

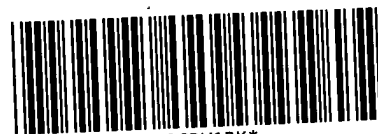
AM10

Notice of administrator's progress report



Companies House

FRIDAY



A9CDY1BK

A17

28/08/2020

#359

COMPANIES HOUSE

lease
house

1 Company details

Company number 1 0 9 5 3 6 8 5

Company name in full Prime Resort Development Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Finbarr

Surname O'Connell

3 Administrator's address

Building name/number 25

Street Moorgate

Post town

County/Region London

Postcode E C 2 R 6 A Y

Country

4 Administrator's name ①

Full forename(s) Colin

Surname Hardman

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 25

Street Moorgate

Post town

County/Region London

Postcode E C 2 R 6 A Y

Country

② Other administrator
Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date

d	0
---	---

d	3
---	---

m	0
---	---

m	2
---	---

y	2
---	---

y	0
---	---

y	2
---	---

y	0
---	---

To date

d	0
---	---

d	2
---	---

m	0
---	---

m	8
---	---

y	2
---	---

y	0
---	---

y	2
---	---

y	0
---	---

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

Finbar O'Connell

X

Signature date

d	2
---	---

d	8
---	---

m	0
---	---

m	8
---	---

y	2
---	---

y	0
---	---

y	2
---	---

y	0
---	---

AM10

Notice of administrator's progress report



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Sam Jackson

Company name Smith & Williamson LLP

Address 25 Moorgate

Post town

County/Region London

Postcode E C 2 R 6 A Y

Country

DX

Telephone 020 7131 4000



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4.
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Adam Henry
Surname Stephens

3 Insolvency practitioner's address

Building name/number 25
Street Moorgate
Post town
County/Region London
Postcode E C 2 R 6 A Y
Country

Continuation page

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 - REC1, REC2, REC3
 - LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
 - WU07, WU15
 - COM1, COM2, COM3, COM4
 - NDISC

2 Insolvency practitioner's name

Full forename(s) Lane Gary
Surname Bednash

3 Insolvency practitioner's address

Building name/number Craftwork Studios
Street 1-3 Dufferin Street
Post town
County/Region London
Postcode E C 1 Y 8 N A
Country

Continuation page

Name and address of insolvency practitioner

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- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Mark Christopher
Surname Ford

3 Insolvency practitioner's address

Building name/number 25
Street Moorgate
Post town
County/Region London
Postcode E C 2 R 6 A Y
Country



Prime Resort Development Limited (in administration)

**Joint administrators' progress report for the period from 3
February 2020 to 2 August 2020**

28 August 2020



Contents

1.	Glossary	1
2.	Introduction & Summary	2
3.	Progress of the administration	2
4.	Investigations	3
5.	Pre-administration costs	3
6.	Administrators' remuneration	4
7.	Administration expenses	5
8.	Estimated outcome for creditors	6
9.	Outstanding matters	7
10.	Privacy and data protection	7
11.	Ending the administration	7
12.	Creditors' rights	8
13.	Next report	8

Appendices

I	Statutory information	17
II	Group structure	18
III	Receipts and payments account	19
IV	Time analysis for the period	20
V	Staffing, charging, subcontractor and adviser policies and charge out rates	23

1. Glossary

Abbreviation	Description
the administrators/joint administrators	Finbarr Thomas O'Connell, Colin Hardman, Adam Henry Stephens, Mark Ford and Lane Bednash
the Company	Prime Resort Development Limited ("PRDL")
CVL	Creditors' voluntary liquidation
IRML	International Resorts Management Limited
Prime Group	PRDL, IRML, WCGL, WCOL and WVL - all in administration
QFCH	Qualifying Floating Charge Holder - a secured creditor who has the power to appoint an administrator (in this case, London Capital & Finance Plc, in Administration)
RPS	Redundancy Payments Service
WCGL	Waterside Cornwall Group Limited
WCOL	Waterside Cornwall Operations Limited
WVL	Waterside Villages Limited

2. Introduction & Summary

This report provides an update on the progress in the administration of the Company for the six month period ended 2 August 2020. It should be read in conjunction with any previous reports. By way of reminder, we, Finbarr Thomas O'Connell, Colin Hardman, Adam Stephens and Mark Ford, of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY and Lane Bednash of CMB Partners UK Limited of Craftwork Studios, 1 - 3 Dufferin Street, London EC1Y 8NA, were appointed administrators of the Company on 3 February 2020.

