentioned in my previous report, the Joint Administrators' proposals, which were deemed to have been approved by creditors on 22 October 2013, anticipated exiting the Administration by way of dissolution or Creditors' Voluntary Liquidation ("CVL") if sufficient funds were to become available to enable a distribution to unsecured creditors under the Prescribed Part provisions. Following a recent change in Insolvency legislation, it has become possible to make distributions, by way of Prescribed Part payments, during the course of an Administration. Accordingly, payments to the Unsecured Creditors in the sum of £43,388 have been processed during the latest reporting period (see paragraph 4.3 above) representing a distribution of 100p in the £. It is therefore anticipated that the Company will exit Administration by moving to dissolution once all assets have been realised.

Following discussions with OCM and the recent appointment of Mr Arron Kendall and Simon Thomas of Moorfields as additional Joint Administrators, James Money and Sarah Rayment have made an application to the High Court for consent to resign as Joint Administrators. The application is due to be heard on 27 January 2017.

8 Other Matters

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency practitioners. In the event that you make a complaint to me but are not satisfied with the response from me then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

An additional guide for creditors can be accessed using the below website:
<http://www.icaew.com/en/technical/insolvency/creditors-guides>

The joint office-holders are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at:
<http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d>

If you require any further information regarding this matter, please do not hesitate to contact Robert Ferne on the above number.

Please note, the affairs, business and property of the Company are being managed by the Joint Administrators who act only as agents of the Company and without personal liability.

Yours faithfully
For and on behalf of
The Gateway (Leeds) Limited



James Money
Joint Administrator

Encs

Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Administrators' fees and expenses:-

Rule 2.48A Creditors' request for further information

(1) If—

- (a) within 21 days of receipt of a progress report under Rule 2.47—
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor, makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2.47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)

(2) The administrator complies with this paragraph by either—

- (a) providing all of the information asked for, or
- (b) so far as the administrator considers that—
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information

(3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—

- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1), and the court may make such order as it thinks just.

(4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2.109(1B) by such further period as the court thinks just

Rule 2.109 Creditors' claim that remuneration is or other expenses are excessive

(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4).

(1A) Application may be made on the grounds that—

- (a) the remuneration charged by the administrator,
- (b) the basis fixed for the administrator's remuneration under Rule 2.106, or
- (c) expenses incurred by the administrator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate.

(1B) The application must, subject to any order of the court under Rule 2.48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Administrators' fees and expenses (continued):-

Rule 2.109 (continued)

(3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

(4) If the court considers the application to be well founded, it must make one or more of the following orders—

(a) an order reducing the amount of remuneration which the administrator was entitled to charge,

(b) an order fixing the basis of remuneration at a reduced rate or amount,

(c) an order changing the basis of remuneration,

(d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration;

(e) an order that the administrator or the administrator's personal representative pay to the Company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration

The Gateway (Leeds) Limited - In Administration

Summary of Joint Administrators' Receipts and Payments Account from 27 August 2013 (date of appointment) to 26 December 2016

