

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company Mako Property Limited	Company number 05591808
In the High Court of Justice, Birmingham District Registry (full name of court)	Court case number 8032

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

I/We (a)
Derek Forsyth
Campbell Dallas LLP
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

David K Hunter
Campbell Dallas LLP
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

*Delete as applicable

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) 11 March 2014

Signed


 Joint Administrator

Dated

11 March 2014

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

Derek Forsyth
Campbell Dallas LLP
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

0141 886 6644
DX Exchange

DX Number

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



A39 14/03/2014 #148
COMPANIES HOUSE

FRIDAY

**Mako Property Limited
(in Administration)**

This report has been prepared for the sole purpose of updating creditors pursuant to the Insolvency Act 1986. 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 Joint Administrators act as agents of the Company without personal liability.

Derek Forsyth & David K Hunter
Campbell Dallas LLP
Titanium 1
King's Inch Place
Renfrew, PA4 8WF

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II – Directors' Estimated Statement of Affairs as at 20 January 2014 including Schedule of Creditors

1 INTRODUCTION

Derek Forsyth and David K Hunter were appointed Joint Administrators of Mako Property Limited ("the Company") on 20 January 2014. The appointment was made by a qualifying debenture holder, Allied Irish Bank Group (UK) PLC, pursuant to powers contained in paragraph 14 of Schedule B1 to the Insolvency Act 1986 ("the Act"). Notice of appointment was lodged in Her Majesty's High Court of Justice at Birmingham District Registry.

For the purposes of paragraph 100 of Schedule B1 to the Act, the Administrators confirm that they are authorised to carry out all functions, duties and powers, jointly or severally.

Please note that the EC Regulation on insolvency proceedings will apply to this administration and these proceedings will be main proceedings as provided by Article 3 of the aforementioned Regulation.

This report is prepared pursuant to Paragraph 49 of Schedule B1 to the Act. The purpose of the report is to provide creditors with details of the Joint Administrators' proposals to achieve the purpose of the Administration. The majority of the background information has been principally obtained from Companies House and discussions and correspondence with current and previous Directors, this information has not been verified by the Joint Administrators.

We have been advised that on 15 January 2014, shortly prior to our appointment, Anthony McElvogue and Anielka McElvogue resigned as directors and Michael Karus was appointed as a director. As at the date of my appointment, this was not reflected in the Company's records at Companies House.

2 BACKGROUND AND EVENTS LEADING TO THE APPOINTMENT OF THE JOINT ADMINISTRATORS

The Company was incorporated on 13 October 2005, under Company number 05591808. A background history of the Company has been provided by current and previous Directors at the date of appointment, and this is summarized as follows:

The Company operated as investment property managers. The parent company is GWS Property Limited and it also controlled two other companies in the group, Cordelt Limited and Scotstone Limited. GWS Property Limited was placed into liquidation on 4 February 2014.

The Company generated income from property sales and also ingathered rent. At the date of appointment the Company owned 17 properties in and around the Edinburgh area.

As a result of a legal action, inhibitions had been placed over all of the properties. This prevented the disposal of any properties.

The Company was in default with its bankers, Allied Irish Bank Group (UK) Plc, who held standard securities and a qualifying floating charge. In light of the Company's financial position the Bank decided to place the Company into administration.

A summary of statutory information together with the Abbreviated Accounts for the year ended 31 October 2012, is attached at Appendix I.

3 PURPOSE AND PROGRESS OF THE ADMINISTRATION

3.1 Purpose of Administration

The statutory purpose of administration consists of three objectives, as follows:

- (i) to rescue a Company as a going concern (in other words a restructuring which keeps the legal entity of the Company intact), or
- (ii) if the first purpose is not reasonably practicable (or the second purpose would clearly be better for the creditors as a whole), then the Administrator must perform his functions with the objective of achieving a better result for creditors than would be obtained through an immediate liquidation of the Company. This would normally be a sale of the business and assets as a going concern, or
- (iii) if neither of the first two parts of the purpose are reasonably practicable, the Administrator must perform his functions with the objective of realising property in order to make a distribution to secured and/or preferential creditors.