- Objective 3 (1)(b) is being pursued, being to achieve a better result for the creditors than would have been likely, had the Company not first been in administration. If this objective cannot be achieved for the Company, then the objective will instead be realising property in order to make a distribution to one or more secured or preferential creditors.
- London Capital & Finance Plc (In Administration) ("LCF") is owed a total sum of £70.1m by the Prime Group (see appendix II), secured by various debentures. Prior to the administration, Prime Group had ceased to make payments to LCF in accordance with its obligations under the loan documentation.
- The LCF administrators made the decision, in order to safeguard LCF's interests over the assets of the Prime Group, to seek the appointment of administrators across the Group, starting with PRDL.
- The principal focus of the administrators of the Company is to investigate fully the financial affairs of the Prime Group and to ascertain the funds flow across the Companies. These investigations are continuing and are anticipated to continue for some months yet.
- The administrators' proposals were issued as the combined Prime Group, however, given the differing timing of the statutory reporting requirements for PRDL and the rest of the Group, it is necessary that the PRDL progress report has been issued separately, with the progress report for the remaining Group companies to follow by mid-October 2020.
- Following the deemed approval of the Proposals of PRDL on 14 April 2020, a Creditors' Committee was not requested and, therefore, not formed.
- The remuneration of the joint administrators and the pre-appointment time costs detailed within this report are subject to the approval of the secured creditor and, if applicable, the preferential creditor. The joint administrators are not seeking approval for the basis and quantum of their costs at this juncture.

3. Progress of the administration

Attached at Appendix III is our receipts and payments account for the period from 3 February 2020 to 2 August 2020.

3.1 Cash at bank

Upon their appointment, the administrators wrote to the Company's bank and the small balance of £56.73 was received in respect of cash at bank. Company account statements have been requested to allow the administrators to review historic transactions, to assist them with their wider investigations into the Company's affairs.

3.2 Assets to be realised

The Company itself, does not have any direct assets apart from shares in subsidiary holdings.

PRDL is the parent company of the Prime Group of which the principal assets comprise the Waterside resort in Cornwall, and two land sites in the Dominican Republic. However, it is unlikely that any asset realisations in the subsidiary companies will result in a return to PRDL. The secured creditors (including LCF) are anticipated to be

the beneficiaries of any realisations in those subsidiary companies. Please see a group structure of the Prime Group at appendix II to this report.

Details regarding the Waterside resort will be reported in the next progress report for the remainder of the Prime Group companies which is due for issue by mid-October 2020.

The complexities regarding ownership and value of the Dominican Republic sites continue to require work by our lawyers and the local agents retained for this purpose. The administrators will only continue to pursue recoveries where there is an economic and/or commercial interest in doing so for the benefit of creditors.

3.3 Administration strategy

There have been no changes to the administrators' strategy, as documented in their Proposals dated 26 March 2020, which is firstly, to achieve a better result for the Company's creditors as a whole, than would be likely if the Company was wound up (without first being in administration).

The administrators are continuing to pursue this objective and outstanding matters to be concluded in the administration are set out in section 9 of this report.

4. Investigations

Under the Company Directors Disqualification Act 1986 we have a duty to make a submission to the Secretary of State for Business, Energy & Industrial Strategy on the conduct of all those persons who were directors at the date the Company entered administration or who held office at any time during the three years immediately preceding the administration.

We have complied with our duty in this regard. As all submissions are strictly confidential we are unable to disclose their content.

Additionally, we have a duty to investigate transactions to establish whether there may be any worth challenging for creditors' benefit from, for example, legal proceedings. Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors as a response to our request to complete an investigation questionnaire.

In addition to the standard investigation required in every insolvency appointment, as detailed above, the administrators' primary focus has been to ascertain the flow of funds into, within and out of the Prime Group, as LCF's books and records document a debt owed to it in the sum of c.£70.1m, secured by various debentures, across the Prime Group. Significant inroads have been made to unravelling the various transactions, however, this is a complex, multi-faceted investigation which we anticipate will take some time to fully conclude.

Details of our investigations remain confidential, as we do not wish to prejudice the outcome of any legal proceedings that may be commenced as a result of our findings. When we are in a position to disclose further details, we will do so at the appropriate time.

5. Pre-administration costs

The administrators did not seek approval for their pre-appointment costs at the time of drafting their Proposals. When the administrators are in a position to seek approval for their fees, they will circulate a decision procedure to the Company's creditors. As a Creditors' Committee has not been appointed, the relevant approvals are required to be sought from the secured creditor and, if applicable, preferential creditors.

As detailed at Appendix IV, pre-appointment time costs total £41,829.00.

6. Administrators' remuneration

The administrators have not yet sought approval for their remuneration, however, the table below details the time they have incurred in dealing with matters relating to the Company:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
3 February 2020 to 2 August 2020	422.33	186,041.45	446.19	-
Total	422.33	186,041.45	446.19	-

Attached as Appendix IV, is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the administrators and their staff in attending to matters arising in the administration. Details of work carried out in the period are also included in the body of this report.

