

The Insolvency Act 1986

Notice of move from administration to dissolution

R2.48(1)

Pursuant to paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 and
Rule 2.48(1) of the Insolvency (Scotland) Rules 1986

Name of Company

Durham & Edinburgh Properties Limited

Company number

SC112246

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

I (a) Stewart MacDonald
Scott-Moncrieff Chartered Accountants
25 Bothwell Street
Glasgow
G2 6NL

(b) Insert name and
address of
registered office of
company

having been appointed administrator(s) of (b) Durham & Edinburgh Properties Limited, 25 Bothwell Street, Glasgow, G2 6NL

(c) Insert date of
appointment

on (c) 11 September 2013 by (d) the Floating Charge Holder, Dunfermline Building Society (In Building Society Special Administration)

(d) Insert name of
applicant/appointor

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply.

I attach a copy of the final progress report

Signed


Joint / Administrator(s)

Dated

25 July 2017

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

Stewart MacDonald
Scott-Moncrieff Chartered Accountants
25 Bothwell Street
Glasgow
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DX GW209

0141 567 4500
DX Exchange

THURSDAY



S6BKMM7E

SCT 27/07/2017 #110

COMPANIES HOUSE

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

Durham & Edinburgh Properties Limited (In Administration)

**Administrator's Final Progress Report
for the period 11 March 2017 to 19 July
2017 pursuant to Rules 2.42 and 2.48 of
the Insolvency (Scotland) Rules 1986**

19 July 2017



Scott-Moncrieff
business advisers and accountants

Durham & Edinburgh Properties Limited (In Administration)

Administrator's Final Progress Report for the period 11 March 2017 to 19 July 2017 pursuant to Rules 2.42 and 2.48 of the Insolvency (Scotland) Rules 1986

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Abbreviations

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

"the Act"	Insolvency Act 1986 (as amended)
"the Rules"	Insolvency (Scotland) Rules 1986 and the Insolvency (Scotland) Amendment Rules 2010
"the Administrator"	Stewart MacDonald of Scott-Moncrieff
"the Company"	<i>Durham & Edinburgh Properties Limited (In Administration)</i>
"the Building Society"	Dunfermline Building Society (In Building Society Special Administration)
"the Court"	Court of Session, Edinburgh
"Directors"	Derek Lawrence Dickerson and Norma Walker

1. Background

1.1 Introduction

This report has been prepared in accordance with Rule 2.38 of the Rules to provide creditors with a summary of the Administration of the Company.

In accordance with Paragraph 52(1)(b) of Schedule B1 of the Act, as no meeting of creditors was held, my remuneration and expenses have been approved by the secured creditor.

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

1.2 Details of the Appointment of the Administrator

I was appointed Administrator of the Company at the Court of Session on 11 September 2013 following the filing of a Notice of Appointment of Administrator by the Building Society in terms of Paragraph 14 of Schedule B1 of the Act.

The case number at the Court of Session, Edinburgh is P925/13.

I act as an officer of the Court and as agent of the Company without personal liability.

2. Administrator's Proposals

2.1 Introduction

As previously reported to creditors, I concluded that as the Company had significant secured and unsecured creditor liabilities, a restructuring of these creditors would have been required to meet the first objective, which was to rescue the Company as a going concern. It was determined that the first objective was not achievable and therefore the purpose of Administration is to achieve a better result for the Company's creditors than would be obtained through the liquidation of the Company. This was achieved through the sale of the Company's portfolio of properties.

My proposals in order to achieve this objective were deemed approved following the issue of a notice under Paragraph 52(1) of Schedule B1 of the Act on 4 November 2013 and the expiry of 8 business days thereafter are as follows:-

