

A.58(1)

Administrative Receiver's Report

Pursuant to Article 58(1) of the
Insolvency (Northern Ireland) Order
1989 and Rule 3.09(3) of the Insolvency
Rules (Northern Ireland) 1991

To the Registrar of Companies

For Official Use

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Company Number

NI024654

Insert full name of
Company

Name of Company

Abercorn Developments & Leisure (1990) Limited

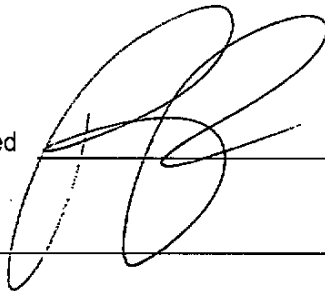
Insert full name and
Address

I Peter Michael Allen
Deloitte (NI) Limited
19 Bedford Street Belfast BT2 7EJ

Delete as appropriate

Administrative Receiver(s) of the company attach a copy of my report to creditors and a copy of the statement of affairs of the company.

Signed



Date

26/07/2016

Presenter's name,
address and reference
(if any)

Abercorn Developments & Leisure
(1990) Limited
Peter Michael Allen
Deloitte (NI) Limited
19 Bedford Street Belfast BT2 7EJ

For Official Use

Insolvency Section

Post Room

COMPANIES HOUSE

27 JUL 2016

BELFAST

WEDNESDAY



J5C3ZSFE

JNI

27/07/2016

#118

COMPANIES HOUSE

Statement of Affairs

Statement as to affairs of Abercorn Developments & Leisure (1990) Limited

On the 12 May 2016 the date of the Administrative Receiver's Appointment

Statement of truth

I believe that the facts stated in this Statement of Affairs are true

Full name John C. McGinnis

Signed J. C. McGinnis

Signed

Dated 15 June 2016

A – Summary of Assets

Assets

Assets subject to fixed charge:

Buildings (less Restriction Reserve)

Parking System - NBV

CCTV - NBV

Electrical fittings - NBV (Carbon Trust)

Assets subject to floating charge:

Cash at bank

Rental account - held at me lobbies

Cash Park account -

Uncharged assets

Intercompany Receivables - Rimer Trading Limited

Shareholdings

Book Value £	Estimated to Realise £
3,998,395	2,250,000
33,604	—
4,278	—
22,699	—
82,158	82,158
41,097	41,097
6,762	6,762
467,118	—
12,492	11,792
4,665,603	2,392,009

Estimated total assets available for preferential creditors

Signature J. J. G. S. Date _____

A1 – Summary of Liabilities

	Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	£ 2,392,009
Liabilities	£
Preferential creditors:-	
Estimated deficiency/surplus as regards preferential creditors	£
Estimated prescribed part of net property where applicable (to carry forward)	£
Estimated total assets available for floating charge holders	£
Debts secured by floating charges	£
Estimated deficiency/surplus of assets after floating charges	£
Estimated prescribed part of net property where applicable (brought down)	£
Total assets available to unsecured creditors	£ 2,392,009
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ <131,135>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£
Shortfall to floating charge holders (brought down)	£
Estimated deficiency/surplus as regards creditors	2,260,874
Issued and called up capital	£ 500,000
Estimated total deficiency/surplus as regards members	£

Signature  Date _____

COMPANY CREDITORS

Note: You must include all creditors and identify any creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession.

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
BDO	10 Callender Street, Belfast BT1 5BN	4,050			
CARBON TRUST	THE CARBON TRUST ENERGY EFFICIENCY LOAN UNIT 3, The Innovation Centre, NI Science Park, Queens Road BELFAST BT3 9DT	17,280			
DANSKE BANK	ASSET FINANCE	7,200			
HMRC	re VAT LIABILITY	26,504			
HMRC	re CORPORATION TAX (Estimate)	76,301			
		131,135			

Signature

Date _____

**ABERCORN DEVELOPMENTS & LEISURE (1990) LIMITED
(IN ADMINISTRATIVE RECEIVERSHIP)
("the Company")**

**REPORT TO CREDITORS PURSUANT TO ARTICLE 58 OF THE INSOLVENCY
(NORTHERN IRELAND) ORDER 1989**

26 July 2016

This report has been prepared for the sole purpose of updating the Creditors for information purposes. 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 updating them for information purposes, or by any other person for any purpose whatsoever.