The joint administrators' costs to date are £186,041.45, as above; the administrators will only be able to draw the incurred time costs with approval from the Company's creditors, in the absence of a Creditors' Committee, from the secured creditor and, if applicable, the preferential creditor. We are not seeking fee approval at this juncture. Please note that due to the interconnectedness of the affairs of PRDL and its subsidiaries that some of these costs may be properly attributable to other Prime Group administrations and, if so, will be re-allocated in future reports.

Please note that the division of the joint administrators' costs to date of £186,041 as between Smith & Williamson LLP and CMB Partners UK Limited is as shown in the table below.

Split of joint administrators' costs	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
Smith & Williamson LLP	243.23	82,960.95	350.95	-
CMB Partners UK Limited	179.10	103,080.50	576.00	-

The administrators of LCF, who appointed the administrators to PRDL, have agreed to indemnify them for their fees and disbursements, to the extent that these cannot be recovered from the assets of PRDL and its subsidiaries. This indemnity extends to the PRDL administrators' pre-appointment fees and expenses. This indemnity was provided on the basis that the Prime Group owes LCF c.£70.1m (see appendix II) and, accordingly, the LCF administrators have a duty to the LCF Bondholders to pursue this debt and to recover as much of it as is possible, including by way of granting a proportionate indemnity to the administrators of PRDL, and its subsidiaries, for their reasonable fees and costs.

Creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include dealing with former employees' claims through the Redundancy Payments Service and providing information relating to the Company and its former officers as required by the Company Directors' Disqualification Act 1986.

A copy of "A Creditor's Guide to Administrator's Fees", as produced by the ICAEW, is available free on request or can be downloaded from their website as follows:

<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided in Appendix V. Details of CMB Partners UK Limited's charge out rates are also provided that appendix.

On a general note, please be aware that the charge out rates of both firms are subject to an annual review.

7. Administration expenses

7.1 Subcontractors

We have not utilised the services of any subcontractors in this case.

7.2 Professional advisers

On this assignment we have used the professional advisers listed below. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of professional adviser/Service(s)	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £
Mishcon de Reya	Hourly rate and disbursements	259,533.94	-	259,533.94

Note: Some of these costs may, due to the interconnectedness of the affairs of PRDL and its subsidiaries, be properly attributable to other Prime Group administrations and, if so, will be re-allocated in future reports. The administrators of LCF, who appointed the administrators to PRDL, have agreed to indemnify them for their expenses, to include the cost of legal advice, to the extent that these expenses cannot be recovered from the assets of PRDL and its subsidiaries.

Mishcon de Reya are the administrators' appointed legal advisors and have assisted in a number of areas.

Specifically they have assisted with legal analysis and advice to assist:

- With a view to realising certain of the Company's assets held by its subsidiaries.
- With reviewing title and security matters in respect of the Company and its subsidiaries.
- Placing the Company into administration

7.3 Administrators' disbursements

We have incurred the following disbursements in the current period:

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Smith & Williamson LLP Administrators' bond	140.00	-	140.00
CMB Partners UK Limited Administrator's bond	30.00	-	30.00
Statutory advertising	182.00	-	182.00
Total	352.00	-	352.00

Note: The administrators of LCF, who appointed the administrators to PRDL, have agreed to indemnify them for their disbursements, to the extent that these cannot be recovered from the assets of PRDL and its subsidiaries.

7.4 Category 2 disbursements (see appendix V)

No Category 2 disbursements have been incurred.

7.5 Policies regarding use of third parties and disbursement recovery

Appendix V provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of disbursements.

8. Estimated outcome for creditors

The estimated outcome for each class of creditors is set out below.

Please note that, where creditors have submitted claims in a foreign currency, they will be converted to £Sterling at the rate applicable at the date of the Company's administration. If any creditor considers the rate to be unreasonable, they may apply to court for determination.

8.1 Secured creditors

LCF is the sole secured creditor and holds a fixed and floating charge over the Company's assets, which was created on 20 November 2018. As the Company does not have any direct assets of any value, it is uncertain whether there will be any recoveries to the estate to enable a dividend to LCF.

8.2 Prescribed Part

The Company granted a floating charge to LCF on 20 November 2018. Accordingly, we are required to create a Prescribed Part fund out of the Company's net floating charge property for unsecured creditors.

We are unable to confirm at this juncture whether there will be a requirement to establish a Prescribed Part fund since all identified assets are subject to fixed charges. However, should there be realisations from assets subject to a floating charge, then an update will be provided in the next report. If there is a Prescribed Part distribution to be made, this will be distributed by the joint administrators in the administration, following the changes made by the Small Business, Enterprise and Employment Act 2015 with effect from 26 May 2015.

