

2.24B

Administrator's progress report

Name of Company Durham Investements Six Limited	Company number 03104360
In the High Court of Justice Chancery Division, Leeds District Registry	Court case number 468 of 2010

We
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The Administrators of the above Company attach a progress report for the period

from	to
22 February 2010	21 August 2010

Signed

Howard Smith
Joint Administrator

Dated

20 September 2010

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.

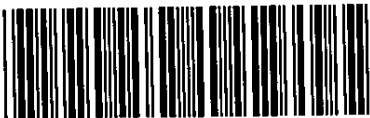
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When you have completed and signed this form, please send it to the Registrar of Companies at -

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COMPANIES HOUSE



**Durham Investments Six Limited in
administration**

**Report to Creditors pursuant
to Rule 2.47 of the
Insolvency Rules 1986**

KPMG LLP
20 September 2010

mgf/jl/sj/sjw/lt



Notice: About this Report

This Report has been prepared by Mark Granville Firmin, Brian Green and Howard Smith, the Joint Administrators of Durham Investments Six Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, 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.

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Durham Investments Six Limited.

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

Any person that chooses to rely on this Report for any purpose, or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Mark Granville Firmin and Brian Green are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

Howard Smith is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

The Joint Administrators act as agents for Durham Investments Six Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administration.



Glossary

Joint Administrators	Mark Granville Firmin, Brian Green and Howard Smith of KPMG LLP, 1 The Embankment, Neville Street, Leeds LS1 4DW
Administration Order	The administration order granted by the High Court of Justice, Chancery Division, Leeds District Registry regarding Durham Investments Six Limited on 22 February 2010. Court administration number 468 of 2010
Aviva	Aviva Commercial Finance Limited, whose ultimate parent is Aviva Plc
the Company	Durham Investments Six Limited
the Directors	David Schreiber Jacob Schreiber
The Group	Entities in the Group are Durham Investments Four Limited, Durham Investments Six Limited, Britonwood Properties Limited, BBL Estates (Britonwood) Limited and Waterbridge Capital Partners Property Fund 1 LLP (which is the parent entity)
Proposals	Report to Creditors pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 dated 14 April 2010 containing the Joint Administrators' proposals
Santander	Santander UK plc



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1 Introduction

Further to my Proposals dated 14 April 2010, I set out below my progress report as per Rule 2.47 of the Insolvency Act 1986. This report covers the period 22 February 2010 to 21 August 2010.

In accordance with Paragraph 52 (1)(b) of Schedule B1 to the Insolvency Act 1986, a meeting of creditors was not called by the Joint Administrators, and the requisite number of creditors did not request such a meeting. As such the resolutions presented in the Proposals were deemed to be accepted by creditors, apart from any regarding the Joint Administrators' remuneration. This will be agreed with the secured creditors, Aviva and Santander.

The appropriate statutory information is set out in Appendix 1. A receipts and payments account for the reporting period in Form 2.24 is attached at Appendix 4.

Please note that, unless stated otherwise, all amounts referred to in this report and its appendices are net of VAT.

2 Strategy of the administration

The Joint Administrators are continuing to collect rent and manage the properties within the Company's portfolio.

The remaining assets to realise are book debts, rent collections and freehold properties via a sale or exit strategy from the administration.

As discussed in the Proposals the ongoing management of the property portfolio includes, but is not limited to, the following activities:

- Collecting rental income from tenants,
- Negotiating leases,
- Collecting and administering service charge funds,
- Dealing with health and safety issues at the Company's properties,
- Engaging local agents to market void units to prospective tenants.

King Sturge are instructed to assist the Joint Administrators with the day to day management of the property portfolio, which includes dealing with lease renewals for current tenants and negotiating leases with prospective tenants.



