

The Insolvency Act 1986

Statement of administrator's proposals

Pursuant to paragraph 49 of Schedule B1 to the Insolvency Act 1986
and Rule 2.25 of the Insolvency (Scotland) Rules 1986

Name of Company Greengates Property Development Limited	Company number SC330 324
--	---------------------------------

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

I / ~~We~~ (a) John Hansen of KPMG, Stokes House, 17-25 College Square East, Belfast,
BT1 6DH

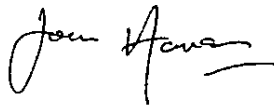
attach a copy of my / our proposals in respect of the administration of the above
company.

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 9 April 2013

Signed



Administrator

Dated 09/04/2013

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

	Tel
DX Number	DX Exchange

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

Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF
or X 235 Edinburgh / LP 4 Edinburgh-2



S261DQ3B

11/04/2013

#323

SCT

COMPANIES HOUSE

THURSDAY



**Greengates Property Development
Limited (In Administration)**

**Statement of Proposals
Pursuant to Paragraph 49 of
Schedule B1 of the Insolvency Act
1986 & Rule 2.25 of the
Insolvency (Scotland) Rules 1986
(both as amended)**

Restructuring April 2013
This report contains 21 pages
Progress Report



Notice: About this Statement of Proposals

These Proposals have been prepared by John Hansen, the Administrator of Greengates Property Development Limited, solely to comply with his statutory duty under paragraph 49 of Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of his Proposals for achieving the purpose of the administration order, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

These proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Greengates Property Development Limited.

Any estimated outcomes for creditors included in these Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on these Proposals for any purpose or in any context other than under paragraph 49 of Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Administrator does not assume any responsibility and will not accept any liability in respect of these Proposals to any such person.

John Hansen is authorised to act as an insolvency practitioner by Chartered Accountants Ireland.

The Administrator acts as an agent for Greengates Property Development Limited and contracts without personal liability. The appointment of the Administrator is personal to him and, to the fullest extent permitted by law, KPMG does not assume any responsibility and will not accept any liability to any person in respect of these Proposals or the conduct of the administration.

Contents

1	Introduction	4
2	Background and events leading to the Administration Order	5
3	Purpose, Initial Strategy and Progress of the Administration	6
3.1	Purpose of the administration	6
3.2	Initial Strategy	7
3.3	Progress of the Administration	7
4	Realisations	8
4.1	Investigations	8
5	Cost of Realisations	9
5.1	Administrators Remuneration	9
5.2	Legal costs	9
6	Estimated outcome for creditors	10
6.1	Secured Creditor	10
6.2	Preferential creditors	10
6.3	Unsecured Creditors	10
6.4	Prescribed part	10
7	Creditors meeting	11
8	Summary of Proposals	12
8.1	End of administration	12
9	Statement concerning the EC Regulations	13
	Appendix 1 – Statutory Information	14
	Appendix 2 - Administrator Proposals	15
	Appendix 3 - Administrators time costs and expenses from 13 February 2013 to 8 April 2013	15



Glossary

Administrator	John Hansen of KPMG
Bank/Secured creditor / Chargeholder	Bank of Ireland (UK) Limited
Company	Greengates Property Development Limited
Act	Insolvency Act 1986
Rules	Insolvency (Scotland) Rules 1986
Directors	Michael Mole Philip Johnston
Property	Berrywell House, Duns, Scotland, TD11 3HR
QFCH	Qualifying Floating Charge Holder

The references in this Statement of Proposals to Sections, Paragraphs or Rules are to the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (Scotland) Rules 1986 (all as amended) respectively.



1 Introduction

Greengates Property Development Ltd was incorporated on 4 September 2007 and is a property holding company for a 6 bed dilapidated house, with a gate lodge, outbuildings and 2.5 acres of land located at Berrywell House, Duns, Scotland, TD11 3HR. Greengates Property Development Ltd is owned by Michael Mole (50%) and Philip Johnston (50%)

John Hansen was appointed Administrator of Greengates Property Development Limited on 13 February 2013 by the directors of the Company.