The amount of the Prescribed Part is calculated as follows:

- 50% of the net property up to £10,000, plus
- 20% of the net property over £10,000
- up to a maximum Prescribed Part of £600,000.

8.3 Preferential creditors

The administrators have made their submissions to the RPS for the sole former employee of the Company. We have requested a final claim from the RPS, however, we are yet to receive this.

It is not anticipated that there will be asset realisations within this administration to allow a dividend to the preferential creditor.

8.4 Unsecured creditors

We have received claims totalling £127,288.53 from 7 creditors. Total unsecured creditors as per the Company's management accounts amounted to £3,300,000.

On present information, we confirm that realisations in the administration are expected to be insufficient to pay a dividend to unsecured creditors apart from the Prescribed Part, should this become applicable, as reported in section 8.2.

9. Outstanding matters

The joint administrators' costs to date are £186,041.45, as detailed in section 6, and the administrators will request approval to draw fees from the Company's creditors and will do so in due course if there are asset realisations sufficient to allow settlement of these costs. However, as mentioned above, please note that the administrators of LCF, who appointed the administrators to PRDL, have agreed to indemnify them for their fees and disbursements, to the extent that these cannot be recovered from the assets of PRDL and its subsidiaries. This indemnity extends to the PRDL administrators' pre-appointment fees and expenses.

On a general note, creditors should be aware that some of the administrators' work is required by statute and may not necessarily provide any financial benefit to creditors. An example would include dealing with former employees' claims through the Redundancy Payments Service.

The remaining actions to be concluded in the administration are as follows.

- Continue the investigations into the Company's affairs including as regards Prime Group properties located in Cornwall, England and in the Dominican Republic.
- Continue the investigations into the Prime Group's other assets.
- Seek approval for the administrators' pre and post-appointment remuneration.
- Closure of the administration, including preparing and issuing the final report.

10. Privacy and data protection

As part of our role as joint administrators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at: <https://smithandwilliamson.com/rrsgdpr>

If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact us if you believe this applies.

11. Ending the administration

It is proposed that, at the appropriate time, the joint administrators will use their discretion to exit the administrations by way of one of the following means.

- (i) If having realised the assets of the Company, the joint administrators think that a distribution will be made to the unsecured creditors other than by virtue of the Prescribed Part, they may file a notice with the Registrar of Companies which will have the effect of bringing the appointment of the joint administrators to an end and will move the Company automatically into CVL in order that the distribution can be made, but only if they consider that the associated incremental costs of a CVL are justified. In these circumstances the joint administrators will become the joint liquidators of the CVL. The acts of the joint liquidators may be undertaken by any one or all of them.
- (ii) If the joint administrators have, with the permission of the court, made a distribution to unsecured creditors in addition to any Prescribed Part distribution, or they think that the Company otherwise has no property which might permit a distribution to its unsecured creditors, subject to there being a need for further investigations as described below, they will file a notice, together with their final progress report, at court and with the Registrar of Companies for the dissolution of the Company. The joint administrators will send copies of these documents to the Company and its creditors. The joint

administrators' appointment will end following the registration of the notice by the Registrar of Companies.

- (iii) Administrators have the power to bring claims against former officers of a company in respect of transactions that may have caused or exacerbated a company's insolvency. Claims with a good prospect of success may indeed be pursued by administrators but there may be cases where it would be more appropriate if a liquidator brought the claim or where the timeframe would not be long enough, given the maximum extension period available to administrators. The proposed exit route would, in these cases, be liquidation.

The administrators will request to be discharged from liability under P98(3) of Sch B1 from the secured creditor and, where applicable, the preferential creditor.

12. Creditors' rights

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that the administrators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the administrators, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Finbarr Thomas O'Connell, Colin Hardman, Adam Stephens, Mark Ford or Lane Bednash in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

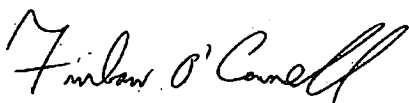
i) Email: insolvency.enquiryline@insolvency.gsi.gov.uk

