

The Insolvency Act 1986

Administrator's progress report

Name of Company A & A Property Refurbishments Limited	Company number 5482491
In the High Court of Justice, Chancery Division, Cardiff District Registry [full name of court]	Court case number 1015 of 2008

We Alistair Wardell and Nigel Morrison of

Grant Thornton UK LLP
 11-13 Penhill Road
 Cardiff
 CF11 9UP

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

from

to

15 February 2008

14 August 2008

Signed *Alistair Wardell*
 Joint Administrator

Dated 12/9/08

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 should be

Siwan Morgan of Grant Thornton UK LLP, 11-13 Penhill Road, Cardiff CF11 9UP	
Tel 029 2023 5591	
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

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Our Ref SEM/SJH/AGW/A00716/A00717/A00715/7

To the Creditors

Recovery and Reorganisation

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11 September 2008

Dear Sirs

A & A Property Investments Limited (Investments), A & A Property Developments Limited (Developments) and A & A Property Refurbishments Limited (Refurbishments) (all in Administration) - (the Companies) 1013 of 2008, 1014 of 2008 and 1015 of 2008

1 INTRODUCTION

- 1 1 Following the appointment of myself and Nigel Morrison as joint administrators of the Companies by a qualifying floating charge holder on 15 February 2008, I now report on the progress of the administrations to date
- 1 2 Forms 2 24B together with an account of my receipts and payments for the 6 months ended 14 August 2008 in accordance with Rule 2 47 of the Insolvency Rules 1986 are attached at Appendix A
- 1 3 In accordance with paragraph 100 (2) of Schedule B1 to the Insolvency Act 1986 the functions of the administrators are to be exercised by any or all of them

Chartered Accountants
Member firm within Grant Thornton International Ltd
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2 STATUTORY INFORMATION

2.1 The Companies' statutory details are as follows

	Investments	Developments	Refurbishments
registered number	4824541	5682022	58482491
registered office	11-13 Penhill Road CARDIFF CF11 9UP	11-13 Penhill Road CARDIFF CF11 9UP	11-13 Penhill Road CARDIFF CF11 9UP
former trading address	2nd Floor Vision House Oaktree Court Mulberry Drive Cardiff Gate Business Park CF23 8RU	2nd Floor Vision House Oaktree Court Mulberry Drive Cardiff Gate Business Park CF23 8RU	2nd Floor Vision House Oaktree Court Mulberry Drive Cardiff Gate Business Park CF23 8RU

3 PROGRESS REPORT

- 3.1 As previously reported, Investments and Refurbishments own a rental portfolio comprising 117 properties which were purchased on a buy to let basis. These assets have all been individually mortgaged to Svenska Handelsbanken Se (the Bank)
- 3.2 The properties are, in the main, situated in the Cardiff and Newport area
- 3.3 In addition to the rental portfolio, Refurbishments owns a development site known as the former Primary School, Chapel Road, Llanharan, Pontyclun CF72 9QB which, since the date of my appointment has remained in a partly completed state.
- 3.4 Developments owns two development properties, both remain in a partly completed state
- The former Gunners Club, Pottery Terrace, Pillgwenlly, Newport NP20 2NA
 - Lyndaryn Bungalow, Cliff Road, Blackwood
- 3.5 Following recommendation from our agents DTZ Debenham Tie Leung Limited (agents), all of the properties were advertised for sale and offers were invited by the end of May 2008. Other than offers received for the three development sites no other offers were acceptable
- 3.6 The sale of the three development sites, in their current, uncompleted state is being progressed. It is anticipated that the sale will complete within the next 4 to 6 weeks

- 3 7 Other than one residential property which was sold for £168,000 all other properties have been taken off the market and are available for rent
- 3 8 The management of the rental portfolio was outsourced to Burnett Davies Lettings (BDL) on 11 July 2008, in an effort to reduce the running costs of the administrations
- 3 9 As previously reported, a VAT reclaim that may be due on the Llanharan development, estimated at £119k and is currently in being progressed
- 3 10 My receipts and payments accounts to 14 August 2008 are attached at Appendix A

4 Administrators' Remuneration and Disbursements

- 4 1 In accordance with Statement of Insolvency Practice (SIP 9), I attach as Appendix B a summary of my time costs to 27 August 2008 by grade of staff and type of work This shows total time costs for the Companies of £372,432, representing 1,968 hours at an average of £189 per hour To date, I have not drawn any fees on account Details of any matters which have had a significant impact on the time costs are included in the appendix, together with details of any disbursements charged during the period under review

5 Liabilities and Outcome for Creditors

Secured Creditor

- 5 1 At the date of appointment the Bank was owed the following amounts by each of the three companies

- | | |
|------------------|----------------|
| • Investments | £16 75 million |
| • Developments | £3 30 million |
| • Refurbishments | £5 01 million |

