

# 2.24B

The Insolvency Act 1986

## Administrator's progress report

Name of Company 101 Lilliput Road Limited	Company number 06129994
In the High Court of Justice, Chancery Division (full name of court)	Court case number 6435 of 2008


I/We (a)  
Lee Antony Manning  
Deloitte LLP  
PO Box 810  
66 Shoe Lane  
London  
EC4A 3WA

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

From (b) 4 February 2009	To (b) 3 August 2009
-----------------------------	-------------------------

Signed

  
Joint / Administrator(s)

Dated

24/8/2009

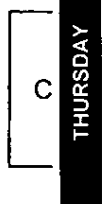
### Contact Details:

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 register.

Lee Antony Manning  
Deloitte LLP  
PO Box 810  
66 Shoe Lane  
London  
EC4A 3WA

DX Number

020 7936 3000  
DX Exchange

PC3 27/08/2009 432  
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**

<b>57 HAVEN ROAD LIMITED</b>	<b>Case No. 6404 of 2008</b>
<b>COMPTON LILLIPUT LIMITED</b>	<b>Case No. 6405 of 2008</b>
<b>4 &amp; 6 COMPTON AVENUE LIMITED</b>	<b>Case No. 6402 of 2008</b>
<b>101 LILLIPUT ROAD LIMITED</b>	<b>Case No. 6435 of 2008</b>
<b>(ALL IN ADMINISTRATION) ("the Companies")</b>	

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

**24 AUGUST 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 Joint Administrators act as agents of the Companies without personal liability**

**L A Manning & R M Hawes  
Deloitte LLP  
PO Box 810  
66 Shoe Lane  
London  
EC4A 3WA**

<b>CONTENTS</b>	<b>Page</b>
<b>1. INTRODUCTION .....</b>	<b>2</b>
<b>2. THE ADMINISTRATORS' PROPOSALS .....</b>	<b>3</b>
<b>3. PROGRESS IN THE ADMINISTRATIONS .....</b>	<b>5</b>
<b>4. JOINT ADMINISTRATORS' FEES AND EXPENSES .....</b>	<b>8</b>
<b>5. OTHER INFORMATION TO ASSIST CREDITORS .....</b>	<b>9</b>

#### **APPENDICES**

- 1. Statutory Information**
- 2. Abstract of Receipts and Payments to 31 July 2009 and 3 August 2009**

## ABBREVIATIONS

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

"4&6 Compton"	4 & 6 Compton Avenue Limited. The SPV developing 10 apartments.
"57 Haven"	57 Haven Road Limited. The SPV developing 14 apartments.
"101 Lilliput"	101 Lilliput Road Limited. The SPV developing 10 apartments.
"the Act"	Insolvency Act 1986 (as amended)
"the Administrators"	The Joint Administrators: Lee Antony Manning and Richard Michael Hawes.
"BIS"	The Department for Business Innovation and Skills
"the Bank"/"Clydesdale"	Clydesdale Bank PLC, 88 Wood Street, London EC2V 7QQ
"the Companies" / "the Developments"	57 Haven, Compton Lilliput, 4 & 6 Compton, 101 Lilliput (all In Administration)
"Compton Lilliput"	Compton Lilliput Limited. The SPV developing 11 apartments.
"Deloitte"	Deloitte LLP
"Dundas & Wilson"	Dundas & Wilson LLP
"Future 3000"	Future 3000 PLC. Placed into Administration on 22 July 2008. Associated by common directors and ownership with Ravine.
"HMRC"	Her Majesty's Revenue and Customs
"Ravine"	Ravine Lifestyle Limited. Placed into Administration on 24 July 2009. The parent holding company of 57 Haven, Compton Lilliput and 4&6 Compton.
"the Rules"	Insolvency Rules 1986
"SPV"	Special Purpose Vehicle company
"St. Vincents"	St. Vincent Investments (Developments) Limited, a 100% owned subsidiary of Clydesdale
"WIP"	Work in progress

## **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 Administrations of the Companies since our previous progress report to creditors dated 20 February 2009.

As the Companies are all under common ownership and were under common control, the Administrators have prepared one combined progress report. Previous reports have also included information on Ravine. The Administrators have filed notice with the Registrar of Companies to dissolve Ravine in accordance with paragraph 84 of the Act and it is the subject of a separate report.