ii) Telephone number: +44 300 678 0015

iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

13. Next report

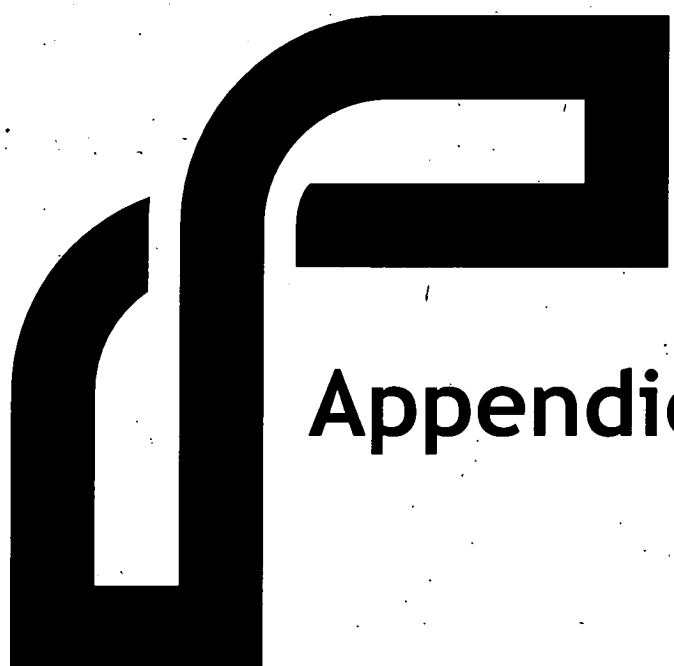
We are required to provide a further report on the progress of the administration within one month of the end of the next six month period of the administration unless we have concluded matters prior to this, in which case we will write to all creditors with our final report.



Finbarr Thomas O'Connell, Colin Hardman, Adam Stephens, Mark Ford and Lane Bednash

Joint Administrators

Date: 28 August 2020

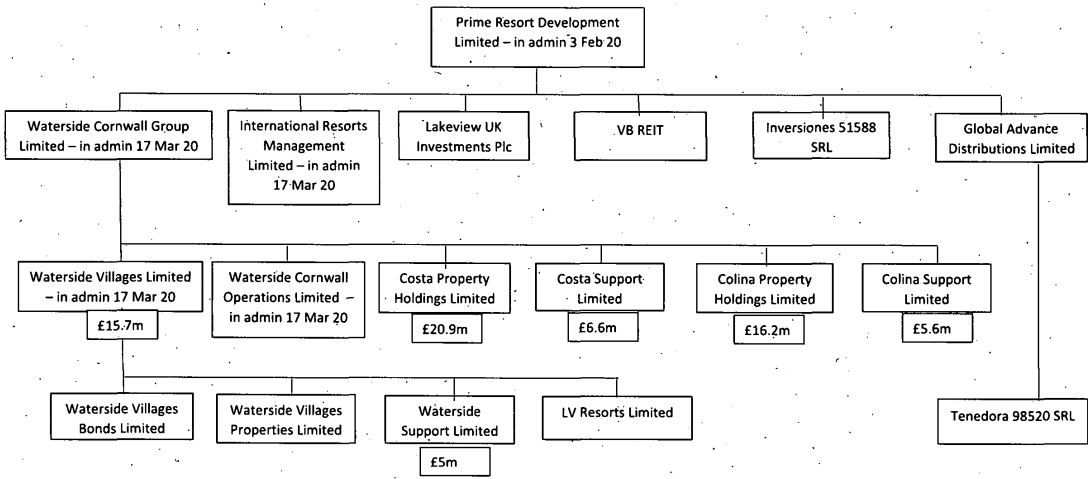


Appendices

I Statutory information

Relevant Court	High Court of Justice, Chancery Division Business & Property Court of England and Wales
Court Reference	000792 of 2020
Trading Name(s)	Prime Resort Development Limited
Trading Addresses	56 Queen Anne Street, London, W1G 8LA
Former Name(s)	None
Registered Office	25 Moorgate, London, EC2R 6AY
Registered Number	10953685
Joint Administrators	<p>Finbarr Thomas O'Connell, Colin Hardman, Adam Stephens, Mark Christopher Ford of 25 Moorgate, London, EC2R 6AY and Lane Bednash of CMB Partners UK Limited of Craftwork Studios, 1 - 3 Dufferin Street, London EC1Y 8NA</p> <p>(IP Nos 7931, 16774, 9748, 9521 and 8882)</p> <p>In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the Joint Administrators to act jointly and severally.</p>
Date of Appointment	3 February 2020
Appointor	QFCH - London Capital & Finance plc
Director	Martin Robert Orrell
Shareholders	Curzon Privee Consultancy Limited, Richard Deacon, Dragon Wave Holdings Limited, Eazy Corporate Services Limited, Eden Corporate Finance Limited, Malcom Fittler, Heby Ou, International Energy Investment, London Group LLP, Omnia Real Estate, Alan Sage, Ian Edward Sands, Michael William Ian Whyke and Zeetec Limited
EU Regulations	The EU Regulation on Insolvency Proceedings 2015 applies to the administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

II Group structure



*total lending from LCF is €270.1m and shown to 2 significant figures above for illustrative purposes.