The Joint Administrators are currently in discussion with a party which may achieve the first purpose of administration. In the event that this cannot be achieved, the Joint Administrators intend to pursue the second objective of realising the Company's property.

3.2 Actions to date

Upon the appointment of the Joint Administrators they undertook an immediate review of the Company's affairs and made contact with the current and previous Directors and the Company's former advisers to ingather background and financial information.

The Joint Administrators contacted the tenants and letting agents to confirm which properties were occupied and obtained copies of the tenancy agreements that were in place. Legal agents were instructed to review these tenancy agreements.

In addition, the Joint Administrators, with the approval of the secured creditor, appointed J& E Shepherd to assess the value and marketability of each property

They also met with the current and previous Directors to gain further knowledge and background information on the history of the Company and the actions taken by the Company to date

ASSETS

Investment Properties

There are 17 investment properties of which 16 are secured to the Allied Irish Bank Group (UK) Plc, all the properties are located in and around the Edinburgh area. It is understood that the majority of the properties are occupied and the administrators are seeking legal advice in respect of the tenancy agreements in place. The Joint Administrators advised the tenants of the administration and they shall ingather the rents as they fall due.

There is one property owned by the Company which is secured to Clydesdale Bank Plc.

4 ESTIMATED STATEMENT OF AFFAIRS

4.1 Introduction

The Directors who are noted to have resigned at 15 January 2014 were formally requested to prepare a sworn statement of the Company's affairs and this has been received. I attach, at Appendix II, an extract of the Directors' Estimated Statement of Affairs. The individual who was apparently appointed a director on 15 January 2014 was also asked to complete a statement of the Company's affairs, however, has responded advising that he did not have the financial information and therefore unable to complete.

We would make the following comments on the statement -

- The Directors did not attribute a specific value to the property portfolio. A formal valuation has been carried out by J&E Shepherd. The actual value obtained by the Joint Administrators for the properties has not been detailed as this could prejudice future offers received.
- In accordance with the standard format of statements of affairs, no provision has been made for the costs of realising the Company's assets or administering the case.
- We have not carried out anything in the nature of an audit of the information provided within the statement.

4.2 Secured creditors

The Company's assets are subject to the following securities/charges

Standard Securities

The Company granted standard securities over the various properties owned by the Company in favour of Allied Irish Bank Group (UK) Plc and Clydesdale Bank Plc. These were created and registered on the dates noted on Appendix I.

Floating Charge

The Company granted a floating charge over all of the Company's assets in favour of Allied Irish Bank Group (UK) Plc. This was created on 13 October 2006 and registered on 24 October 2006.

We are advised that the sum outstanding to the Bank at the date of administration was approximately £1,519,838.

Other Lender Arrangements

We are not aware of any other secured borrowings.

It should be noted that interest will continue to accrue on the debt due to the Company's secured creditors.

The final outcome may vary materially from the position set out in the Directors' Estimated Statement of Affairs, however it is clear that, in any event, the Company is insolvent.

4.3 Prescribed part of the Companies' net property pursuant to Section 176A of the Insolvency Act 1986

Section 176A of the Insolvency Act 1986 requires that where there are floating charge realisations (net of costs) a Prescribed Part is set aside for unsecured creditors. These provisions apply where the floating charge was created and registered after 15 September 2003, as is the case in this administration.

However, at this stage it appears unlikely that there will be any floating charge realisations (after costs) from which the Prescribed Part will be paid.

5 ADMINISTRATORS' FEES AND DISBURSEMENTS

5.1 General

The Joint Administrators' remuneration will be fixed in accordance with Rule 2.106(5A) of the Insolvency Rules 1986. In this case, the Joint Administrators will seek approval of their remuneration on a time and line basis.

As stated above, it is anticipated that there shall be insufficient realisations to enable a distribution to be made to unsecured creditors. Consequently, unless a Creditors Committee is formed, the Joint Administrators' remuneration shall be fixed by the secured creditors, in accordance with Rule 2.106(5A (b)) of the Insolvency Rules 1986.