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

### **1.2 Details of the appointments of the Administrators**

Lee Antony Manning and Richard Michael Hawes, partners in Deloitte, were appointed Joint Administrators of 57 Haven, Compton Lilliput and 4&6 Compton on 1 August 2008 and of 101 Lilliput on 4 August 2008.

The appointments were made by the Bank, as qualifying floating charge holders, under the out of court process. The proceedings for the Companies' Administrations are at the High Court, London.

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**

As previously reported to creditors, the Administrators concluded that the first part of the prescribed objective under Rule 3(1)(a) namely "rescuing the company (the legal entity) as a going concern" was not achievable.

Consequently, the Administrators have performed their functions in relation to the objective set out in Rule 3(1)(b) which is "to achieve a better result for the company's creditors as a whole than would be likely if the company was wound up".

The Administrators proposals, which, as previously reported, were deemed to have been approved by the creditors of the Companies on 2 October 2008, are as follows:

1. the Administrators continue to manage and wind down the affairs and assets of the Companies, collect any recoverable outstanding pre and post appointment book debts as required, utilising realisations of assets where appropriate, settle any Administration expenses where such expenses are incurred for the purpose of the Administration and realise the remaining assets of the Companies;
2. the Administrators be authorised to agree the claims of the Secured, Preferential and Unsecured creditors of the Companies should the Administrators conclude, in their reasonable opinion, that the Companies will have assets available for distribution;
3. the Administrators be authorised to distribute funds to the Secured and Preferential Creditors as and when claims are agreed and funds permit. In relation to distributions to Unsecured Creditors the Administrators be authorised to seek the consent of the Court to make a distribution to the Unsecured Creditors should funds become available to make such a distribution;
4. if the Companies are placed into Creditors Voluntary Liquidation the Administrators propose to be appointed Joint Liquidators if appropriate. Please note that the creditors may nominate a different person as the proposed Liquidator (provided nomination is made after receipt of proposals and before proposals are approved);
5. the Administrators' fees and expenses be approved for payment, pursuant to Rule 2.106 of the Insolvency Rules 1986, by the Secured Creditors and Preferential Creditors of the Companies where appropriate, or where such approval is not given that the Administrators' fees and expenses be approved by the Court;
6. to continue with their enquiries into the Directors of the Companies and continue to assist any regulatory authorities with their investigation into the affairs of Companies; and,

7. on completion of the realisation of assets and distribution of funds to creditors, and as quickly and as efficiently as is reasonably practicable, the Administrators implement the most cost effective steps to formally conclude the Administration.

With regards to proposal 5, the Administrators fees and expenses have not been deemed approved. Approval for fees drawn to date was obtained from Clydesdale on 16 June 2009.

### **3. PROGRESS IN THE ADMINISTRATIONS**

#### **3.1 Assets and realisations**

The Joint Administrators continue to manage the affairs of the Companies, which includes:

- Continuing with efforts to sell the freehold property owned by 101 Lilliput;
- Dealing with the creditors of the Companies and other day to day tasks arising in the Administrations; and
- Undertaking tasks related to the finalisation of the Administrations where the freehold property assets have been sold, including obtaining final tax clearances and reclaiming outstanding VAT amounts due.

##### **3.1.1 Compton Lilliput**

As previously reported, the sale of the freehold property owned by Compton Lilliput was completed on 30 September 2008 to St. Vincents. The market value of the freehold property at the time of the transfer was significantly less than the amount of secured debt outstanding and accordingly had no impact on the other creditors of Compton Lilliput.

The £2,750,000 proceeds received from the sale of the freehold property were received directly by the Bank on 30 September 2008.

##### **3.1.2 57 Haven**

The sale of the freehold property owned by 57 Haven was completed on 11 February 2009 to St. Vincents. The market value of the freehold property at the time of the transfer was significantly less than the amount of secured debt outstanding and accordingly had no impact on the other creditors of 57 Haven.

The £3,370,000 proceeds received from the sale of the freehold property were received directly by the Bank on 11 February 2009.

##### **3.1.3 4&6 Compton**

The sale of the freehold property owned by 4&6 Compton was completed on 10 July 2009 to St. Vincents. The market value of the freehold property at the time of the transfer was significantly less than the amount of secured debt outstanding and accordingly had no impact on the other creditors of the 4&6 Compton.

The £1,400,000 proceeds received from the sale of the freehold property were received by the Administrators on 10 July 2009 and distributed to the Bank on 10 August 2009.

Future material realisations are only expected from the sale of the remaining freehold property within 101 Lilliput.