Peter Michael Allen was appointed Administrative Receiver of Abercorn Developments & Leisure (1990) on 12 May 2016.

All licensed Insolvency Practitioners of Deloitte (NI) ("Deloitte") Limited are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants of Scotland.

**Peter Michael Allen
Deloitte (NI) Limited
19 Bedford Street
Belfast
BT2 7EJ**

Tel: 02890 53 1076

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- 2. Administrative Receiver's Receipts and Payments account from the period from 12 May 2016 to 25 July 2016**
- 3. Statement of Affairs**

ABBREVIATIONS

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

"the Order"	Insolvency (Northern Ireland) Order 1989 (as amended)
"the Rules"	Insolvency Rules (Northern Ireland) 1991 (as amended)
"the Receiver"	Peter Michael Allen of Deloitte (NI) Limited
"the Company"	Abercorn Developments & Leisure (1990) (in Administrative Receivership)
"Deloitte"	Deloitte (NI) Limited
"the Bank"	KBC Bank Ireland Plc
"SIP7 (NI)"	Statement of Insolvency Practice 7 (Northern Ireland) Preparation of Insolvency Holders' Receipt and Payments Accounts
"SIP13 (NI)"	Statement of Insolvency Practice 13 (Northern Ireland) Acquisitions of Assets of Insolvent Companies by Directors

1. INTRODUCTION AND BACKGROUND TO THE APPOINTMENT

1.1 Introduction

This report has been prepared in accordance with Article 58 of the Order to provide creditors with an account of the events leading up to the Receiver's appointment and subsequent handling of the Company's affairs.

The Report will be considered at a meeting of the Company's creditors which has been convened for 10am on 11th August at 19 Bedford Street, Belfast, BT2 7EJ as detailed in the notice attached to this report.

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

1.2 Details of the appointment of the Receiver

Peter Michael Allen of Deloitte was appointed Administrative Receiver of the Company by KBC Bank Ireland Plc on 12 May 2016 under a mortgage debenture dated 19 December 2005.

1.3 Background

The Company was established in July 1990, the company's primary operation is the ownership and management of the Quayside Centre, 42 Strand Road, Derry ("the Centre"). The Quayside Centre is a purpose built shopping centre consisting of 86,596 sq ft of accommodation and a multi storey car park providing 479 spaces.

The Quayside Centre is 100% owned by Abercorn Developments and Leisure (1990) Limited ("the Company") the share capital of which is owned 87.5% by Rumex Trading Limited ("Rumex") and 12.5% by John McGinnis.

In 2005, the Bank provided Rumex with a term loan to fund the purchase of the shares of Abercorn and to fund the refurbishment of the Centre. Security provided in this regard included; first fixed and floating charges over all the assets of Rumex incorporating a specific first fixed charge over the 100% shareholding in the Company and a Guarantee from the Company to include a first fixed and floating charge over all the assets of the Company.

As with the Company, on the 12 May 2016 KBC Bank Ireland Plc under their charge appointed Peter Michael Allen of Deloitte as Administrative Receiver of Rumex Trading Limited. For further details on this appointment, please refer to the Article 58 Report filed at Company's House.

1.4 Balance sheet information

Company Summary Balance Sheet

	Abbreviated Accounts for year ended 31/03/2015 £	Abbreviated Accounts for year ended 31/03/2014 £	Abbreviated Accounts for year ended 31/03/2013 £
Tangible assets	5,448,850	5,455,011	5,400,516
Fixed assets	5,448,850	5,455,011	5,400,516
Current Assets			
Debtors	391,432	183,471	324,135
Investments	-	24,783	24,783
Cash	9,221	40,736	1,568
	400,652	248,990	350,486
Liabilities			
Creditors due within 1 year	(196,831)	(185,987)	(92,745)
Creditors after 1 year	(7,901)	(68,245)	(322,363)
Provisions for liabilities	(16,094)	(16,814)	(5,452)
Government grants	(1,372,000)	(1,420,000)	(1,468,000)
Total Liabilities	(1,592,826)	(1,691,046)	(1,888,560)
Net Assets	4,256,676	4,012,955	3,862,442

Source: Audited Accounts

Summary of Assets

Fixed Assets

As previously discussed, the Company owns the Quayside Centre, a purpose built shopping centre measuring 86,596 sq ft with a 479 space multi storey car park. The two anchor tenants Tesco and Omniplex (measuring 63,525 sq ft) have been sold off long leasehold prior to the appointment of the Receiver. The remaining shopping centre is 22,957sq ft and comprises 22 retail units and multi-storey car park. Included within the fixed assets balance is also the parking equipment, CCTV and other fixture and fittings. The car parking equipment was purchased via hire purchase finance provided by Danske Bank; the final monthly payment due is 31 October 2016.