III Receipts and payments account

Receipts and payments account to 2 August 2020

Prime Resort Development Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

From 03/02/2020
To 02/08/2020
£

ASSET REALISATIONS

Bank Interest Gross	0.06
Cash at Bank	56.73
	<u>56.79</u>

56.79

REPRESENTED BY

Clients Deposit (Int Bearing)	56.79
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56.79

Notes and further information required by SIP 7

- The administrators' remuneration has not yet been approved.
- We have not yet sought approval of or drawn any other costs that would require the same approval as our remuneration.
- No payments have been made to us from outside the estate, although an indemnity for the administrators costs and expenses does exist from the administrators of LCF.
- Details of significant expenses incurred are provided in the body of our report.
- Information concerning our remuneration and disbursements incurred is provided in the body of the report.
- Information concerning the ability to challenge remuneration and expenses of the administration is provided in our report.
- All bank accounts are interest bearing.
- There are no foreign currency holdings.

IV Time analysis for the period

From 3 February 2020 to 2 August 2020

Prime Resort Development Limited
Breakdown of time spent by Smith & Williamson LLP
for the period 3 February 2020 to 2 August 2020

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	11.60	0.00	4.20	9.03	0.00	24.83	9,814.30	395.26
Initial post-appointment notification letters, including creditors	0.00	0.00	4.30	10.55	0.00	14.85	3,849.50	259.23
Cashiering general, including bonding	0.00	0.00	0.00	0.85	0.00	0.85	267.75	315.00
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	4.30	4.75	11.00	22.90	0.00	42.95	13,273.75	309.05
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.00	0.00	0.00	0.20	0.00	0.20	44.00	220.00
Protection of company records (incl electronic)	8.40	0.00	0.00	0.00	0.00	8.40	3,948.00	470.00
Travelling	0.00	0.00	0.00	4.00	0.00	4.00	840.00	210.00
Filing, file and information management	0.00	0.00	0.00	0.20	0.00	0.20	44.00	220.00
Agents and advisers, general	0.00	0.00	0.00	1.60	0.00	1.60	384.00	240.00
Director/manager review, approval and signing	0.25	0.00	0.00	0.00	0.00	0.25	117.50	470.00
Investigations								
Directors' correspondence & conduct questionnaires	0.00	0.00	0.00	4.90	0.00	4.90	1,029.00	210.00
Statutory books and accounting records review	0.00	0.75	0.00	30.35	0.00	31.10	6,793.75	218.45
Investigation of legal claims	52.30	0.00	0.00	4.90	0.00	57.20	30,610.00	535.14
SIP2 and SIP4 obligations (inc CDDA86 forms)	0.25	0.00	0.00	6.85	0.00	7.10	1,601.00	225.49
Other	0.00	1.00	0.00	0.00	0.00	1.00	465.00	465.00
Realisation of assets								
Fixed charge Property (land and buildings)	1.80	0.00	0.00	5.00	0.00	6.80	1,968.75	289.52
Debtors not financed (includes reassigned debtors)	1.00	0.00	0.00	0.00	0.00	1.00	470.00	470.00
Sale of business as a whole, including liaison with legal advisers agents etc	2.35	0.00	0.00	0.00	0.00	2.35	1,104.50	470.00
Trading								
Staff and payroll (inc PAYE/NIC for trading period)	0.00	0.00	0.00	0.20	0.00	0.20	42.00	210.00
Creditors								
Employees & pension (other) (incl Jobcentre/CSA etc)	0.00	0.10	0.00	3.50	0.00	3.60	781.50	217.08
Unsecured creditors	0.25	0.00	0.00	0.20	0.00	0.45	161.50	358.89
Case-Specific 3, AML/Compliance								
AML - if done post appointment	0.00	0.00	0.00	3.20	0.00	3.20	720.00	225.00
Corporate Tax								
Corporate Tax	0.00	0.00	0.00	0.00	0.40	0.40	22.40	56.00
Forensics								
Forensics	0.00	0.00	1.50	19.30	0.00	20.80	4,608.75	221.57
Total	82.50	6.60	21.00	127.73	0.40	238.23	£82,960.95	£348.24

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Pre-Appointment								
AML, Conflict & ethics checks, engagement letters	0.00	0.00	0.00	4.00	0.00	4.00	907.50	226.88
Appointment formalities	0.00	0.00	0.00	1.20	0.00	1.20	252.00	210.00
Preparation of pre-appointment documents	1.50	0.00	0.00	3.75	0.00	5.25	1,597.50	304.29
Job planning	71.30	0.00	1.50	0.00	0.00	72.80	39,072.00	536.70
Total	72.80	0.00	1.50	8.95	0.00	83.25	£41,829.00	£502.45

