

Administrator's progress report

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

Name of Company

Highmore Homes Stoneway (One) Limited

Company number

SC306868

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

I / We (a) C P Dempster and T M Burton

of Ernst & Young LLP, Ten George Street, Edinburgh, EH2 2DZ

administrator(s) of the above company attach a progress report for the period

from

to

(b) Insert date

(b) 18 February 2011

(b) 17 August 2011

Signed

Joint / Administrator(s)

Dated

27/9/2011

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

Natalie Bretherick

Ernst & Young LLP, Ten George Street, Edinburgh, EH2 2DZ

Tel: 0131 777 2030

DX Number:

DX Exchange:

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

Companies House, 139 Fountainbridge, Edinburgh, EH3 9FF

DX 235 Edinburgh / LP 4 Edinburgh-2



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01/10/2011

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COMPANIES HOUSE

SATURDAY

The Registrar of Companies
Companies House
4th Floor
Edinburgh Quay 2
139 Fountainbridge
Edinburgh
EH3 9FF

27 September 2011

Ref: CPD/GWW/NB/PF16.1
Direct line: 0131 777 2030
Direct Fax: 0131 777 2213
Natalie Bretherick
email: gwilson1@uk.ey.com

Dear Sirs

Highmore Homes Stoneway (One) Limited (In Administration)

Registered office address: Ernst & Young LLP, Ten George Street, Edinburgh, EH2 2DZ

I write, in accordance with Rule 2.38 of the Insolvency (Scotland) Rules 1986, to provide creditors with a report on the progress of the administration. This report covers the period from 18 February 2011 to 17 August 2011 and should be read in conjunction with the Joint Administrators' Statement of Administrators Proposals dated 14 April 2009 and the progress reports dated 25 September 2009, 30 March 2010, 28 September 2010 and 23 February 2011.

Highmore Homes Stoneway (One) Limited, registered number SC306868, entered administration on 18 February 2009 and CP Dempster and TM Burton were appointed to act as Administrators. The appointment was made by Bank of Scotland Plc under the provisions of paragraph 14 of Schedule B1 to the Insolvency Act 1986. Under the terms of the appointment, any act required or authorised to be done by the Joint Administrators can be done by either of them.

Extensions to the initial period of appointment

Given the outstanding issues in the Administration, the Administrators petitioned the Court of Session for a further extension to the period of administration. The petition was heard on 10 February 2011 at which time the Court extended the period of administration to 17 February 2012.

Summary of progress

As set out in previous reports, the Company's main asset is a development site at Bridgenorth, Shropshire.

The substantially complete development included 6 barn conversions and 1 house, of which 3 of the converted barns and the house had been completed and sold prior to the Administrators' appointment.



As previously advised, the remaining units were substantially complete, however significant remedial works were required and The Bank of Scotland plc, the Company's secured lender provided funds to complete the outstanding works. These works were completed earlier this year and all three of the barns have now been sold realising a total of £1.086m.

During the sales process it became clear that there were a number of problems with the titles at the site particularly in connection with the common areas. We are currently finalising the corrections to the title issues before resigning as Administrators.

We are also in the process of finalising the Company's corporation tax position with HM Revenue & Customs.

Remaining assets

The Company's only asset was the development site at Bridgenorth, Shropshire and there are no other assets to realise.

Receipts and payments account

I enclose a receipts and payments account for the period from 18 February 2011 to 17 August 2011. This does not reflect estimated future realisations or costs.

You will note from the Account that costs incurred to date have been met via an intercompany control account. To date, twenty-nine companies within the Highmore Homes Group have entered administration. The Bank of Scotland plc have agreed that rather than provide funding to each individual company, the various administrations would be funded by a Group overdraft facility in Highmore Residential Limited (In Administration) ("Residential"). Accordingly, all costs are accounted for in each company but funded via the intercompany control account with Residential.

Certain costs have been incurred by Residential on behalf of the other Group companies, and these will be recharged accordingly.

Joint Administrators' remuneration and disbursements

Based on the realisations from the Company's assets, the Administrators believe that there will be no funds available to ordinary unsecured creditors. Accordingly, in terms of Rule 2.39(9)(a) of the Insolvency (Scotland) Rules 1986 the Administrators' remuneration shall be agreed by the Secured Creditors.

Details of time spent and charge out rates will be provided to the secured creditor and will be made available to any other creditor upon written request to the Administrators. To date, £66,602.35 of fees have been taken in this case.

The statutory provisions relating to remuneration are set out in Rule 2.39 of the Insolvency (Scotland) Rules 1986. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors Guide to Administrators Fees' a copy of which may be accessed from the website of the Insolvency Practitioners Association at <http://www.insolvency-practitioners.org.uk> (follow 'Regulation and Guidance' then 'Creditors' Guides to Fees'), or is available in hard copy upon written request to the Joint Administrators.

Secured creditors

The Bank of Scotland plc, the Company's principal secured lender, had indebtedness at 18 February 2009 of £1,305,344. The lending is secured over the Company's property assets.

Preferential creditors

As the Company had no employees we do not expect there to be any preferential creditors.

Non-preferential creditors

It is estimated that total non-preferential claims will be in the region of £500.

The prescribed part

The prescribed part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Insolvency Act 1986. The prescribed part applies to floating charges created on or after 15 September 2003.

Based on current information, the Administrators estimate, to the best of their knowledge and belief, that

- ▶ the value of the prescribed part is £Nil and
- ▶ the value of the Company's net property is £Nil

The Administrators do not intend to make an application to the court under section 176A(5) of the Insolvency Act 1986 for an order not to distribute the prescribed part as there will be no funds available to the floating charge creditor.

Distributions to creditors

We are of the opinion that there will be insufficient property to enable a distribution to ordinary unsecured creditors.

I will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner.

Yours faithfully
for Highmore Homes Stoneway (One) Limited

A handwritten signature in black ink, appearing to be 'CP Dempster', written over a horizontal line.

CP Dempster
Joint Administrator

Enc: Joint Administrators' Receipts and Payments Account

CP Dempster and TM Burton are licensed in the United Kingdom by The Institute of Chartered Accountants of Scotland to act as Insolvency Practitioners under section 390(2)(a) of the Insolvency Act 1986.

The affairs, business and property of the Company are being managed by the Joint Administrators, CP Dempster and TM Burton, who act as agents of the Company only and without personal liability.

We may collect, use, transfer, store or otherwise process (collectively, "Process") information that can be linked to specific individuals ("Personal Data"). We may Process Personal Data in various jurisdictions in accordance with applicable law and professional regulations including (without limitation) the Data Protection Act 1998.

Appendix 1

Highmore Homes Stoneway (One) Limited (In Administration) *Joint Administrators' Abstract of Receipts and Payments from 18 February 2011 to 17 August 2011*

Receipts	£
Brought forward	417,964.36
Property sales	671,000.00
Bank interest received	107.91
Total	1,089,072.27
Payments	
Brought forward	(290,627.40)
Construction completion costs	(15,213.83)
Electricity	(175.08)
Gas	(778.02)
Water Rates	(468.44)
Insurance	(2,796.95)
Professional Fees	(806.10)
Sundry Expenses	(346.33)
Agents Fees 1	(10,065.00)
Legal Fees 1	(26,680.95)
Premier Guarantee	(13,453.30)
Administrators fees	(16,329.00)
Total	(377,740.40)
	<u>711,331.87</u>
Represented by	
Floating vat receivable	7872.51
Residential Loan Account	(209,406.94)
I/B current account	912,866.30
	<u>711,331.87</u>