



Third progress report to members & creditors 15 December 2015

Company **Rok Development Limited in liquidation**

Registered number **01173957**

Registered address **7 More London Riverside, London SE1 2RT**

Type of insolvency **Creditors' Voluntary Liquidation**

Date of appointment **6 November 2012**

Appointees **Toby Underwood and Robert Hunt (the "Liquidators")**

Address **PricewaterhouseCoopers LLP**
7 More London Riverside, London SE1 2RT

Dividend prospects **p in £**
Unsecured **0.8 – 1.0**

Please note that the guidance on dividend prospects is indicative only. It should not be used as the sole or principal basis of any bad debt provision decision.

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Introduction

In accordance with Rule 4.49C of the Insolvency Rules 1986 ("IR86"), this is the Liquidators' second progress report to members and all known creditors of Rok Development Limited (the "Company").

Attached at Appendix A is a summary of the financial information relating to the liquidation, including the Liquidators' receipts and payments account for the period from 6 November 2014 to 5 November 2015.

Progress to 5 November 2015

The only material assets remaining in the liquidation are the property assets. The Liquidators have concluded the following matters in the period covered by this report.

Property assets

The Liquidators have realised a further £49,704 in respect of the sale of property related assets in the period. The sale of the development land at Blackpool, Lancashire was also agreed but the proceeds of £200,000 plus vat were not received in the period. The final material property asset at Cullompton, Devonshire, is under offer subject to the resolution of planning issues. The Liquidators are hopeful of completing the sale of Cullompton in the first quarter of 2016.

Outcome for creditors

Secured creditors

The Liquidators have distributed a further £1,000,000 to the Bank in respect of its security. The total amount distributed to the Bank since the commencement of the Company's formal insolvency is £5,000,000.

Preferential creditors

The claims of preferential creditors totalling £3,398 were paid in full during the period of administration.

Unsecured creditors

During the past twelve months the Liquidators have continued to agree the claims of unsecured creditors totalling £46.2 million, as at 5 November 2015. The Liquidators estimate that there will be a prescribed part of between £400,000 and £500,000 to distribute to unsecured creditors. The Liquidators now hope to make a first and final distribution by August 2016 now that the material property assets have been sold. Given the limited funds available, it is not appropriate to incur the costs of multiple distributions.

Change in officeholder

Since the last progress report Jeremy Webb has transferred to our North American practice. To ensure the continued pursuit of outstanding matters, an application was made to the Court for the appointment of Rob Hunt in his place. The application was approved and, consequently, Rob Hunt replaced Jeremy Webb as Joint Administrator with effect from 30 June 2015. Jeremy Webb was released from all liability in respect of his conduct as Administrator on 20 August 2015.

Liquidators' remuneration

In accordance with resolutions passed by correspondence, the former Administrators' fees were fixed under Rule 2.106 IR86 by reference to time properly given by the administrators' and their staff in attending to matters arising. In accordance with Rule 4.127 IR86, the remuneration basis agreed in the administration continues in the liquidation.

For the year ended 5 November 2015, the Liquidators have incurred time costs of £124,122. This represents 377 hours at an average hourly rate of £329.

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It has been the Liquidators' policy to delegate the routine tasks to junior staff in order to maximise the cost effectiveness of the work performed. The staff have been supervised by senior colleagues and the Liquidators. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Liquidators. Details of the time costs incurred from the Liquidators' appointment on 6 November 2014 to 5 November 2015, by work category, are attached at Appendix B.

Professional Advisers

On this assignment the Liquidators have used the professional advisers listed below:

Name of firm / organisation	Service provided	Reason selected	Basis of fees
SNR Denton LLP	General legal advice, conveyancing	Insolvency expertise and industry knowledge	Time costs
DLA Piper LLP	Conveyancing	Insolvency expertise and industry knowledge	Time costs
Holloway Liffe & Mitchell	Property management and sale	Industry knowledge	Percentage of realisations
Robert Pinkham & Co	Property management and sale	Industry knowledge	Percentage of realisations
Jones Lang La Salle	Property management and sale	Industry knowledge	Percentage of realisations
Littler Young Ltd	Property management and sale	Industry knowledge	Percentage of realisations
Goodman Nash Ltd	Property management and sale	Industry knowledge	Percentage of realisations
PCL Planning Limited	Planning application	Industry knowledge	Time costs
Imprima (United Kingdom) Limited	Printing and mailing services	Experience	Fixed fee per unit

The Liquidators' choices are based upon their perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. The Liquidators continually review the fees charged and are satisfied that they are reasonable in the circumstances of the case.