	Statement of Affairs	Movement during period from 27 June to 26 Dec 2016	Total
	£	£	£
RECEIPTS			
Residential apartments	21,652,953	167,500	18,465,000
Commercial units	5,000,000	-	-
Land at Phase 3	500,000	-	-
NHBC Bond	250,000	-	289,729
VAT Refunds	235	-	1,239
Insurance Claim	-	13,000	87,848
Book debts	161,347	6,000	292,318
Cash at Bank	70,902	-	45,906
Residential rental income	-	149,377	2,779,228
Commercial Rent	-	220,019	963,927
Council Tax Refunds	-	-	616
Bank Interest Net of Tax	-	812	2,820
Output VAT	-	44,004	49,489
Rates Refunds	-	-	118
Sundry Refunds	-	158	308
		<u>600,869</u>	<u>22,978,545</u>
PAYMENTS			
Repairs & Renewals	-	350	10,455
Electricity	-	2,274	26,282
Insurance	-	143	188,647
Professional Fees	-	3,500	22,219
Property Maintenance	-	4,950	55,927
Ground Rent & Service Charge	-	57,323	453,208
Residential management fees	-	19,491	285,539
Sundry Expenses	-	16,101	16,669
Bank Charges & Interest	-	699	1,254
Residential maintenance & running costs	-	5,304	223,920
Deposits	-	-	1,000
Joint Administrators' Fees	-	20,000	203,963
Joint Administrators' Disbursements	-	316	1,975
Legal Fees & Disbs	-	355	105,651
Property sale costs	-	-	35
Agents' Fees & Disbs	-	12,500	237,786
Marketing costs	-	-	9,981
Specific Bond	-	-	500
Corporation Tax	-	-	5
Storage Costs	-	-	300
Input VAT	-	13,126	21,333
Irrecoverable VAT	-	2,104	76,491
VAT Control Account	-	-	1,913
		<u>158,537</u>	<u>1,945,053</u>
PAYMENTS MADE TO SECURED CREDITORS			
Secured Creditor - NAMA	-	-	19,766,960
Secured Creditor - Oaktree	-	161,583	161,583
PAYMENTS MADE TO UNSECURED CREDITORS			
Prescribed Part Distribution to Unsecured Creditors (100p in the £)	-	-	43,388
BALANCE IN HAND AS AT 26 DECEMBER 2016			<u>1,061,561</u>
			<u><u>22,978,545</u></u>
James Money & Sarah Rayment		Arron Kendall & Simon Thomas	
Joint Administrators		Joint Administrators	
BDO LLP		Moorfields Corporate Recovery Ltd	
55 Baker Street		88 Wood Street	
London		London	
W1U 7EU		EC2V 7QF	
		24 January 2017	

BDO LLP - Detailed Time Charged and Rates Applicable for the Period From 27 August 2013 (date of appointment) to 26 December 2016

[illegible]

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL		AVERAGE RATE
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	£
01 Establishing Business Control							1.25	306.25					1.25	306.25	
03 Cashflow Forecasts			7.50	2,902.50			1.25	306.25					8.75	3,208.75	
05 Attendance at Premises							26.50	6,492.50					26.50	6,492.50	
06 Monitor/Supervise Trading							9.95	2,437.75					9.95	2,437.75	
07 Business Management							123.40	30,233.00					123.40	30,233.00	
08 Trading Accounts							16.35	4,005.75					16.35	4,005.75	
99 Other Matters	0.35	380.05													
F Sub Total	0.35	380.05	7.50	2,902.50			178.70	43,781.50					186.75	47,064.05	232.02
H Creditor Claims									3.75	360.00			6.60	1,143.45	
04 Non-preferential Creditors			0.60	232.20			2.25	551.25					0.35	85.75	
06 Other Creditors			0.60	232.20			2.60	657.00	3.75	360.00			6.95	1,229.20	176.86
H Sub Total															
I Reporting															
01 Statutory Reporting			13.30	5,196.50			12.50	3,062.50	37.85	3,039.15			63.65	11,898.15	
02 Reporting to Appointee	79.80	54,369.90	123.15	48,346.80	1.45	398.75	1.50	367.50					204.40	103,484.95	
04 Reporting to Creditors			4.30	1,606.50			12.00	2,940.00					16.30	4,546.50	
I Sub Total	79.80	54,369.90	141.45	55,151.80	1.45	398.75	26.00	6,370.00	37.85	3,039.15			286.35	119,929.60	418.52
J Distribution and Closure															
02 Distributions	0.85	533.85					0.45	110.25	3.00	1,057.00			6.30	1,721.10	
J Sub Total	0.85	533.85					0.45	110.25	5.00	1,057.00			6.30	1,721.10	273.19
	148.10	101,581.35	658.70	263,759.00	2.80	711.95	505.55	122,666.85	515.15	63,755.70	10.65	479.45			