In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 (as amended), the Administrator sets out his proposals for achieving the purpose of the Administration and for the conduct of the Administration which are in Section 8 of this report.

The Report also includes certain information required to be provided to creditors in accordance with Rule 2.25 (1) of the Rules.

The appropriate statutory information is set out in Appendix 1.



2 Background and events leading to the Administration Order

The Company owns a dilapidated residential property located at Berrywell House, Duns, Scotland, TD11 3HR

The Property is subject to a fixed charge held by the Chargeholder. The Company failed to meet the requirements of the Chargeholder in relation to the repayment of monies advanced to fund the Company. The directors concluded that it was appropriate to appoint an Administrator to the Company. John Hansen of KPMG was appointed as Administrator on 13 February 2013.

3 Purpose, Initial Strategy and Progress of the Administration

3.1 Purpose of the administration

Paragraph 3(1) of Schedule B1 of the Act states that the Administrator of a company must perform his functions with the objective of:

- (a) rescuing the Company as a going concern; *or*
- (b) achieving 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); *or*
- (c) realising property in order to make a distribution to one or more secured or preferential creditors.

The objective as set out in Paragraph 3(1) (a) rescuing the Company (legal entity) as a going concern will not be achieved in this instance. The Company has significant secured creditor liabilities and therefore the successful restructuring of the debt would have been required to meet objective (a). Due to the Company's financial position on entering administration, the Administrator concluded that it was not possible to achieve objective (a).

The objective as set out in Paragraph 3(1) (b) achieving a better result for the Company's creditors as a whole than would be likely if the company was wound up may be achieved.

The objective as set out in Paragraph 3(1) (c) realising property in order to make a distribution to one or more secured or preferential creditors will be achieved if (b) is not achieved.

The Administrator concluded that objective b was the most viable as the Company is unable to pay its debts.



3.2 Initial Strategy

On appointment, the initial strategy was to ascertain as much background information on the Company and its assets from the directors. The Company's directors confirmed the Company's assets comprised of the Property.

The Administrator promptly assumed control of all the Property.

The company had no employees.

3.3 Progress of the Administration

To date, the Administrator has progressed the following matters in respect of the Company:

3.3.1 Correspondence with Property Agent

Upon appointment the Administrator contacted the agent who was marketing the property for sale. The agent confirmed that the property was currently being marketed for sale with a guide price of £450,000. The agent advised that there was no interest in the property and that there was an issue with dry rot in the house. It was advised that a specialist contractor be appointed to advise of the scale of the issue and the costs associated with remedial action.

3.3.2 Sale of Property

The Administrator has sought the opinion of a property agent on the most appropriate disposal strategy for the Properties and is liaising with the Chargeholder in this regard. The property is subject to a fixed charge and there is currently no expectation of any surplus arising. The Administrator will continue to progress this matter in the coming months.



4 Realisations

To date the Administrator has made no realisations

4.1 Investigations

The Administrator has a duty to investigate whether potential causes of action exist against third parties which would increase recoveries for creditors. If creditors wish to bring any matters they believe to be relevant to the attention of the Administrator, they are invited to do so in writing to the Administrator at KPMG, Stokes House, 17-25 College Square East, Belfast BT1 6DH.



5 Cost of Realisations

To date the Administrator has incurred no costs with respect to the property.

5.1 Administrators Remuneration

The statutory provisions relating to remuneration are set out in Rule 2.39 and a creditors guide to Administrators' fees, which provides further information and guidance can be found at the following link;

<http://icas.org.uk/WorkArea/DownloadAsset.aspx?id=4294968700>

In this case and in accordance with Rule 2.39, since the Administrator has made a statement under Paragraph 52(1)(b), that on the basis that there will be no funds available to unsecured creditors other than by virtue of section 176A(2)(a) there will be no meeting of creditors convened (see Section 8 below), and there are no preferential creditors, it is for the Secured creditor to fix the basis of the Administrators' remuneration.

