

Administrator's progress report**R2.38**

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

Name of Company
Benson City Limited

Company number
SC272918

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

We (a)

J B Cartwright, G D Frost of
PricewaterhouseCoopers LLP
Erskine House
68 - 73 Queen Street
Edinburgh
EH2 4NH

and P N Spratt of
PricewaterhouseCoopers LLP
Plumtree Court
London
EC4A 4HT

Administrators of the above company attach a progress report for the period

	From	to
(b) Insert date(s)	(b) 24 November 2008	(b) 23 May 2009

Signed


Joint Administrator

Dated

25/6/9

Contact Details:

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

Jane Morton, Erskine House, 68 - 73 Queen Street, Edinburgh, EH2 4NH	
	Tel 0141 245 2167
DX Number	DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at:

Companies House, 37 Castle Terrace, Edinburgh EH1 2EB
DX 235 Edinburgh / LP 4 Edinburgh-2



SIGZNB4R

29/06/2009

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COMPANIES HOUSE

MONDAY



Benson City Limited (in Administration)
Court of Session
Case No. P1893/08

Joint Administrators' progress report for the six months ended 23 May 2009

25 June 2009

Contact details for queries

Contact	Address	Direct line	E-mail	Fax
Jane Morton	PricewaterhouseCoopers LLP Erskine House, 68-73 Queen Street, Edinburgh, EH2 4NH	0141 245 2167	jane.morton@uk.pwc.com	0131 260 4029

Contents

Section	Pages
1	Joint Administrators' progress report for the six months ended 23 May 2009
2	Statutory and other information
3	Receipts and payments account

1. Joint Administrators' progress report for the six months ended 23 May 2009

Introduction

In accordance with Rule 2.38 of the Insolvency (Scotland) Rules 1986 ("ISR86"), the Joint Administrators ("the Administrators") write to provide creditors with details of the progress of the Administration of Benson City Limited ("the Company") in the six months since the Administrators' appointment on 24 November 2008.

Background information and initial actions taken by the Administrators

As at the date of the Administrators' appointment on 24 November 2008, the position as regards the Company was as follows:

- The Company was established for the purpose of investment in, and development of, listed buildings into high specification residential properties.
- Specifically, the Company owns a share of St Bernard's School, Edinburgh which was purchased in October 2007 for residential development. A third party owns the remaining share of St Bernard's School. At the date of the Administrators' appointment, work was at an advanced stage.
- The Administrators' appointment arose as a consequence of the Company's funder withdrawing its support.
- Key issues facing the Company were as follows:
 - high gearing;
 - general downturn in the property market;
 - delays in the completion and poor workmanship of several property development sites within the wider group; and
 - ultimately the inability to service debt obligations.

Following an initial review, the Administrators concluded that the most appropriate strategy was to continue to manage and finance the Company's business, affairs and property from intercompany borrowings.

Immediately following their appointment, the Administrators took steps to protect and preserve the Company's assets which comprise the heritable subjects.

Funding

External funding, in the form of an overdraft is currently being negotiated with Bank of Scotland plc ("the Bank"), however in the short term, with the agreement of the Bank, intercompany borrowings have been made available.

Further external funding may be sought if the development of the heritable subjects are deemed to be the most appropriate strategy to to ensure the optimal return to the creditors.

Realisation of assets

The assets have not been realised to date as an assessment of the optimal strategy is ongoing.

In addition, the Administrators are currently assessing the potential implications of the third party ownership of the heritable property in determining the most appropriate strategy for realising the assets.

Circulation of the Administrators' proposals

On 22 December 2008 the Administrators circulated their proposals for achieving the purpose of administration to creditors.

The Administrators stated in their proposals that they had formed the view that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part as defined by Section 176A of the Insolvency Act 1986 ("IA86").

1. Joint Administrators' progress report for the six months ended 23 May 2009

Adoption of the Administrators' proposals

The Administrators' proposals were deemed approved in accordance with Rule 2.25(3) ISR86, a meeting of creditors not having been requisitioned by creditors in the prescribed manner.

Receipts and payments account

An account of the receipts and payments in the Administration for the six months to 23 May 2009 is set out in section 3 to this report.

Outcome for creditors

At this time the Administrators are unable to provide a reliable estimate of the likely dividend to creditors as there are material uncertainties regarding future net realisations and the final level of creditor claims, however, it is anticipated presently that the secured creditor will suffer a shortfall under its securities. There are no preferential creditors.