1. To do all such things and generally exercise all powers as Administrator contained in Schedule B1 of the Act as he, in his discretion considers desirable or expedient in order to achieve the purpose of the Administration, to protect and preserve the assets of the Company or maximise realisation of those assets;
2. That the Administrator continues with his enquiries into the conduct of the Directors of the Company and assist any regulatory authorities with their investigation into the affairs of the Company;
3. To agree the claims of the secured, preferential and unsecured creditors of the Company unless the Administrator concludes, in his reasonable opinion, the Company will have no assets available for distribution;
4. To distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit;
5. That, in the event the creditors of the Company so determine, at meetings of creditors, a Creditors' Committee be appointed in respect of the Company comprising of not less than three and not more than five creditors of the Company;
6. That, the Creditors' Committee, if one is appointed, be asked to agree that the basis of the Administrator's remuneration be fixed by reference to the time properly given by the Administrator and his staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rate used by Scott-Moncrieff at the time when the work is performed, plus VAT, and asked to agree the Administrator's expenses;
7. That, if a Creditors' Committee is not appointed, the secured creditors of the Company shall be asked to fix the basis of the Administrator's remuneration in accordance with Rule 2.39 of the Rules, be fixed by reference to the time properly given by the Administrator and his staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly rates used by Scott-Moncrieff at the time when the work is performed, plus VAT;
8. To seek an extension of the Administration period if deemed necessary by the Administrator.

2.1 Introduction (Cont'd)

9. That, following the realisation of assets and resolution of all matters in the Administration, and as quickly and efficiently as is reasonably practicable, the Administrator implement the most cost effective steps to formally conclude the Administration. This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Company or alternatively, seeking to put the Company into Creditors Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors.
10. That, if the Company were to be placed into CVL, the Administrator proposes to be appointed Liquidator and any Creditor's Committee appointed will become the Liquidation Committee pursuant to Rule 2.47(3) of the Rules. As per Paragraph 83(7) of Schedule B1 of the Act and Rule 2.47(3) of the Rules, the creditors may nominate a different person to be Liquidator provided the nomination is made before the proposals are approved by creditors.
11. That, if there are insufficient funds with which to make a distribution to unsecured creditors, once all of the assets have been realised and the Administrator has concluded all work within the Administration, the Administrator will file a notice under Paragraph 84(1) of Schedule B1 of the Act with the Registrar of Companies, following registration of which the Company will be dissolved three months later;
12. That in the absence of a Creditors' Committee, the secured and preferential creditors of the Company agree that the Administrator be discharged from liability per Paragraphs 98 and 99 of Schedule B1 to the Act immediately upon the Administrator filing his final report to creditors and vacating office.

2.2 Progress on approved proposals

I have summarised below the progress and current status in respect of each of the approved proposals:-

Proposal	Current Status
1	Completed. All assets have been realised.
2	Completed. Report sent to The Insolvency Service on 19 February 2014.
3	No dividend was paid to any unsecured creditor. There were no preferential claims. There was a distribution to the Building Society in terms of net securities.
4	£2,905,000 has been distributed to the Building Society. There were no preferential claims.
5	Not applicable. No Creditors Committee appointed.
6	Not applicable. No Creditors Committee appointed.
7	The Building Society has agreed the Administrator's remuneration.
8	On 6 February 2015 the Court granted a 12 month extension of the Administration until 10 March 2016. On 2 March 2016 the Court granted a further extension until 10 March 2017. On 1 March 2017 the Court granted a further extension until 10 September 2017.
9	The Company will move to dissolution.
10	Not applicable, no exit via CVL is intended.
11	The relevant notice will be sent to the Registrar of Companies.
12	Approval from the Building Society obtained 26 April 2017.

3. Administrator's Receipts and Payments Account

3.1 Introduction

I have attached at Appendix 2 my Receipts and Payments account covering the period from 11 March 2017 to 19 July 2017 in accordance with SIP 7 (Scotland).

3.2 Asset realisations

As stated in my first report I instructed Graham & Sibbald, Chartered Surveyors to perform a review of the portfolio and to identify the best marketing strategy for each property. All properties were realised as detailed below.

3.2.1 93 High Street, Edinburgh

This property has now been sold and the proceeds from the sale are detailed on the attached Receipts and Payments account. All rental income due was received from the tenant.

3.2.2 15-23 Hardwell Close, Edinburgh

This property has now been sold and the proceeds from the sale are detailed on the attached Receipts and Payments account. All rental income due was received from the tenant.

3.2.3 13-15 Morningside Drive, Edinburgh

The property has now been sold and the proceeds from the sale are detailed on the attached Receipts and Payments account. All rental income due was received from the tenant.