The Administrator intends to propose to the bank that their remuneration be fixed on the basis of time properly given by them and their staff in dealing with matters arising in the administration at their normal hourly rate of charging.

Attached as Appendix 3 is a detailed analysis of time spent, and charge out rates, for each grade of staff for the various areas of work carried out to 8 April 2013. In the period to 8 April 2013, the Administrator has incurred time costs of £2,771.70 representing 19.25 hours at an average hourly rate of £143.95. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

5.2 Legal costs

The Administrator has engaged Tughans Solicitors as his legal advisers. No legal costs have been paid at this stage of the administration.

6 Estimated outcome for creditors

6.1 Secured Creditor

The Bank holds a Mortgage Debenture creating a fixed charge over the Properties of the Company. As at the date of the Administrators' appointment, the Bank was owed £915,381.06.

The Administrators legal advisors have carried out a security review which indicates that the security referred to above is valid.

6.2 Preferential creditors

Based on information to date, the Administrator are not aware of any preferential creditors of the Company.

6.3 Unsecured Creditors

It is not known if there are any unsecured creditors as a sworn Statement of Affairs has not yet been received.

The availability of a dividend to non-preferential, unsecured creditors via a Prescribed Part distribution is dependent on the availability of floating charge realisations in respect of security created after 15 September 2003. The banks security post dates September 2003.

Upon the initial review of the Property, its secured lend and current market value, it is not believed that there will be any dividend available to unsecured creditors outside the Prescribed part.

6.4 Prescribed part

Section 176A of the Act entitles unsecured creditors to a percentage share of realisations ('Prescribed part') from floating charge asset realisations after deduction of the costs of realisation ('net property'). The percentage is calculated on a sliding scale up to a maximum of £600,000 as follows:

- 50% of net property up to £10,000 plus
- 20% of net property in excess of £10,000.

To date, the Administrator is not aware of any unsecured creditors, hence no prescribed part will be applicable.



7 Creditors meeting

In accordance with Paragraph 52(1)(b), a meeting of creditors will not be held as it appears that there will not be a dividend to unsecured creditors.

Any creditor has the right to request an initial creditors' meeting in accordance with Paragraph 52(2) of Schedule B1 of the Act. The Administrator will summon an initial creditors' meeting if requested by creditors of the Company whose debts amount to at least 10% of the total debts of the Company, provided the correct procedures are followed. Pursuant to Rule 2.31 of the Rules, any request for an initial creditors' meeting must be made within 12 days of the date on which the Administrators report is sent out.

In addition, the expenses of summoning and holding a meeting at the request of a creditor shall be paid by that person who is required to deposit security for such expenses with the Administrator. It should be noted that, if a meeting is requested by more than 10% in value of creditors, the Administrator will present the contents of this report to the meeting.

The Directors are not obliged to attend such a meeting, and this report will effectively constitute the business of the meeting. It should be noted that individual creditor issues would not be discussed in an open forum and if any creditor has a specific query, they should contact the Administrator directly.

Upon expiry of the 12 days without any request for an initial creditors' meeting, the Administrators' proposals (see Appendix 2) will be deemed to have been approved by creditors under Rule 2.31 of the Rules.

A further report will be sent to creditors in September 2013.

8 Summary of Proposals

It is proposed that the Administrator will continue to manage the affairs, business and property of the Company in order to achieve the purpose of the Administration. This will include:

- To continue the Administration, including disposal of the company's assets;
- To conduct the statutory investigations into the conduct of the Directors and Management of the Company and reporting to the Insolvency Service;
- To seek an extension to the administration period if deemed necessary by the Administrator;
- To pay any realisations to the Bank;
- To seek their discharge from liability in respect of any action of his as Administrator pursuant to Paragraph 98(1) from the Bank; To deal with statutory reporting and compliance obligations; and
- To do all things necessary to satisfactorily conclude the Administration and achieve the statutory purpose of the Administration.

8.1 End of administration

The administration will automatically end on 13 February 2014. However, if the administration has not been completed by this date the Administrator will consider extending the period of the administration pursuant to Paragraph 76(2).