300.03

Net Total	1,840.95	552,334.30
Other Disbursements		2,699.62
Billed		-203,938.00
Grand Total		£349,095.92

Net Total
Other Disbursements
Billed
Grand Total

The Gateway (Leeds) Limited - In Administration

BDO LLP - Detailed Time Charged and Rates Applicable for the Period From 27 June 2016 to 26 December 2016 (Reporting Period)

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL		AVERAGE RATE
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	£
D. General Administration															
02. VAT	3.50	3,059.00	0.30	224.70					2.25	915.50			2.55	1,140.20	
07. Receipts/Payments Accounts									7.50	688.95			3.50	3,059.00	
09. Statutory Matters			0.90	201.90	0.10	20.20	1.85	373.70	1.50	150.00	2.40	170.00	12.75	1,454.45	
15. Gen. Admin/Correspondence	0.30	152.70							25.75	3,341.75	0.30	21.30	27.35	3,515.75	
D. Sub Total	3.80	3,211.70	1.20	426.30	0.10	20.20	1.85	373.70	28.00	5,094.20	2.70	191.30	47.45	9,319.40	195.58
E. Assets Realisation / Dealing															
06. Property Related Matters	3.50	2,323.00	45.75	22,966.50					5.00	500.00			54.25	23,789.50	
E. Sub Total	3.50	2,323.00	45.75	22,966.50					5.00	500.00			54.25	23,789.50	475.38
I. Reporting															
01. Statutory Reporting	15.90	10,300.80							1.70	170.00			15.90	10,300.80	
02. Reporting to Appointor									1.70	170.00			17.60	10,470.80	
I. Sub Total	15.90	10,300.80													594.93
J. Distribution and Closure															
02. Distributions	0.60	381.10							2.00	436.00			2.60	817.10	
J. Sub Total	0.60	381.10							2.00	436.00			2.60	817.10	314.27
	23.60	16,216.60	46.95	23,392.80	0.10	20.20	1.85	373.70	46.70	6,202.20	2.70	191.30			

Net Total 122.10 44,396.80

Other Disbursements: 134.40

Billed -

Grand Total 644,531.20

Time Entry - Detailed SIP9 Time & Cost Summary

Moorfields Advisory Limited

THEG001 - The Gateway (Leeds) Limited
From: 21/12/2016 To 10/01/2017
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
11 Administrative Set Up	0.00	0.00	1.00	0.00	1.00	255.00	255.00
12 Appointment Notification	0.00	0.00	0.50	0.00	0.50	127.50	255.00
15 Case Monitoring	0.00	0.25	0.00	0.00	0.25	112.50	450.00
16 IPS Case Set Up	0.00	0.00	0.50	0.00	0.50	127.50	255.00
17 General Administration	0.00	0.00	1.00	0.00	1.00	255.00	255.00
Admin & Planning	0.00	0.25	3.00	0.00	3.25	877.50	276.00
52 Secured creditor claims/Reporting	0.00	0.30	0.00	0.00	0.30	106.50	355.00
Creditors	0.00	0.30	0.00	0.00	0.30	106.50	355.00
22 Antecedent Transactions	0.00	0.00	0.05	0.00	0.05	11.25	225.00
Investigations	0.00	0.00	0.05	0.00	0.05	11.25	225.00
Total Hours	0.00	0.55	3.05	0.00	3.60	895.25	276.46
Total Fees Claimed						0.00	

The Insolvency Act 1986

Administrator's progress report

Name of Company The Gateway (Leeds) Limited	Company number 05037556
In the High Court of Justice Chancery Division Companies Court [full name of court]	Court case number 5914 of 2013


(a) Insert full name(s) and
address(es) of administrator(s)We (a) James Money and Sarah Rayment of BDO LLP, 55 Baker Street, London, W1U
7EU

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

(b) Insert date

from	to
(b) 27 June 2016	(b) 26 December 2016

Signed


Joint/administrator(s)

Dated

24 11 17