- 5 2 As previously reported, in view of the level of Bank debt, accruing interest and the likely costs of protection and realisation of assets I do not believe that the Bank will recover its lending and accrued interest in full

Preferential Creditors

- 5 3 I continue to receive preferential claims in respect of claims from former employees, but the full extent of the debt has not been quantified at this stage
- 5 4 At present there are no funds available to meet claims of preferential creditors, but I will review these, should the position change

Unsecured Creditors

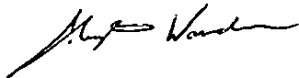
5.5 It is estimated that the level of unsecured creditors in each company is as follows

- Investments £63k
- Developments £362k
- Refurbishments £381k

5.6 As previously reported, there are insufficient funds available to enable a distribution to be made to unsecured creditors

Yours faithfully

for and on behalf of A & A Property Investments Limited,
A & A Property Refurbishments Limited and A & A Property Developments Limited



Alistair Wardell
Joint Administrator

The affairs, business and property of A & A Property Investments Limited, A & A Property Developments Limited and A & A Property Refurbishments Limited are being managed by Alistair Wardell and Nigel Morrison, appointed as joint administrators on 15 February 2008

**A & A Property Investments Limited
(In Administration)**

Appendix A

**Joint Administrators' Abstract Of Receipts And Payments
To 14 August 2008**

RECEIPTS	Total (£)
Property sale	167,354 92
Bonds Retained	626 14
New Bonds Received	7,300 00
3rd Party Bonds	1,250 00
Tax Refunds	567 50
Rent	240,019 31
AJ Lewis Rent	36,864 90
A & A Property Refurbishments Ltd Rent	26,112 50
3rd Party Rent	2,040 00
Cash at Bank	8,473 96
	<u>490,609 23</u>
PAYMENTS	
Bond Repayments	583 08
Rents	1,642 41
Rates	44 92
Deposit Protection Service	47,195 50
Professional Fees	1,552 00
Bank Charges	1 95
Lease/HP Payments	2,700 00
Hire of Equipment	813 87
Repairs & Maintenance	15,462 17
Vehicle Running Costs	709 00
PAYE/NI	22,263 72
Net Salaries	40,742 49
Employee Expenses	1,520 41
Legal fees	912 97
Agents/Valuers Fees	22,352 00
VAT irrecoverable	2,836 40
	<u>161,332 89</u>
Balances in Hand	<u>329,276 34</u>

**A & A Property Developments Limited
(In Administration)**

Appendix A

**Joint Administrators' Abstract Of Receipts And Payments
To 14 August 2008**

RECEIPTS	Total (£)
	<u>0 00</u>
PAYMENTS	
Agents fees	17,087 92
Professional Fees	1,500 00
Bank Charges	2,099 76
Hire of Equipment	17,062 65
Repairs & Maintenance	125 00
PAYE/NI	923 81
Net Salaries	1,840 38
Security	47,922 92
Vat Receivable	8,354 53
	<u>96,916 97</u>
Balances in Hand	<u>(96,916 97)</u>

**A & A Property Refurbishments Limited
(In Administration)**

Appendix A

**Joint Administrators' Abstract Of Receipts And Payments
To 14 August 2008**

RECEIPTS	Total (£)
Bonds Retained	950 86
New Bonds Received	1,750 00
Book Debts	1,812 69
3rd Party Bonds	675 00
Rent	32,192 62
A & A Property Investments Ltd Rent	750 00
AJ Lewis Rent	1,975 00
	<u>40,106 17</u>
 PAYMENTS	
Rent paid to Regus	403 52
Heat & Light	11 44
Deposit Protection Service	14,700 00
Professional Fees	1,500 00
Bank Charges	726 61
Hire of Equipment	2,722 38
Repairs & Maintenance	5,167 34
PAYE/NI	937 60
Net Salaries	1,841 18
Employee Expenses	630 67
Agents/Valuers Fees	11,384 05
Debt Collection Fees	15 00
Security	39,181 68
Vat Receivable (in part)	11,337 69
	<u>90,559 16</u>
Balances in Hand	<u>(50,452 99)</u>

A&A PROPERTY INVESTMENTS LIMITED - IN ADMINISTRATION
SIP 9 TIME COST ANALYSIS FOR THE PERIOD FROM 15 FEBRUARY 2008 TO 27 AUGUST 2008

Classification of work function	Partner/Director Hours	Manager Hours	Other Senior Professionals Hours	Assistants and Support Staff Hours	Total Hours	Time Cost £	Average Hourly Rate £/Hour
Administration and Planning	66 25	69 51	85 50	285 05	506 31	94,215	186 08
Investigations	0 00	10 50	2 00	2 50	15 00	4,028	268 53
Realisation of Assets	0 50	151 25	32 40	31 10	215 25	57,848	268 75
Creditors	0 00	27 90	47 15	39 30	114 35	20,647	180 56
Trading	0 50	6 05	183 50	71 35	261 40	38,563	147 52
Grant Total	67 25	265 21	350 55	429 30	1,112 31	215,301	193 56

Narrative of tasks undertaken**Administration and Planning**

Includes general administration and planning, reporting, statutory returns, court filings, physical filing, internal compliance reviews, case planning, statutory obligations (eg statutory returns) maintenance of cash and estate records and general correspondence.