### **3.2 Liabilities and distributions**

The Bank has advanced funds by way of overdrafts to the Companies in order to protect and develop the charged property assets thereby improving its potential recoveries.

Realisations, after costs and the funding of any trading loss incurred during Administrations, have been distributed in the order of priority set out in the Act, which is as follows:

1) Secured creditors

Clydesdale has debentures and legal charges over each one of the Companies.

Liabilities subject to a fixed charge by Clydesdale in Compton Lilliput at the date of appointment were £3,232,000. Following the distribution of £2,750,000 there is a residual fixed charge liability of £480,000 in that company.

Liabilities subject to a fixed charge in 4&6 Compton at the date of appointment were £3,144,696. Following the distribution of £1,400,000 there is a residual fixed charge liability of £1,744,696 in that company.

Liabilities subject to a fixed charge in 57 Haven at the date of appointment were £3,849,585. Following the distribution of £3,370,000 there is a residual fixed charge liability of £479,585 in that company.

Geoffrey John Siden and Jamie Andrew Drummond together have a second ranking legal charge over 57 Haven. The validity of this charge has not been assessed as no return has been possible due to the shortfall to Clydesdale following the sale of that company's freehold property.

Clydesdale also had cross guarantees for the debts of the Companies in place over Ravine and Future 3000. Due to significant shortfalls for the secured creditors in these companies no further realisations have been possible for the Bank.

2) Preferential Creditors

There were no floating charge assets in the Companies to enable a distribution to preferential creditors.

3) Prescribed Part

There were no floating charge assets in the Companies to enable any distributions under the Prescribed Part.

4) Unsecured creditors

Due to shortfalls for the secured creditors in the Companies there were no funds available to pay dividends to unsecured creditors where assets have been realised.

**3.3 Other**

As detailed above the Administrators' proposals were deemed to be approved with the exception of proposal 5. The Joint Administrators' fees have been fixed by reference to the time given by them and by members of their staff in attending to matters arising in the Administration. See section 4 for further details.

Confidential reports on the conduct of the Directors of the Companies were submitted to BIS on 22 January 2009. See Section 5 for further details.

We attach at Appendix 2, Receipts and Payments accounts for the period to 31 July 2009 and 3 August 2009.

As stated above, the Bank continues to advance funds to cover payments required in the Administrations in order to maximise realisations from the property at 101 Lilliput.

#### **4. JOINT ADMINISTRATORS' FEES AND EXPENSES**

##### **4.1 Joint Administrators' Fees**

As previously reported, there will be no funds available to the Companies' preferential or unsecured creditors. Therefore the fixing of the Joint Administrators' remuneration has been approved by the Bank in accordance with Rule 2.106(5A) of the Rules.

Fees (net of VAT) approved and drawn to date are:

57 Haven	£211,109
4&6 Compton	£110,461
Compton Lilliput	£111,146
101 Lilliput	£130,143

##### **4.2 Other professional costs**

As previously advised, Dundas & Wilson were instructed by the Administrators to advise on appropriate legal matters during the Administrations. Dundas and Wilson have confirmed total fees of £176,000 are to be charged in relation to the Companies. All professional costs are to be approved by the secured creditor.

## **5. OTHER INFORMATION TO ASSIST CREDITORS**

### **5.1 Extension to the initial appointment period**

The initial period of the Administrations was 12 months.

In accordance with Paragraph 108 of Schedule B1 of the Act the Administrators applied for consent to extend the period of each of the Administrations of the Companies by six months. This was obtained on 30 July 2009.

The extensions are required to allow the Administrators to realise the remaining freehold property owned by 101 Lilliput and complete tasks related to the finalisation of the Administrations including obtaining final tax clearances and reclaiming outstanding VAT amounts due.

### **5.2 Investigations**

As part of their statutory duties the Administrators have considered the conduct of the directors and any person they consider a shadow or de facto director in relation to their management of the affairs of the Companies and the causes of failure.

The Administrators are required to submit a confidential report to BIS on the conduct of any person that has been a director (or shadow or de facto director) within three years prior to the date of Administrations, for each of the Companies. As part of their investigations the Administrators have considered, among other matters, the following:

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

The Administrators' reports have now been submitted to BIS. The content of these reports are confidential and cannot be disclosed to creditors. If any creditor still wishes to make any comment regarding the conduct of the Companies or their directors and has not yet done so, please contact the Administrators.