Explanation of major work activities undertaken

Administration & planning

The joint administrators have been required to spend a considerable amount of time in planning and administration tasks in respect of the administration strategy. This is due to the work which they are required to complete by statute but has also been due to the delays in receiving information from relevant parties in a timely manner. The joint administrators and their staff have been obliged to undertake certain areas of work in order to comply with their statutory obligations and internal compliance requirements. The following work has been conducted in respect of administration and planning:

- Ensuring all statutory notifications are sent upon appointment;

- Drafting and circulating the administrators' proposals;
- Job planning in respect of determining the appropriate steps for the Company's subsidiaries in order to preserve, and maximise, value;
- Liaising with legal advisors in respect of the ownership structures of the Company's subsidiaries;
- Liaising with agents in the Dominican Republic to determine the value of the Prime Group's interest in 2 pieces of land there;
- Obtaining and preserving the Company's records;
- Liaising with the Company's bank to obtaining bank statements and other records;
- Multiple meetings with relevant parties to understand the group structure and to obtain information about the Company; and
- Meeting with the Company's directors to address numerous queries concerning the Company.

Investigations

This section relates to the work that the joint administrators have conducted in relation to their investigations into the failure of the Company and of the Prime Group. It should be noted that the ownership structure of the Waterside Resort is complex with title and ownership matters which need further investigation. The joint administrators have a duty to consider any potential claims that the Company may have against third parties that may give rise to potential claims for the benefit of the Company's creditors. Whilst it is likely that the majority of this work will provide a direct financial benefit for the Company's creditors, some streams of the investigation work that will be, or have been, carried out are required by statute and may not necessarily provide a direct financial benefit for the Company's creditors. The following work has been conducted in respect of our investigatory functions:

- Liaising with our Forensics team to ensure we secured the Company's records;
- Investigating the legal ownership of the subsidiaries' properties both prior to and following the appointment of administrators over the Company and also over the rest of the Prime Group;
- Investigating and tracing the c.£70.1 shown as being due from the Prime Group to LCF in order to pinpoint any assets of value which might be realised for the benefit of LCF and ultimately for the benefit of the LCF Bondholders.
- Making statutory submissions to the Secretary of State for Business, Energy & Industrial Strategy reporting on the directors', and former directors', conduct; and
- Liaising with the Company's former directors to understand the Company's financial position.

Realisation of assets

This section relates to work carried out relating to the potential realisation of assets for the benefit to creditors.

Forensics

The administrators have utilised the services of their Forensics team to assist with imaging the Company's computer servers, which holds all documents and emails. A large proportion of time has been spent by the Forensics team:

- Attending initial meetings to understand the requirements to image the Company's electronic data;
- Creating the image of the Company's electronic data;
- Converting the Company's electronic data to a format which would enable a review.

Breakdown of time spent by CMB Partners UK Limited

Name: Prime Resort Developments Limited

Period: 3rd February 2020 to 2 August 2020

Time & Chargeout Summary

Classification	Partner/Director Hours	Non Appointed IP Hours	Managers Hours	Administrators Hours	Total Hours	Time Costs £	Average Hourly Rate £/hr
Administration/Planning							
Statutory Reports & Returns	0.40	0.00	0.30	0.60	1.30	637.00	490.00
Job Planning & review	7.80	11.60	5.80	4.10	29.30	16,221.00	553.62
General Case Administration	0.80	3.50	8.30	3.60	16.20	7,731.50	477.25
Sub-total	9.00	15.10	14.40	8.30	46.80	24,589.50	525.42
Investigations							
Directors' Correspondence	0.00	0.20	0.00	0.00	0.20	125.00	625.00
Books and Records Review	1.60	62.40	1.90	0.00	65.90	40,181.50	609.73
CDDA 1986 Obligations	0.00	4.50	6.00	5.80	16.30	7,832.50	480.52
Asset Tracing/Searches	0.00	44.60	0.00	0.00	44.60	27,518.00	617.00
General Investigation	0.70	0.00	0.00	0.00	0.70	427.00	610.00
Sub-total	2.30	111.70	7.90	5.80	127.70	76,084.00	595.80
Realisation of Assets							
Property	0.00	2.60	0.00	1.50	4.10	2,207.00	538.29
Other	0.00	0.00	0.00	0.40	0.50	200.00	400.00
Sub-total	0.00	2.60	0.00	1.90	4.60	2,407.00	523.26
Total hours	11.30	129.40	22.30	16.00	179.10		
Total Time Costs	6,911.00	76,856.50	9,873.00	6,440.00		103,080.50	576

On this case Subcontractors / Consultants

CMB Partners UK Limited has entered into agreements with the following third parties:

David Hudson ("Mr Hudson") of Hudson Bay Consulting Limited ("Hudson Bay") – retained for his specific investigation skills into tracing money in Insolvency matters and dealing with complex frauds. Mr Hudson is a licenced Insolvency Practitioner. In this respect he has been able to identify a number of areas for investigation and has also provided substantial assistance in relation to the tracing of funds.