The Administrators are unable to comment as yet on whether there will be funds available for distribution to the Company's ordinary unsecured creditors by virtue of the prescribed part.

The Administrators are also considering the most appropriate strategy for bringing the Administration to an end. The Administrators may use any or a combination of, "exit route" strategies. In this particular instance, the Administrators are likely to file notice under Paragraph 84(1) Sch.B1 IA86 with the Registrar of Companies, to have the Company dissolved, once the objective of the Administration has been achieved.

Administrators' remuneration

The Administrators' remuneration will be approved in terms of Rule 2.39 of ISR86. To date the Administrators have yet to draw remuneration.

Next report

The Administrators' next report to creditors will be at the earlier of the conclusion of the Administration or in approximately six months.

For and on behalf of
Benson City Limited


G D Frost
Joint Administrator

GD Frost, JB Cartwright and PN Spratt have been appointed as Joint Administrators of Benson City Limited to manage its affairs, business and property as its agents. As such they contract without personal liability. GD Frost and JB Cartwright are licensed to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland. PN Spratt is licensed to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

2. Statutory and other information

Court details for the Administration:

Court of Session P1893/08

Full name:

Benson City Limited

Trading name:

Benson City Limited

Registered number:

SC272918

Registered address:

Erskine House, 68-73 Queen Street, Edinburgh, EH2 4NH (formerly 7 Albyn Place, Edinburgh, EH2 4NG)

Company directors:

Christopher Buchan and Gordon Byrn

Company secretary:

Schroder Administrative Services (Bermuda) Limited

Shareholdings held by the directors and secretary:

Christopher Buchan and Gordon Byrn do not hold shares in the Company, however they hold 4.53% and 2.23% of the shares respectively in Heritor's Residential Property (Holdings) Limited, the ultimate parent company

Date of the Administration appointment:

24 November 2008

Administrators' names and addresses:

John Bruce Cartwright and Graham Douglas Frost of Erskine House, 68-73 Queen Street, Edinburgh, EH2 4NH and Peter Norman Spratt of Plumtree Court, London, EC4A 4HT

Changes in office holder:

None to date

Appointor's / applicant's name and address:

Bank of Scotland plc, The Mound, Edinburgh, EH1 1YZ

Objective being pursued by the Administrators:

Rescuing the Company as a going concern, or failing that achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration)

2. Statutory and other information

Division of the Administrators' responsibilities:

Pursuant to paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 it is specified that the functions which require to be exercised by the Administrators in relation to their appointment will be exercised by whichever Administrator is more available and/or better qualified to exercise such function, and in certain cases by all

Details of any extensions to the initial period of appointment:

Not currently known

Proposed end of the Administration:

Dissolution

Estimated dividend for unsecured creditors:

Not currently known

Estimated values of the prescribed part and the Company's net property:

Not currently known

Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:

Not currently anticipated

The European Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000 of 29 May 2000):

The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings

3. Receipts and payments for the period 24 November 2008 to 23 May 2009

**Administration
of Benson City Limited**

REALISATION ACCOUNT

**Statement of
Affairs**

Period **Cumulative**
From: 24/11/2008 **From: 24/11/2008**
To: 23/05/2009 **To: 23/05/2009**

£

£

£

RELATING TO SECURED ASSETS

Costs of realisation

nil	Security	(27,735.04)	(27,735.04)
		<u>(27,735.04)</u>	<u>(27,735.04)</u>

RELATING TO FLOATING CHARGE/UNSECURED ASSETS

Realisations

nil	Loans and advances	80,000.00	80,000.00
nil	Cash in hand	32.08	32.08
nil	Interest received gross	0.02	0.02
		<u>80,032.10</u>	<u>80,032.10</u>

Administration and appointment-related costs

nil	Statutory advertising	(417.43)	(417.43)
		<u>(417.43)</u>	<u>(417.43)</u>

Balance

<u>51,879.63</u>	<u>51,879.63</u>
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REPRESENTED BY:

BofS - Interest Bearing C/A
Input VAT - Fixed Charge
Outlays due to PwC

57,639.76
2,920.74
(8,680.87)
51,879.63



John Bruce Cartwright
Joint Administrator