A Creditors Guide to Administrators' Fees, as prepared by our professional body, is available at <http://www.insolvency-practitioners.org.uk/page.aspx?pageID=104>

5.2 Other Professional Costs

To advise on legal issues including the potential refinance or sale of the Company's assets and a review of the securities and leases granted by the Company, the Joint Administrators instructed HBJ Gateley ("HBJ"), a legal firm which has the appropriate expertise and experience in insolvency matters.

HBJ have yet to submit a fee request. Their fees will be based upon their recorded time costs incurred at their prevailing charge out rates and will be reviewed by the Joint Administrators' staff before being approved for payment.

As advised, J&E Shepherd have been instructed to value the properties in the portfolio and provide recommendations as regards strategy for maximising realisations. This was done with the approval of Allied Irish Bank, as secured creditor.

6 CREDITORS' MEETING

In accordance with Paragraph 52(1) (c) of Schedule B1 to the Act, it is not necessary to convene a meeting of creditors to consider these proposals. However, we are obliged to convene a meeting if requested to do so by creditors whose debts amount to at least 10% of the total debts of the Company. Any such request must be made within 12 days of the date of these proposals and in the prescribed form.

In accordance with Rule 2.33(5) of the Insolvency Rules 1986, if the Joint Administrators are not requested to call a meeting within the above timescale, these Proposals shall be deemed to have been approved by the creditors.

A request for an initial meeting of creditors must be made in writing to the joint administrators (address on the covering letter with this report) and must include

- a list of the creditors concurring with the request, showing the amounts of their respective debts in the administration,
- from each creditor concurring, written confirmation of his concurrence, and
- a statement of the purpose of the proposed meeting

7 STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986

The Joint Administrators propose the following

- a) To continue to do all such things reasonably expedient and generally exercise all their powers as Joint Administrators which they consider desirable in order to maximise realisations from the assets of the Company, which may include a refinance or sale of the Company's assets,
- b) to continue with their enquiries into the conduct of the directors of the Company and assist any regulatory authorities if required,
- c) to agree the claims of the secured, preferential and if the Joint Administrators anticipate sufficient funds will become available for unsecured creditors the Joint Administrators may, at their discretion, establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator, should one be appointed, and the cost of so doing will be met as a cost of the administration and included as part of the Joint Administrators' remuneration,
- d) to distribute funds to the secured creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, where the Joint Administrators have sought the permission of the Court pursuant to paragraph 65(3) of Schedule B1 of Insolvency Act 1986,
- e) that the Joint Administrators remuneration under Rule 2.106 of the Insolvency Rules 1986, be fixed by reference to the time properly given by the Joint Administrators and the various grades of their staff according to their firm's standard charge out rates and the Category 2 disbursements (as defined by Statement of Insolvency Practice No 9) be charged in accordance with their firm's policy,
- f) that the Joint Administrators be authorised to draw fees on account from the assets of the Company from time to time during the period of the administration, based on time properly spent at Campbell Dallas LLP charge out rates,
- g) that the Joint Administrators be authorised to draw disbursements from time to time,

- h) that if the creditors of the Company so determine, at a meeting of creditors, to appoint a Creditors' Committee in the Administration, comprising of not more than five and not less than three creditors of the Company,
- i) to seek an extension of the administration period if deemed necessary by them,
- j) that the Joint Administrators be discharged at the end of the Administration from liability in accordance with Paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon the filing of the final Receipts and Payments account in accordance with Rule 2.110 of Insolvency Act 1986, and
- k) the Joint Administrators may use any or a combination of the exit route strategies in order to bring the administration to an end, but in this particular instance the Joint Administrators are likely to wish to pursue one of the following options as being the most cost effective and practical in the present circumstances:-
 - 1) If Creditors Voluntary Liquidation is deemed appropriate, the Joint Administrators are permitted to seek the appointment of Derek Forsyth of Campbell Dallas LLP as Liquidator without further recourse to the creditors. In accordance with Paragraph 83(7) of Schedule B1 to Insolvency Act 1986 and Rule 2.117(3) of Insolvency Rules 1986, creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after receipt of the Proposals and before the Proposals are approved, or
 - 2) Automatically one year after the Joint Administrators' appointment pursuant to Paragraph 76(1) of Schedule B1 to Insolvency Act 1986, or
 - 3) Once all the assets have been realised and the Joint Administrators have concluded all work within the administration, the Joint Administrators will file notice under Paragraph 84(1) of Schedule B1 to Insolvency Act 1986 with the Registrar of Companies, following registration of which the Company will be dissolved three months thereafter, or
 - 4) Once all the assets have been realised and the Joint Administrators have concluded all work within the administration, the Joint Administrators will apply to Court under Paragraph 79 of Schedule B1 to Insolvency Act 1986 for the administration to be ended and, if appropriate, for the Company to be placed into compulsory liquidation