As a result of the investigation work being carried out by Mr Hudson, his knowledge of the case has resulted in his attendance and full involvement in the interviews of Directors and connected parties and the preparation of Court documents.

The Joint Administrators acknowledge that Mr Hudson's support and knowledge is key to realising assets in the Administration of the Company and of the Prime Group.

Mr Hudson through Hudson Bay is retained as a consultant by CMB Partners UK Limited.

The time costs of Mr Hudson are recorded separately on the CMB Partners UK Limited SIP9 attached to this report under the column Non-Appointed Insolvency Practitioner ('IP'). Mr Hudson's services are charged out to insolvency appointments at £625.00 per hour, being a rate commensurate with that of an experienced insolvency practitioner.

V Staffing, charging, subcontractor and adviser policies and charge out rates

Introduction

Detailed below are:

- Smith & Williamson LLP's policies in relation to:
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Disbursement recovery
- Smith & Williamson LLP's current charge out rates

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director as joint office holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required and where this will add best value and service.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

Any such arrangements will be reviewed periodically to ensure that best value and service continue to be obtained.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add best value and service to the assignment.
- The expertise and experience of the service provider;
- The provider holds appropriate regulatory authorisations;
- The professional and ethical standards applicable to the service provider.

Arrangements will be reviewed periodically to ensure that best value and service continue to be obtained.

Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 disbursement, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 disbursements.

Details of any Category 2 disbursements incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2020.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2019	London office £/hr	Regional offices £/hr
Partner / Director	470-540	376-432
Associate Director	440	352
Managers	270-380	216-304
Other professional staff	180-380	144-192
Support & secretarial staff	100	80

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2020	London office £/hr	Regional offices £/hr
Partner / Director	495-570	396-456
Associate Director	465	372
Managers	285-400	228-320
Other professional staff	190-465	152-204
Support & secretarial staff	105	84

Notes

1. Time is recorded in units representing 3 minutes or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. The cashiering function time is incorporated within "Other professional staff" rates.

Smith & Williamson LLP	London office
Corporate Tax	£/hr
Charge out rates as at 1 July 2019	
Partner / Director	575-690
Associate Director	460
Managers	245-400
Other professional staff	115-210
Support & secretarial staff	60

Smith & Williamson LLP	London office
Forensics	£/hr
Charge out rates as at 1 July 2019	
Partner / Director	470
Associate Director	
Managers	320-410
Other professional staff	240
Support & secretarial staff	

CMB Partners UK Limited

1 Staff Allocation and the Use of Sub-Contractors

1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.

1.3 On this case Subcontractors / Consultants

1.4 The CMB Partners UK Limited have entered into agreements with the following third parties:

1.5 David Hudson ("Mr Hudson") of Hudson Bay Consulting Limited ("Hudson Bay") – retained for his specific investigation skills into tracing money in Insolvency matters and dealing with complex frauds. Mr Hudson is a licenced Insolvency Practitioner. In this respect he has been able to identify a number of areas for investigation and has also provided substantial assistance in relation to the tracing of funds.

1.6 As a result of the investigation work being carried out by Mr Hudson his knowledge of the case has resulted in his attendance and full involvement in the interviews of Directors and connected parties and the preparation of Court documents.

1.7 The Joint Administrators acknowledge that Mr Hudson's support and knowledge is key to realising assets in the Administration.

1.8 Mr Hudson through Hudson Bay is retained as a consultant by CMB Partners UK Limited, brief particulars of which are available on request.

1.9 The time costs of Mr Hudson are recorded separately on the CMB Partners UK Limited SIP9 attached to this report under the column Non-Appointed Insolvency Practitioner. Mr Hudson's services are charged out to insolvency appointments at £625.00 per hour, being a rate commensurate with that of an experienced insolvency practitioner.

2 Joint Liquidators' Expenses & Disbursements

2.1 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.

2.2 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidators' fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

3 Charge-Out Rates

3.1 CMB Partners UK Limited's current charge-out rates effective from 1 July 2019 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

CMB Partners UK Limited charge out rates from 1 July 2020		(Per hour)
		£
Director/Insolvency Practitioner		625
Non Appointed Insolvency Practitioner		625
Managers		400 - 540
Administrators		270 - 400
Support & Secretarial		100 - 270

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Principal offices: London, Belfast, Birmingham, Bristol, Cheltenham, Dublin, Glasgow, Guildford, Jersey, Salisbury and Southampton.

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