3.2.4 61A Clerk Street, Loanhead

This property has now been sold and the proceeds from the sale are detailed on the attached Receipts and Payments account. No rental income was received in respect of this property.

3.2.5 Thomson House, Pitreavie Business Park, Dunfermline

This property has now been sold and the proceeds from the sale are detailed on the attached Receipts and Payments account. All rental income due was received from the tenant.

3.2.6 Units 1 & 2 Glenwood Centre, Glenrothes

This property has now been sold and the proceeds from the sale are detailed on the attached Receipts and Payments account. All rental income due was received from the tenant.

3.2.7 Firth Lodge and Nursery, Auchendinny

A commercial settlement was reached with the directors/directors' family. The funds received are detailed on the attached Receipts and Payments account.

3.2.8 Samoya, Queens Road, Dunbar

This residential development has now been sold and the proceeds from the sale are detailed on the attached Receipts and Payments Account.

3.2.9 6-8 Hill Street, Dunfermline

The residential development was completed and has now been sold with the sale proceeds detailed on the attached Receipts and Payments account.

4. Distribution to Creditors

4.1 Secured Creditors

The Building Society held standard securities in relation to all of the properties as well as a qualifying floating charge, which was registered on 18 March 2005, over all the property and undertakings of the Company. The amount owed to the Building Society at the date of my appointment was £3.56m. Following realisation of the secured properties the Building Society received payments totalling £2,905,000.

4.2 Preferential Creditors

The Company had no employees at the date of appointment and, as a result there were no preferential claims.

4.3 The Prescribed Part

Section 176A of the Act provides that, where the Company has created a floating charge on or after 15 September 2003, the Administrator must set aside a percentage of the Company's assets for the benefit of unsecured creditors. This is known as the "prescribed part of the net property". It applies where there are floating charge realisations and the Company's net property is the amount remaining after paying the preferential creditors and costs and expenses of the Administration, but before paying the lender who holds a floating charge. An Administrator has to set aside:-

- 50% of the first £10,000 of net property;
- 20% of the remaining net property up to a maximum amount of £600,000

The Company granted a floating charge to the Building Society on 14 March 2005 and therefore the prescribed part provisions applied. All realisations from the sale of the properties and development sites fell under the Building Society's standard securities. The only floating charge realisations was the rental income from the tenanted properties. There was insufficient floating charge realisations to enable a prescribed part to be made available for the unsecured creditors of the Company.

4.4 Unsecured Creditors

As there was a shortfall to the secured creditor and the floating charge realisations were insufficient to meet the costs of the Administration there was no funds available to enable a dividend to unsecured creditors.

5. Other Matters and Information to Assist Creditors

5.1 Extension to the initial appointment period

My initial appointment covered the period from 11 September 2013 to 10 September 2014.

I applied for extensions of the Administration on four occasions in accordance with Paragraph 76 of Schedule B1 of the Act. The extensions were required to allow the sale of the unrealised properties held in the Administration.

5.2 Investigations

As part of my statutory duties, a report on the conduct of the Company Directors was submitted to the Insolvency Service. The contents of the report are confidential and may not be provided.

5.3 Exit route from Administration

As previously advised, I will now proceed to file a notice with the Registrar of Companies to arrange for the Company to exit the Administration by way of dissolution under paragraph 84 of Schedule B1 of the Act. Upon registration of this notice my appointment as Administrator of the Company shall cease to have effect.

5.4 Administrator's discharge

In accordance with Paragraphs 98 and 99 of Schedule B1 of the Act, I sought approval from the Building Society for their discharge from liability, to take effect immediately upon the filing of my final report to creditors and my vacating office. Approval was received from the Building Society on 26 April 2017.

6. Administrator's Remuneration and Expenses

6.1 Administrator's Remuneration

There were no funds available to the unsecured creditors, therefore, fixing my remuneration was approved in accordance with Rule 2.39 of the Rules, which is outlined as follows:-

- Where the Administrator has made a statement under Paragraph 52(1)(c) of Schedule B1 of the Act the basis of the Administrator's remuneration may be fixed by approval of:
 - each secured creditor.
 - if the Administrator intends to make a distribution to preferential creditors, with the approval of each secured creditor and 50% of preferential creditors who respond to an invitation to consider approval.