8 OTHER INFORMATION TO ASSIST CREDITORS

8.1 Directors Conduct

As part of the Joint Administrators' statutory duties they will consider the conduct of the Directors in the three years prior to administration and any person(s) we consider to be a shadow or de facto Director(s) in relation to their management of the affairs of

the Company and the cause of the failure and submit their confidential report to the Insolvency Service

As part of the Joint Administrators' investigations they will consider, among other matters, the following

- Statutory compliance issues
- Misfeasance or breach of duty
- Transactions at an undervalue and Preferences

Creditors who wish to draw any matters to the attention of the Joint Administrators should write to this office



Derek Forsyth
Joint Administrator

Authorised by the Institute of Chartered Accountants
of Scotland to act as an Insolvency Practitioner

The affairs, business and property of the Company are being managed by the Joint Administrators
The Joint Administrators act as agents of the Company and without personal liability

APPENDIX I - STATUTORY INFORMATION

Name:	Mako Property Limited
Company Number:	05591808
Date of Incorporation:	13 October 2005
Registered Office	2 nd Floor 145-157 St John Street London EC1V 4PY
Authorised Share Capital:	1,000 Ordinary £1 Shares
Issued Share Capital:	1,000 Ordinary £1 Shares
Shareholder:	GWS Property Limited 1,000 Ordinary Shares
Directors:	Anthony McElvogue (Resigned 15 January 2014) Arielka McElvogue (Resigned 15 January 2014) Michael Karus (Appointed 15 January 2014)
Bankers:	Allied Irish Bank Group Plc

The Abbreviated Accounts for the year ended 31 October 2012 follow

The Standard Securities granted by the Company follow

Abbreviated Balance Sheet as at 31 October 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	2	4,945,183	4,942,583
		<u>4,945,183</u>	<u>4,942,583</u>
Current assets			
Debtors		8,566	8,566
Cash at bank and in hand		5,084	2,805
		<u>13,650</u>	<u>11,371</u>
Creditors: amounts falling due within one year	3	(181,124)	(181,494)
Net current assets (liabilities)		<u>(167,474)</u>	<u>(170,123)</u>
Total assets less current liabilities		<u>4,777,709</u>	<u>4,772,460</u>
Creditors: amounts falling due after more than one year	3	(1,769,587)	(1,790,089)
Total net assets (liabilities)		<u>3,008,122</u>	<u>2,982,371</u>
Capital and reserves			
Called up share capital		1,000	1,000
Revaluation reserve		3,137,500	3,137,500
Profit and loss account		(130,378)	(156,129)
Shareholders' funds		<u>3,008,122</u>	<u>2,982,371</u>

- For the year ending 31 October 2012 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies
- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts
- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

Approved by the Board on 14 May 2013

And signed on their behalf by
A McElvogue, Director

Notes to the Abbreviated Accounts for the period ended 31 October 2012

1 Accounting Policies

Basis of measurement and preparation of accounts

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities effective April 2008

Tangible assets depreciation policy

No depreciation has been provided on Heritable Investment Properties.