3 Receipts and payments

3 1 Receipts

3 1 1 Book debts

Book debts of £156,642 have been collected in the period in respect of rent arrears at the date of appointment of the Joint Administrators

3 1 2 Rent

In the period, the Joint Administrators have received £960,053 of rental income

3.1 3 Other receipts

Bank interest of £1,073 has been received in the period on funds held in the Joint Administrators' account

In addition, interest accrued on rental income held by King Sturge of £115 has been received in the period and is represented as interest received on third party income in the Joint Administrators' receipts and payments account at Appendix 4

3.2 Payments

3 2 1 Landlord voids

A total of £7,290 has been paid by the Joint Administrators to the service charge accounts managed by Eddisons in relation to void units

3 2 2 Agent's fees

King Sturge are instructed to invoice and collect rental income, and fees of £29,910 have been paid to date

Eddisons assist the Joint Administrators with the management of the service charge Their fees are paid out of the service charge budget and as such, not included in the Joint Administrators' receipts and payments account at Appendix 4

3 2 3 Landlord property costs

In the period, £7,469 has been paid in respect of general landlord costs

3 2 4 Void unit costs

A total of £34,481 has been paid in respect of the costs associated with void units Of this, £34,320 relates to the annual insurance premium on void units, and the remainder relates mostly to standing charge utility costs for void units



3.2.5 **Loan to service charge**

As a result of VAT accounting, and landlord payments to cover any shortfalls in the service charge account, a sum of £4,735 has been paid on behalf of the service charge

Whilst this is recoverable from the service charge, it is shown as an expense for prudence

3.2.6 **Other**

In the period, the Joint Administrators have paid £1,217 to insurance brokers, Willis Limited, in respect of initial open cover insurance and review of pre-appointment insurance arrangements

In addition, the Joint Administrators have paid statutory advertising costs of £141, storage of books and records of £287, and bank charges of £102 in the period

4 **Cost of realisations**

4.1 **Joint Administrators' time costs**

From my appointment on 22 February 2010 to 21 August 2010, time costs of £171,203 have been incurred, representing 650 hours at an average rate of £263 per hour

Within these costs is time spent by other departments within KPMG LLP, including Global Sustainability Services, who have reviewed the health and safety position of the Company's properties

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Insolvency Rules 1986. Further information is given in the Association of Business Recovery Professionals' publication, A Creditors' Guide to Administrators' Fees, a copy of which can be found at

http://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007.pdf

However, if you are unable to access the above and would like a copy, then please contact Tom Hutchinson on 0113 231 3362

The Joint Administrators' remuneration will be agreed by the secured creditors in this case, Aviva and Santander

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates

The Joint Administrators have not drawn any fees or disbursements to date



5 Estimated outcome for creditors

5.1 Secured creditors

5.1.1 Aviva

The Directors' statement of affairs shows a balance due to Aviva, as the secured lender, of £23,031,665. To date, the Joint Administrators have distributed £548,235 to Aviva under its fixed charge.

5.1.2 Santander

As previously reported in the Joint Administrators' Proposals, Santander provided funding to the Company secured by way of a fixed charge over the property at 30-32 Battersea Square, London. The Directors' statement of affairs showed a balance due to Santander of £2,730,697.

Prior to the appointment of the Joint Administrators, Santander appointed Simon Thomas and Frederick Satow of Moorfields Corporate Recovery LLP as LPA Receivers. In the period of this report, the property was sold by the LPA Receivers. The LPA Receivers accounted to Santander directly with the proceeds of sale. No surplus was available to the Joint Administrators.

5.2 Preferential creditors

According to the Directors' statement of affairs, there are no preferential creditors in the administration. No preferential claims have been received by the Joint Administrators to date.

5.3 Unsecured creditors

The Directors' statement of affairs showed unsecured creditors of £1,185,194. Based on current estimates, the Joint Administrators do not expect there to be sufficient funds available to make a distribution to the Company's unsecured creditors.

6 Future conduct of the administration

The Joint Administrators will continue to manage the business and affairs of the Company.

The key remaining issues to be dealt with are

- Ongoing collection of rent and management of the property portfolio,
- Reviewing options available for exit strategies from the administration.



7 **End of the administration**

Pursuant to Paragraph 76 (1) of Schedule B1 to the Insolvency Act 1986, the administration will automatically end on 21 February 2011, although it can be extended by application to court or creditors. In the event that the purposes of the administration cannot be completed by 21 February 2011, the Joint Administrators will either seek an extension of time to complete the administration or place the Company into other insolvency proceedings to enable any issues to be resolved.

8 **Statement concerning the EC Regulations**

EC Regulations will apply to the administration and the proceedings will be the main proceedings as defined in Article 3 of the EC Regulations on Insolvency Proceedings 2000. The Company's registered office and centre of main interest is in England, the United Kingdom.

This means that the administration will be conducted according to UK Insolvency legislation and is not governed by the insolvency law of any other European Union Member State.