Investigations

Includes initial consideration of approach to investigations into Company and directors

Realisation of assets

Includes instructing and liaising with agents, collection and monitoring of rental portfolio, maintenance of properties, dealing with bonding and tenant queries

Creditors

Includes correspondence with preferential and unsecured creditors, dealing with creditor correspondence, preparing reports and circulars to creditors, liaising with secured creditor, dealing with enquiries as to redundancies, employee enquiries and general creditor enquiries

Trading

Includes liaising with various parties, including agents, valuers, insurers, solicitors, retained employees and tenants Dealing with maintenance issues and arranging for the rental portfolio to be let whilst ensuring all assets remain secure

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Appendix B

A&A PROPERTY DEVELOPMENTS LIMITED - IN ADMINISTRATION
SIP 9 TIME COST ANALYSIS FOR THE PERIOD FROM 15 FEBRUARY 2008 TO 27 AUGUST 2008

Classification of work function	Partner/Director Hours	Manager Hours	Other Senior Professionals Hours	Assistants and Support Staff Hours	Total Hours	Time Cost £	Average Hourly Rate £/Hour
Administration and Planning	13.35	38.40	66.33	79.98	198.06	34,339	174.26
Investigations	0.00	7.00	1.50	0.50	9.00	2,593	288.11
Realisation of Assets	4.00	41.20	30.20	3.85	79.25	19,278	243.26
Creditors	0.00	8.90	16.70	21.50	47.10	8,177	173.61
Trading	0.00	2.55	12.45	6.30	21.30	3,500	164.32
Grant Total	17.35	98.05	127.18	111.13	353.71	67,887	191.93

Narrative of tasks undertaken

Administration and Planning

Includes general administration and planning, reporting, statutory returns, court filings, physical filing, internal compliance reviews, case planning, statutory obligations (eg statutory returns) maintenance of cash and estate records and general correspondence

Investigations

Includes initial consideration of approach to investigations into Company and directors

Realisation of assets

Includes instructing and liaising with agents, dealing with bonding and security matters on-site

Creditors

Includes correspondence with preferential and unsecured creditors, dealing with creditor correspondence, preparing reports and circulars to creditors, liaising with secured creditor, dealing with enquiries as to redundancies, employee enquiries and general creditor enquiries

Trading

Includes liaising with various parties, including agents, valuers, insurers and solicitors Dealing with maintenance issues on-site and ensuring developments remain secure

A&A PROPERTY REFURBISHMENTS LIMITED - IN ADMINISTRATION
SIP 9 TIME COST ANALYSIS FOR THE PERIOD FROM 15 FEBRUARY 2008 TO 27 AUGUST 2008

Classification of work function	Partner/Director Hours	Manager Hours	Other Senior Professionals Hours	Assistants and Support Staff Hours	Total Hours	Time Cost £	Average Hourly Rate £/Hour
Administration and Planning	14.40	36.71	51.69	152.10	254.90	42,858	168.14
Investigations	0.00	7.50	1.50	0.50	9.50	2,753	289.79
Realisation of Assets	0.50	45.30	20.65	8.35	74.80	18,424	246.31
Creditors	0.00	10.65	15.10	25.10	50.85	8,823	173.51
Trading	0.00	6.45	80.35	25.00	111.80	16,386	146.57
Grant Total	14.90	106.61	169.29	211.05	501.85	89,244	177.83

Narrative of tasks undertaken

Administration and Planning

Includes general administration and planning, reporting, statutory returns, court filings, physical filing, internal compliance reviews, case planning, statutory obligations (eg statutory returns) maintenance of cash and estate records and general correspondence

Investigations

Includes initial consideration of approach to investigations into Company and directors

Realisation of assets

Includes instructing and liaising with agents, collection and monitoring of rental portfolio, maintenance of properties, dealing with bonding and tenant queries

Creditors

Includes correspondence with preferential and unsecured creditors, dealing with creditor correspondence, preparing reports and circulars to creditors, liaising with secured creditor, dealing with enquiries as to redundancies, employee enquiries and general creditor enquiries

Trading

Includes liaising with various parties, including agents, valuers, insurers, solicitors, retained employees and tenants Dealing with maintenance issues and arranging for the rental portfolio to be let whilst ensuring all assets remain secure