In accordance with Rule 2.39 of the Rules, in the absence of a creditors committee, my remuneration has been approved by the Building Society, as secured creditor of the Company.

Remuneration of £299,654.60 has been approved and billed in the Administration. This is shown in the Receipts and Payments account at Appendix 2.

6.1 Administrator's Remuneration (Cont'd)

Time costs incurred during the period covered by this report, from 11 March 2017 to 19 July 2017, are £17,117.10, this represents 88.86 hours at an average hourly rate of £192.63. These time costs are detailed at Appendix 3.

I propose that disbursements, including disbursements for services provided by their firm defined as Category 2 disbursements in Statement of Insolvency Practice 9 be charged in accordance with their firms policy.

In accordance with Statement of Insolvency Practice 9 (Scotland), "A Creditors' Guide to Administrators Remuneration" is available for download at:

<http://www.scott-moncrieff.com/news/publications/a-creditors-guide-to-administators-remuneration-scotland>

Should you require a paper copy, please send your request in writing to me at 25 Bothwell Street, Glasgow, G2 6NL and this will be provided to you at no cost.

6.2 Expenses

My direct expenses for the period of this report are as follows:

Disbursements	Category 1	Category 2
Total	-	7.52

All Category 1 disbursements are charged at the actual cost incurred.

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, advertising, invoiced travel and property reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 disbursements will comprise cost allocations which may arise on some of the category 1 expense where supplied internally; typically, items such as room hire and document storage. Also typically included will be routine or more specialist copying and printing, and allocated communication costs provided by the officeholder or his firm.

6.3 Charge out rates

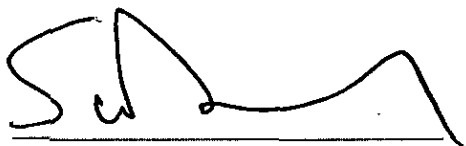
The table detailed below sets out the current charge-out rates utilised by Scott-Moncrieff for charging staff time.

Grade	Hourly rate
Partner	£255 - £350
Director	£240 - £290
Manager	£150 - £200
Senior Professional	£110 - £180
Administrator	£80 - £105
Support staff	£80 - £105

In common with most professional services firms, Scott-Moncrieff's charge-out rates change from time to time, although each individual change is not material. The rates charged reflect various changes over the course of each assignment.

6.4 Disbursement rates

Type	Rate
Printing	£0.15 per sheet
Photocopying	
Fax	£0.40 per sheet
Colour photocopying	£2.50 per sheet
Storage	£3.90 per box per quarter (min. £30 per quarter)
Room hire	£100 per meeting when held in SMO office
Registered office fee	£120 per annum
Mileage	45p per mile
Postage	As incurred



Stewart MacDonald
Administrator

19 July 2017

Appendix 1 - Statutory Information

Company Name: Durham & Edinburgh Properties Limited

Proceedings: In Administration

Court: Court of Session

Court Reference: P925/13

Administrator
Stewart MacDonald
Scott-Moncrieff
25 Bothwell Street
Glasgow
G2 6NL

The Administrator was appointed by Dunfermline Building Society (In Building Society Special Administration).

Date of Appointment: 11 September 2013

Company Number: SC112246

Date of Incorporation: 13 July 1988

Previous Name(s): Movend Limited

Registered Office: 25 Bothwell Street, Glasgow, G2 6NL

Former Registered Office: 6 School Brae Business Centre, Peebles, EH45 8AT

Trading Address: N/A

Directors:
Derek Lawrence Dickerson
Norma Walker

Company Secretary: Derek Lawrence Dickerson

Authorised Share Capital: 100 Ordinary £1 Shares

Issued Share Capital: 100 Ordinary £1 Shares

Shareholders:
Derek Lawrence Dickerson – 70 shares
D Lawrence Contractors Ltd – 30 shares

Bankers: The Royal Bank of Scotland plc

Securities Granted: Dunfermline Building Society has the benefit of the following securities:-
Floating Charge created 14 March 2005 and registered 18 March 2005
Standard Security created 30 March 2005 and registered 1 April 2005