Howard Smith
Joint Administrator



Appendix 1 - Statutory information

Partnership Name	Durham Investments Six Limited
Date of Incorporation	20 September 1995
Company number	03104360
Present Registered office	c/o KPMG LLP 1 The Embankment Neville Street Leeds LS1 4DW
Previous registered office	147 Stamford Hill London N16 5LG
Called up share capital	Ordinary Shares 1 £1 share
Shareholders	Waterbridge Capital Partners Property Fund 1 LLP 100%
Directors	David Schreiber Jacob Schreiber
Company Secretary	Rivka Niederman
Employees	None
Previous names	None



Appendix 2 - Joint Administrators' time costs for the period 22 February 2010 to 21 August 2010

Durham Investments Six Limited

Reporting Period 22/02/2010 to 21/08/2010

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Trading							
Health & safety		70.85	31.60		102.45	£33,384.50	£325.86
Pre-appointment tax & VAT refunds		0.20			0.20	£81.00	£405.00
General (Cashing)	0.30		14.75		15.05	£2,601.75	£172.87
Reconciliations (& IPS accounting reviews)		1.30	6.70		8.00	£1,569.50	£196.19
Pensions reviews			1.10		1.10	£181.50	£165.00
Initial reviews - CT and VAT		2.40			2.40	£950.75	£396.15
Post appointment corporation tax		0.80	7.00		7.80	£1,856.50	£238.01
Post appointment VAT		12.10	24.40		36.50	£9,304.00	£254.90
Cash & profit projections & strategy		5.85	36.80		42.65	£9,684.00	£227.06
Purchases and trading costs		22.35	57.10		79.45	£18,403.50	£231.64
Sales			1.50		1.50	£247.50	£165.00
Administration & planning							
Books and records		0.25	4.40		4.65	£806.00	£173.33
Fees and WIP		1.80			1.80	£686.50	£381.39
Other office holders		1.00			1.00	£320.00	£320.00
Appointment and related formalities	1.20		14.20	0.50	21.00	£4,750.50	£226.21
Bonding and borderenau		0.25	0.20		0.45	£113.00	£251.11
Checklist & reviews		2.15	3.90		6.05	£1,459.00	£241.16
Pre-appointment checks			17.90	2.50	20.40	£262.50	£128.68
Reports to debenture holders	2.10	21.35	0.20	0.50	24.15	£14,593.00	£603.81
Statutory advertising			0.20		0.20	£33.00	£165.00
Statutory receipts and payments accounts			0.20	0.30	0.50	£92.50	£185.00
Strategy documents	4.00	21.15	8.10		33.25	£11,292.50	£339.62



Durham Investments Six Limited in administration
Report to Creditors pursuant to Rule 2.47 of the Insolvency Rules 1986
KPMG LLP
20 September 2010

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Creditors							
General correspondence		0 25	2 00		2 25	£410 00	£182 22
Notification of appointment			2 00		2 00	£330 00	£165 00
Secured creditors	1 00	2 10			2 10	£850 50	£405 00
Statutory reports		20 00	17 65	1 05	39 70	£10 901 50	£274 60
Investigation							
Correspondence with directors		3 45			3 45	£1,104 00	£320 00
D form drafting and submission	1 00	7 20	36 95		45 15	£9 198 25	£203 75
Directors' questionnaire / checklist		0 20	0 60		0 80	£180 00	£225 00
Statement of affairs		2 50	5 50		8 00	£1,827 50	£228 44
Review of pre-appt transactions		2 55			2 55	£884 00	£346 67
Realisation of assets							
Debtors	1 50	1 60	12 95		14 55	£3,209 75	£220 60
Freehold property		23 95	22 70		48 15	£14,056 50	£291 93
Leasehold property		8 35			8 35	£2,765 50	£331 20
Open cover insurance		4 15	2 10		6 25	£1 875 00	£300 00
Rent		4 00	41 70		45 70	£10,662 50	£233 32
Sale of business		0 70			0 70	£283 50	£405 00
Total in period					650 05	£171,202 50	£263 37
Fees drawn							
B/f		-			0 00	£0 00	£0 00
In the period					650 05	£171,202 50	£263 37
C/f					650 05	£171,202 50	£263 37