### **5.3 Exit Routes from Administration**

Following resolution of all matters in the Administrations, the Administrators will look to implement the most cost effective steps formally to conclude the Administrations.

#### **5.4 SIP 13 – Connected party transactions**

As detailed above the freehold properties owned by Compton Lilliput, 57 Haven and 4&6 Compton were sold to St. Vincents, a 100% owned subsidiary of Clydesdale. The market values of the freehold properties at the time of the transfers were significantly less than the amounts of secured lending and accordingly had no impact on the other creditors of the Companies. None of the directors of Compton Lilliput, 57 Haven or 4&6 Compton are directors of Clydesdale. The Administrators were advised regarding these transactions by Dundas and Wilson, whilst St. Vincents were advised by Addleshaw Goddard LLP.

#### **5.5 EC Regulations**

As stated in the Administration Orders in relation to the Companies, Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that Regulation.

Statutory Information

<b>Company name</b>	<b>57 Haven Road Limited</b> n/a	<b>Compton Lilliput Limited</b> Boesman 121 Limited	<b>4 &amp; 6 Compton Avenue Limited</b> N/A	<b>101 Lilliput Road Limited</b> Project 1023 Ltd
<b>Previous names</b>				
<b>Company number</b>	5913264	05843232	05927182	06129994
<b>Date of incorporation</b>	22/08/2006	12/06/2006	06/09/2006	27/02/2007
<b>Registered office</b>	Hill House 1 Little New Street London EC4A 3TR	Hill House 1 Little New Street London EC4A 3TR	Hill House 1 Little New Street London EC4A 3TR	Hill House 1 Little New Street London EC4A 3TR
<b>Ordinary issued and called up share capital</b>				
Authorised Ordinary shares of £1 each	2	2	2	2
Allotted, called up and fully paid	2	2	2	2
<b>Shareholder</b>	Ravine Lifestyle Limited	Ravine Lifestyle Limited	Ravine Lifestyle Limited	Ravine Lifestyle Holdings PLC
<b>Directors</b>	Ravine Lifestyle Limited	Ravine Lifestyle Limited	Ravine Lifestyle Limited	Ravine Lifestyle Holdings PLC
<b>Company secretary</b>	Judy Clara Suzannah Young	Judy Clara Suzannah Young	Judy Clara Suzannah Young	Judy Clara Suzannah Young
<b>Bankers</b>	Clydesdale Bank PLC	Clydesdale Bank PLC	Clydesdale Bank PLC	Clydesdale Bank PLC
<b>Auditors</b>	Mazars LLP	Mazars LLP	Mazars LLP	Mazars LLP

**57 Haven Road Limited**  
**(In Administration)**

**Abstract Of Receipts And Payments to 31 July 2009**

		Realised / Paid 1/8/08 to 31/01/09 £	Realised / Paid 1/02/09 to 31/7/09 £	Total £
<b>RECEIPTS</b>	<i>Notes</i>			
Consideration for Freehold Property	2	-	3,370,000	3,370,000
Rent received		3,000	4,000	7,000
Miscellaneous Income		60	-	60
VAT Refund		5,632	25,214	30,846
		<u>8,692</u>	<u>3,399,214</u>	<u>3,407,906</u>
<b>PAYMENTS</b>				
Direct Labour		5,254	22,732	27,985
Direct Expenses		482	843	1,325
Heat & Light		-	639	639
Telephone		185	60	244
Insurance		49,350	17,507	66,857
Repairs & Maintenance		1,577	600	2,177
Stationery		704	-	704
Postages		-	292	292
Services (incl lift) installation		26,934	-	26,934
Building Contractors		78,271	27,587	105,857
Building Consultants		10,595	630	11,225
Security		17,548	-	17,548
Building Management		-	7,000	7,000
Central costs	3	17,010	-	17,010
Administrators' Fees		113,493	97,616	211,109
Administrator's Expenses		8,011	855	8,866
Storage Costs		1,404	-	1,404
PAYE / NI	5	-	47,013	47,013
Bank Charges		1,080	4,811	5,891
Distribution to Secured Creditor	2	-	3,370,000	3,370,000
VAT Receivable	4	29,859	17,024	46,882
		<u>361,756</u>	<u>3,615,208</u>	<u>3,976,964</u>
Residual Overdraft	1	<u>(353,065)</u>	<u>(215,993)</u>	<u>(569,057)</u>