Appendix 2 - Receipts & Payments Account for the period 11 March 2017 to 19 July 2017

Durham & Edinburgh Properties Limited (In Administration) Administrator's Summary of Receipts & Payments

Statement of Affairs £		From 11/03/2017 To 19/07/2017 £	From 11/03/2013 To 19/07/2017 £
	SECURED ASSETS		
Uncertain	Property Portfolio	NIL	3,391,766.00
		NIL	3,391,766.00
	COSTS OF REALISATION		
	Administrator Fees	12,000.00	202,062.50
	Legal Fees	NIL	1,500.00
	Auctioneer Fees	NIL	4,940.00
	Insurance of Assets	(608.54)	13,278.94
	Quantity Surveyor's Fees	NIL	11,256.00
	Property Costs	473.48	38,179.18
	Development Costs- Hill Street	NIL	174,702.70
		(11,864.94)	(445,919.32)
	SECURED CREDITORS		
(3,560,000.00)	Dunfermine Building Society	40,000.00	2,905,000.00
		(40,000.00)	(2,905,000.00)
	ASSET REALISATIONS		
NIL	Corporation Tax Refund	NIL	21,484.02
	Cash at Bank	NIL	4,644.62
	Rent	NIL	130,329.26
	Insurance Refund	NIL	1,340.24
	Bank Interest Gross	1.97	6.50
	Bank Interest Net of Tax	NIL	23.05
		1.97	157,827.69
	COST OF REALISATIONS		
	Specific Bond	NIL	185.00
	Administrator's Fee	16,374.36	97,592.10
	Administrator's Outlays	9.35	15.35
	Legal Fees (1)	1,818.00	78,027.50
	Corporation Tax	NIL	21,341.40
	Telephone Costs	NIL	48.12
	Photocopies	NIL	209.80
	Travel Costs	NIL	100.45
	Postages	NIL	66.38
	Other Professional Fees	NIL	NIL
	Statutory Advertising	NIL	76.25
	Mileage	NIL	155.25
	Insurance of Assets	NIL	NIL
	Land Registry & Company Search Fee	NIL	54.00
	Bank Charges	4.63	799.77
	Company Search	NIL	3.00
		(18,206.34)	(198,674.37)
	UNSECURED CREDITORS		
(569,820.42)	Trade & Expense Creditors	NIL	NIL
(34,619.59)	HM Revenue & Customs - Corporation	NIL	NIL
(21,713.83)	HM Revenue & Customs - VAT	NIL	NIL
		NIL	NIL

Appendix 2 - Receipts & Payments Account for the period 11 March 2017 to 19 July 2017 (Cont'd)

	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(4,186,253.84)</u>		<u>(78,869.31)</u>	<u>(0.00)</u>
	REPRESENTED BY		
			<u>NIL</u>

Appendix 3 – Administrator's Time Costs for the period 11 March 2017 to 19 July 2017

Durham & Edinburgh Properties Limited
11 March 2017 to 19 July 2017
Time and charge out summaries (Excluding VAT)

Classification of work function	Hours					Total hours	Time cost (£)	Average hourly rate (£)
	Partner	Director	Manager	Other Senior Professionals	Assistants & Support Staff			
Statutory	-	-	-	-	-	-	-	-
Admin/Planning	19.90	-	39.96	1.40	3.60	64.86	12,883.15	198.63
Investigations	-	-	-	-	-	-	-	-
Realisation of assets - Fixed	1.00	-	1.20	-	-	2.20	566.00	257.27
Trading	-	-	-	-	-	-	-	-
Creditors	1.60	-	0.65	0.40	-	2.65	663.00	250.19
Closing Costs	3.00	-	10.70	1.30	4.15	19.15	3,004.95	156.92
Total hours	25.50	-	52.51	3.10	7.75	88.86	17,117.10	192.63
Total Fees claimed (£)	7,690.00	-	8,304.25	353.20	769.65		17,117.10	
Hourly Rate	301.57	-	158.15	113.94	99.31			
						88.86	17,117.10	

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