Appendix 3 – Joint Administrators’ charge out rates

Grade	From 1 April 2009 £/hr
Partner	515
Associate Partner	440
Director	440
Senior Manager	405
Manager	320
Senior Administrator	225
Administrator	165
Support	105
Work Experience	35



Durham Investments Six Limited in administration
Report to Creditors pursuant to Rule 2.47 of the Insolvency Rules 1986
KPMG LLP
20 September 2010

**Appendix 4 – Abstract of Administrators’ Receipts &
Payments Account Form 2.24B for the period 22
February 2010 to 21 August 2010**

RECEIPTS		£
Brought forward from previous Abstract (if Any)		0 00
Book debts		156,641 52
Interest received on Third party income		114 63
Rent		960,053 19
Bank interest, gross		1,072 74
Bank interest, gross		0 05
Fixed charge VAT payable		185,148 80
Carried forward to * continuation sheet / next abstract		1,303,030 93
PAYMENTS		£
Brought forward from previous Abstract (if Any)		0 00
Landlord voids		7,290 24
Agents fees		29,909 66
Bank charges		100 00
Landlord Property Costs		7,469 10
Void Unit costs		34,480 86
Insurance Broker Costs		1,216 95
Loan to service charge		4,734 78
Aviva Plc		548,234 79
Storage costs		286 63
Statutory advertising		141 12
Bank charges		2 00
Floating ch VAT rec'able		74 86
Fixed charge VAT rec'able		6,645 04
Fixed charge VAT control		101,154 96
VAT debtor		8,795 99
Carried forward to * continuation sheet / next abstract		750,536 98

* Delete as appropriate

* Delete as appropriate

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the administrator since he was appointed



Durham Investments Six Limited in administration
Report to Creditors pursuant to Rule 2.47 of the Insolvency Rules 1986
KPMG LLP
20 September 2010

**Appendix 5 – Joint Administrators’ receipts and
payments account for the period 22 February 2010 to 21
August 2010**

Durham Investments Six Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 22/02/2010 To 21/08/2010	From 22/02/2010 To 21/08/2010	
FIXED CHARGE ASSETS			
22,810,036 56	Freehold property	NIL	NIL
	Fund received in error	NIL	NIL
1,633,330 00	Battersea Square Property	NIL	NIL
230,000 00	Leasehold -Unit 7 Swinstead Close	NIL	NIL
221,628 75	Book debts	156,641 52	156,641 52
	Interest received on Third party income	114 63	114 63
	Rent	960,053 19	960,053 19
	Bank interest, gross	1,072 74	1,072 74
		1,117,882 08	1,117,882 08
FIXED CHARGE COSTS			
	Landlord voids	7,290 24	7,290 24
	LPA Receiver VAT paid	NIL	NIL
	Agents fees	29,909 66	29,909 66
	Bank charges	100 00	100 00
	Landlord Property Costs	7,469 10	7,469 10
	Void Unit costs	34,480 86	34,480 86
	Insurance Broker Costs	1,216 95	1,216 95
	Loan to service charge	4,734 78	4,734 78
		(85,201 59)	(85,201 59)
FIXED CHARGE CREDITORS			
(23,031,665 31)	Aviva Plc	548,234 79	548,234 79
(2,730,697 94)	Santander UK plc	NIL	NIL
(300,000 00)	Eurogold Limited	NIL	NIL
		(548,234 79)	(548,234 79)
OTHER REALISATIONS			
	Bank interest, gross	0 05	0 05
		0 05	0 05
COST OF REALISATIONS			
	Storage costs	286 63	286 63
	Statutory advertising	141 12	141 12
	Bank charges	2 00	2 00
		(429 75)	(429 75)
UNSECURED CREDITORS			
(410,675 46)	Trade & expense	NIL	NIL
(61,616 44)	Sales Ledger Credits	NIL	NIL
(6,732 00)	Inland Revenue - CIS	NIL	NIL
(593,184 06)	Non-preferential VAT	NIL	NIL
(112,986 98)	Rent Deposits	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			
(1 00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(2,352,563.88)		484,016.00	484,016 00

REPRESENTED BY

Floating ch VAT rec'able	74 86
Fixed charge current	552,471 20
Floating charge current	22 75
Fixed charge VAT rec'able	6,645 04
Fixed charge VAT payable	(185,148 80)
Fixed charge VAT control	101,154 96
VAT debtor	8,795 99
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	484,016.00
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