Debtors

Debtors include an intercompany balance due from Rumex and rental monies held by the managing property agent McKibbin Commercial ("McKibbin's").

1.5 Management and employees

As at 12 May 2016, the Company employed two staff who were responsible for the day to day management of the shopping centre and car park.

The Centre has been managed by McKibbin's since 1st April 2012.

Statutory information on the Company, including details of the Director and Company Secretary, Bankers and Shareholders is provided at Appendix 1.

2. EVENTS LEADING UP TO APPOINTMENT OF THE RECEIVER AND MANNER IN WHICH THE COMPANY'S AFFAIRS ARE BEING MANAGED BY THE RECEIVERS

2.1 Events leading up to the Receiver's appointment

As previously discussed, in 2005 the Bank provided Rumex with a secured loan to fund the acquisition of the shares of the Company, which owned the Quayside Centre. Whilst the Bank debt was retained by Rumex the security provided included first fixed and floating charges over all the assets of Rumex incorporating a specific first fixed charge over the 100% shareholding in the Company and a Guarantee from the Company to include a first fixed & floating charge over all the assets of the Company.

The Company began to experience increasingly difficult trading conditions in 2015, attributed to declining rental revenues and increased running costs of the Quayside centre. As a result, from September 2015 the Company was unable to provide Rumex with the required cash flow to make any capital or interest payments on existing facilities.

With the borrower in breach of facilities and an inability to service the debt, the bank appointed an Administrative Receiver over Rumex Trading Limited and Abercorn Developments & Leisure (1990) Limited to take control and optimise the value of their security.

2.2 Post Appointment Strategy

Immediately following the appointment of the Receiver on 12 May 2016, an assessment of trading was carried out and discussions were held with McKibbin's in their capacity as commercial agent and store management. The Administrative Receiver concluded that it was in the best interests of creditors to continue to trade the Company's business whilst seeking a sale of the business and assets as a going concern. Further detail regarding the trading of the business is provided on the Receiver's receipts & payments account on page 11.

The Receiver engaged McKibbin's to continue to act as commercial agent and are continuing to work through an asset management plan in order to maximise income and mitigate against potential voids and associated non-recoverable costs.

The car park operations are being managed by the centre manager with oversight from the Receiver's team.

Notification of the Receiver's appointment was sent to all tenants and suppliers.

A high level review of the day to day trading position found that the costs associated with running the car park were high and would need to be reduced for the business to remain viable. As such, redundancies were made and a small number of contracts were identified for review with the potential for further reductions. In total, one staff member was made redundant.

In addition to the above, the following actions have been taken by the Receiver since appointment:

- Liaising with the Bank regarding their security over the assets of the Company;
- Arranging the opening of post-appointment bank accounts;
- Arranging insurance in respect of the Company's assets;
- Notifying the creditors of the appointment of the Receiver and carrying out statutory duties including the preparation of the creditors' report.
- Following appointment, one of these employees was made redundant; and
- Following an initial assessment of Company's financial position, the Receiver decided to allow the store to continue to trade in the short term in order to preserve value in

existing trade, whilst seeking ways to stabilise the business and position the asset for sale.

2.4 Realisation of assets

The Receiver has received sales tenders from four reputable property agents regarding the sale of the Company's primary asset, the Quayside Centre.

Following consideration of the various proposals, the Receiver has submitted his recommendation to the Bank and intends to agree a strategy for the disposal of the assets in the coming weeks.

3. DIRECTOR'S STATEMENT OF AFFAIRS

3.1 Introduction

In accordance with Article 57(1) of the Insolvency (Northern Ireland) Order 1989, a Statement of Affairs as at 12 May 2016 has been submitted by the Director. This is attached in Appendix 2.