2 Tangible fixed assets

	£
Cost	
At 1 November 2011	4,942,583
Additions	2,600
Disposals	-
Revaluations	-
Transfers	-
At 31 October 2012	<u>4,945,183</u>
Depreciation	
At 1 November 2011	-
Charge for the year	-
On disposals	-
At 31 October 2012	<u>-</u>
Net book values	
At 31 October 2012	<u>4,945,183</u>
At 31 October 2011	<u>4,942,583</u>

3 Creditors

	2012 £	2011 £
Secured Debts	1,815,916	1,833,842
Instalment debts due after 5 years	925,982	943,908
Non-instalment debts due after 5 years	93,880	96,456

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006

Mako Properties Limited

APPENDIX I – SECURITIES

Standard Securities - In Favour of AIB Group (UK) Plc

Created 28 June 2006 Registered 13 October 2006

Short Particulars Taylor Bakery, 30 & 32 Cannonmills, Edinburgh

In Favour of AIB Group (UK) Plc

Created 13 October 2006 Registered 21 March 2007

Short Particulars 77 Market Street, Haddington

In Favour of AIB Group (UK) Plc

Created 10 May 2007 Registered 19 July 2007

Short Particulars The George Hotel, 91 High Street, Haddington

In Favour of AIB Group (UK) Plc

Created 22 August 2007 Registered 4 December 2007

Short Particulars 27 Queensferry Street, Edinburgh

In Favour of AIB Group (UK) Plc

Created 19 December 2007 Registered 11 April 2008

Short Particulars 101 Leith Walk, Edinburgh

In Favour of AIB Group (UK) Plc

Created 25 September 2008 Registered 4 February 2009

Short Particulars The Coach House, Dirleton, North Berwick

In Favour of AIB Group (UK) Plc

Created 8 August 2008

Registered 4 February 2009

Short Particulars The Castle Inn, Dirleton, North Berwick

In Favour of AIB Group (UK) Plc

Created 7 September 2010

Registered 9 September 2010

Short Particulars 14 – 20 High Street & 8-12 Bank Street & 2 – 6
Lambs Wynd, Penicuik

In Favour of Clydesdale Bank Plc

Created 23 December 2005

Registered 3 March 2006

Short Particulars 44 St Stephen Street, Edinburgh

Floating Charges – In Favour of AIB Group (UK) Plc

Created 13 October 2006

Registered 24 October 2006

There are a number of other standard securities registered at Companies House, however we are advised that it would appear that these charges have been discharged at The Land Register

APPENDIX II

DIRECTORS' ESTIMATED STATEMENT OF AFFAIRS INCLUDING SCHEDULE OF CREDITORS

Insolvency Act 1986

Mako Property Limited
Estimated Statement Of Affairs as at 20 January 2014

	Book Value £	Estimated to Realise £	£
ASSETS			
Portfolio of properties	Uncertain	Uncertain	
Allied Irish Bank Group (UK) Plc		(1,519,838 00)	
Clydesdale Bank Plc		(350,000 00)	
			<u>NIL</u>
LIABILITIES			
PREFERENTIAL CREDITORS -			
Employees Wage Arrears		151,440 00	
			<u>151,440 00</u>
			<u>(151,440 00)</u>
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003			
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			
			<u>NIL</u>
			<u>(151,440 00)</u>
Estimated prescribed part of net property where applicable (to carry forward)			<u>NIL</u>
			<u>(151,440 00)</u>
DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003			
			<u>NIL</u>
			<u>(151,440 00)</u>
Estimated prescribed part of net property where applicable (brought down)			<u>NIL</u>
			<u>(151,440 00)</u>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade & Expense Creditors		5,790 00	
			<u>5,790 00</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F C's post 14 September 2003)			<u>(157,230 00)</u>
			<u>(157,230 00)</u>
Issued and called up capital			
Ordinary Shareholders		1,000 00	
			<u>1,000 00</u>
TOTAL SURPLUS/(DEFICIENCY)			<u><u>(158,230 00)</u></u>

Campbell Dallas LLP
Mako Property Limited
A5 - Unsecured Creditors Statement of Affairs Figures

Key	Name	£
CM01	M L Cowan & Co	5,790 00
CM02	Anthony McElvogue	151,440 00
2 Entries Totalling		157,230.00

@ - Denotes associate creditor

Signature _____