It is currently expected there will not be any distributable assets remaining on completion of the administration. Therefore, the Administrator currently envisages that it will be appropriate to move the Company from administration to dissolution in accordance with Paragraph 84.

In addition, the Administrator will seek discharge from liability for any act of their as Administrator from the Secured creditor in accordance with Paragraph 98(1).



9 Statement concerning the EC Regulations

The EC Council Regulations on Insolvency Proceedings apply to this Administration and the proceedings are main proceedings. This means that this Administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union Member State.

A handwritten signature in black ink, appearing to read 'John Hansen', with a horizontal line extending from the end of the signature.

John Hansen
Administrator



Appendix 1 – Statutory Information

Company Name	Greengates Property Development Limited
Date of Incorporation	4 September 2007
Company number	SC330324
Previous registered office	C/O Semple Fraser LLP, 123 St. Vincent Street, Glasgow, G2 5EA
Present registered office	KPMG Stokes House 17-25 College Square East Belfast BT1 6DH
Former Trading address	C/O Semple Fraser LLP, 123 St. Vincent Street, Glasgow, G2 5EA
Authorised share capital	2 Ordinary Shares of £1 each
Called up share capital	2 Ordinary Shares of £1 each
Shareholders	Michael Mole (50%) Philip Johnston (50%)
Directors	Michael Mole Philip Johnston
Company secretary	Diane Angus
Employees	None
Previous names	N/A
Relevant Court	Notice of the appointment by directors was lodged at Glasgow Sheriff Court on 13 February 2013.
Court Reference	L14/13



Appendix 2 - Administrator proposals

In addition to the specific itemised proposals below, this document in its entirety constitutes the Administrator's proposals in accordance with Paragraph 49 of Schedule B1 of the Act. The Administrator proposes the following resolutions:

RESOLUTION (1):

- to continue to do all such things reasonably expedient and generally exercise all their powers as Administrator as they, in their discretion, consider desirable in order to maximise realisations from the assets of the Company;
- to investigate and, if appropriate, pursue any claims that the Company may have;
- to seek an extension to the Administration period if deemed necessary by the Administrator;
- when it is anticipated that no better realisations will be made in the Administration than would be available in a winding up, to take the necessary steps to put the Company into either Creditors' Voluntary Liquidation or Compulsory Liquidation or Company Voluntary Arrangement as deemed appropriate by the Administrator; in the event the Administrator deem that liquidation is not appropriate because, for example, no dividend will become available to creditors and there are no other outstanding matters that require to be dealt with in a liquidation, then the Administrator shall file the appropriate notices at Companies House and the Company will subsequently be dissolved;
- in the event that Creditors' Voluntary Liquidation is deemed appropriate, the Administrator be permitted to seek the appointment of John Hansen of KPMG as Liquidator of Greengates Property Development Limited, without any further recourse to creditors. In accordance with paragraph 83(7) and Rule 2.47 creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the proposals and before the proposals are approved; and
- in the event that the Administrator deem that liquidation is not appropriate because no dividend will become available to creditors, and that there are no other outstanding matters that require to be dealt with in a liquidation, then the Administrators shall file the appropriate notices at Companies House and the Company will subsequently be dissolved.
- that the Administrator be discharged at the end of the administration from liability in respect of any action of his as Administrator pursuant to paragraph 98(1) of Schedule B1 of the Act immediately following the registration of the appropriate notice.

RESOLUTION (2):

- the Administrator be authorised to draw fees on account from the assets of Greengates Property Development Limited from time to time during the period of the Administration based on time properly spent at KPMG charge out rates that reflect the complexity of the assignment. Also, that the Administrator be authorised to draw disbursements from time to time to include category two disbursements;



- that any costs incurred by KPMG prior to appointment, but for the sole purpose of assisting and advising the Company in respect of the appointment process, be authorised on the same basis as above; and
- that any costs of KPMG in respect of Tax, VAT, Pensions, Health & Safety and Forensic advice provided to the Administrator be based upon time costs and shall be paid out of the assets of Greengates Property Development Limited.