3.2 Secured creditor

The Company had no Bank debt. However, by virtue of the guarantee and indemnity provided by the Company in respect of the liabilities of Rumex, the payment below was demanded.

At the date of the appointment the total debt outstanding is as follows: £4,759,530

It is not expected that the Bank will recover its lending in full.

In addition to the above, Danske Bank provided Abercorn with a HP facility to fund the purchase of the car park equipment. At the date of appointment the balance outstanding totalled £8,640. The Receiver has agreed to continue paying the monthly instalments with the final payment due October 2016.

3.3 Preferential creditors

The Receiver has received a claim from the one Company employee that was made redundant. At present this is being dealt with by the Redundancy Payments Office. At the date of the report the total claim is not known.

3.4 Prescribed Part

As the floating charge was created prior to the 27 March 2006, the prescribed part provisions do not apply.

3.5 Unsecured creditors

At the date of appointment, the statement of affairs showed unsecured liabilities of £131,135. To date, no claims have been received.

3.6 Claims process

On present information there is no prospect of a dividend for unsecured creditors.

3.7 Creditors Meeting

The Receivers have convened a creditors' meeting for 11 August 2016 at 10am to be held within the offices of Deloitte (NI) Limited, 19 Bedford Street, Belfast, BT2 7EJ. Notice of that meeting has been provided to unsecured creditors on the covering letter accompanying this report.

4. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

4.1 Investigations

As part of the Receiver's statutory duties, an investigation into the conduct of the Company Director is being prepared.

In this regard, a confidential report has not yet been submitted.

As part of their investigations the Receiver will consider, among other matters, the following:

- statutory compliance issues;
- misfeasance or breach of duty; and
- antecedent transactions (including transactions at under value and preferences).

Creditors who wish to draw any matters to the attention of the Receiver should write to the Receivers at the address given on the front of this report.

4.2 Other Investigations

As part of the Receiver's duties, we are reviewing all of the information available to us. This review is ongoing. However, so far we have identified no further avenues of recovery.

4.3 SIP13 (NI) – Transactions with connected parties

In accordance with the guidance given in SIP13 (NI), we confirm that we are not aware of any transactions with connected parties other than at arms' length during the period of this report or in the two years prior to our appointment.

5. RECEIVER'S REMUNERATION AND EXPENSES

The remuneration to be paid to the Receiver will be determined by agreement between the Receiver and the Bank by virtue of the floating charge by which they were appointed.

No fees and expenses have been approved or drawn to date.

APPENDIX 1

ABERCORN DEVELOPMENTS & LEISURE (1990) LIMITED (IN ADMINISTRATIVE RECEIVERSHIP)

STATUTORY INFORMATION

Company Name	Abercorn Developments & Leisure (1990) Limited
Previous Names	
Proceedings	In Administrative Receivership
Date of Appointment	12 May 2016
Administrative Receiver	Peter Michael Allen Deloitte (NI) Limited 19 Bedford Street Belfast BT2 7EJ
Registered office Address	c/o Deloitte (NI) Limited 19 Bedford Street Belfast BT2 7EJ
Company Number	NI024654
Incorporation Date	03 July 1990
Bankers	KBC Bank Ireland Plc
Auditors	BDO
Appointment by	KBC Bank Ireland Plc
Floating Charge dated	19 December 2005
Director at date of Appointment	John McGinnis
Directors' Shareholdings	John McGinnis: 62,500 Ordinary Shares at £1

APPENDIX 2

Abercorn Developments & Leisure (1990) Limited (In Administrative Receivership)

Administrative Receiver's Receipts & Payment Account

£	SoA values	12/05/2016 to 25/07/2016
Receipts		
Quayside Centre	2,250,000	-
First Trust Receipts	-	68,465
Rental Income	-	41,858
Car Park Income	-	35,792
Total receipts	<u>2,250,000</u>	<u>146,115</u>
Payments		
Landlords Liability		15,574
Rates		11,682
Hire Purchase - Car Park Equipment		4,320
Agent costs		1,859
Bank Charges		8
Total payments		<u>33,443</u>
Balance		<u>112,673</u>
Made up of:		
VAT Payable		(26,108)
Floating Current A/C		138,781
Balance in hand		<u>112,673</u>

APPENDIX 3

Statement of Affairs