**4 & 6 Compton Avenue Limited**  
**(In Administration)**

**Abstract Of Receipts And Payments to 31 July 2009**

		Realised / Paid 1/8/08 to 31/01/09	Realised / Paid 1/02/09 to 31/7/09	Total
		£	£	£
<b>RECEIPTS</b>	<i>Notes</i>			
Consideration for Freehold Property	6	-	1,400,000	1,400,000
Misc Income		-	29	29
VAT Refund		2,466	3,786	6,252
		<u>2,466</u>	<u>1,403,815</u>	<u>1,406,281</u>
<b>PAYMENTS</b>				
Hire of Equipment		-	803	803
Building Contractors		3,119	3,593	6,712
Building Consultants		-	500	500
Security		20,995	19,116	40,111
Central Costs	3	17,510	12,228	29,739
Administrators' Fees		-	110,461	110,461
Administrator's Expenses		-	1,515	1,515
Bank Charges		100	360	460
VAT Receivable	4	3,686	20,303	23,989
		<u>45,410</u>	<u>168,878</u>	<u>214,288</u>
Residual Overdraft	1	<u>(42,944)</u>	<u>1,234,937</u>	<u>1,191,993</u>



**Compton Lilliput Limited**  
**(In Administration)**

**Abstract Of Receipts And Payments to 31 July 2009**

		Realised / Paid 01/08/08 to 31/01/09 £	Realised / Paid 1/02/09 to 31/7/09 £	Total £
<b>RECEIPTS</b>	<i>Notes</i>			
Consideration for Freehold Property	<sup>2</sup>	2,750,000	-	2,750,000
VAT Refund		-	25,471	25,471
		<u>2,750,000</u>	<u>25,471</u>	<u>2,775,471</u>
<b>PAYMENTS</b>				
Fitting Out Showroom Cost		14,468	2,532	17,000
Security		11,765	-	11,765
Building Contractors		13,435	-	13,435
Building Consultants		200	500	700
Administrators' Fees		111,146	-	111,146
Administrator's Expenses		7,634	-	7,634
Bank Charges		1,284	2,036	3,320
Distribution to Secured Creditor	<sup>2</sup>	2,750,000	-	2,750,000
VAT Receivable	<sup>4</sup>	23,290	(2,444)	20,845
		<u>2,933,221</u>	<u>2,624</u>	<u>2,935,845</u>
Residual Overdraft	<sup>1</sup>	<u>(183,221)</u>	<u>22,847</u>	<u>(160,374)</u>

**101 Lilliput Road Limited**  
**(In Administration)**

**Abstract Of Receipts And Payments to 3 August 2009**

		Realised / Paid 4/8/08 to 3/02/09	Realised / Paid 4/02/09 to 3/8/09	Total
		£	£	£
<b>RECEIPTS</b>	<i>Notes</i>	-	-	-
		-	-	-
<b>PAYMENTS</b>				
Direct Expenses		2,917	-	2,917
Heat & Light		-	28	28
Insurance		-	10,067	10,067
Hire of Equipment		-	1,945	1,945
Building Contractors		53,297	45,117	98,414
Building Consultants		7,900	1,800	9,700
Security		36,509	-	36,509
Central Costs		18,010	-	18,010
Administrators' Fees		-	130,143	130,143
Administrator's Expenses		-	9,410	9,410
Bank Charges		119	1,095	1,214
VAT Receivable	<sup>4</sup>	9,209	21,909	31,118
		<u>127,962</u>	<u>221,514</u>	<u>349,477</u>
Residual Overdraft	<sup>1</sup>	<u>(127,962)</u>	<u>(221,514)</u>	<u>(349,477)</u>

**General Notes**

The Receipts and Payments abstracts must be read in conjunction with the attached notes and report.

1. The Bank has advanced funds by way of overdrafts in order to protect and develop the charged property assets thereby improving its potential recoveries.
2. The monies received in consideration for the sale of the freehold properties at Compton Lilliput and 57 Haven were received directly by the secured creditor and their secured liabilities were reduced by an equal amount.
3. Central costs include salaries, rent, stationery and postage costs.
4. VAT Receivable represents input VAT amounts due to be reclaimed.
5. PAYE/NI liabilities incurred by the Companies have been settled by payments from 57 Haven.
6. The £1.4m received in consideration for the sale of the freehold property at 4&6 Compton were received by the Administrators. An equal amount was distributed to the Bank on 10 August 2009, after the date of these abstracts.