Additional information

If any creditor requires further explanations on any aspect of the Liquidators' progress report, then please telephone or write to Samuel Capp on 0207 213 8142 or samuel.g.capp@uk.pwc.com who will be pleased to deal with such enquiries, however, any request for further information regarding the Liquidators' remuneration or disbursements should be made in writing (Rule 4.49E IR86).

Creditors' rights


Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 4.49E of the Insolvency Rules 1986. Any request must be in writing. Creditors can also challenge the liquidators' fees and expenses within eight weeks of receiving this report as set out in Rule 4.131. This information can also be found in the guide to fees at the following link:

www.icaew.com/en/technical/insolvency/creditors-guides

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Next report

The next report to creditors will be circulated by the Liquidators in approximately 12 months or conclusion of the liquidation if earlier.



Toby S Underwood
Joint Liquidator

Toby S Underwood and Robert J Hunt have been appointed as joint liquidators of the Company to manage its affairs, business and property as its agents without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

The joint liquidators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the liquidators.

*The joint liquidators are bound by the Insolvency Code of Ethics which can be found at:
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.*

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Appendix A

	Notes	Transactions for the period from 6 November 2012 to 5 November 2014	Transactions for the period from 6 November 2014 to 5 November 2015	Total transactions
ASSETS / RECEIPTS		£	£	£
Cash balance from the administration		1,756,616.66	-	1,756,616.66
Freehold property		2,378,109.11	49,704.00	2,427,813.11
Rental income		926.50	-	926.50
Book debts		15,324.65	35,849.38	51,174.03
Refunds		8,770.89	287.33	9,058.22
Interest received		2,132.83	1,430.98	3,563.81
VAT refunds / (payments)	1	(194,402.59)	(40,728.75)	(235,131.34)
Total receipts		3,967,478.05	46,542.94	4,014,020.99
COST OF REALISATIONS / PAYMENTS				
Distribution to chargeholder		1,725,928.73	1,000,000.01	2,725,928.74
Office holders fees		114,301.59	111,111.25	225,412.84
Legal fees and expenses		122,244.48	-	122,244.48
Rent, rates utilities and other maintenance costs		82,182.68	9,213.30	91,395.98
Printing / postage / advertising and storage of books and records		2,120.83	632.38	2,753.21
Professional / consultancy fees and expenses		75,287.96	8,849.87	84,137.83
Insurance		5,573.48	-	5,573.48
Bank charges		788.00	180.00	968.00
VAT receivable / (payable)		-	1,316.18	1,316.18
BALANCE (held on interest bearing accounts with the Royal Bank of Scotland PLC)		2,128,427.75	1,131,302.99	3,259,730.74
		1,839,050.30	(1,084,760.05)	754,290.25

1 Rok Development Limited is part of a VAT group. Rok Building Limited holds £24,381.60 that will be paid across to it shortly.

Liquidators' statement of expenses for the year ended 5 November 2015

The following expenses have been incurred during the period of this report:

Expenses paid as at 5 November 2015	£
Professional / Consultancy fees	8,849.87
Office holder's time costs & disbursements	111,111.25
Rent, rates utilities and other maintenance costs	9,213.30
Printing / postage / advertising and storage of books and records	632.38
Bank charges	180.00
Total	129,986.80
 Expenses incurred but not paid as at 5 November 2015	
Office holder's time costs & disbursements	124,122.45
Legal fees and expenses (development land, Blackpool)	10,254.00
Agents fees (development land, Blackpool)	7,836.77
Rent apportionment (development land, Blackpool)	2,632.37
Total	144,845.59
Total expenses	274,832.39

Analysis of the Liquidators' time costs for the period to 6 November 2015

Aspect of assignment	Partner Hours (Hrs)	Director Hrs	Senior Manager		Senior Associate		Total hours	Time cost £	Average hourly rate £
			Hrs	Hrs	Hrs	Hrs			
Strategy, planning & administration	0.70		0.90	0.50		6.15	8.25	2,459.15	298.08
Assets	4.50			188.15		3.25	195.90	71,711.25	366.06
Creditor claims / distributions	0.50		0.70	5.30	1.20	31.20	38.90	10,811.10	277.92
Accounting and treasury	0.50		0.20	3.60	2.30	35.67	42.27	8,223.70	194.55
Statutory, compliance & reporting	3.20		1.65	22.70	0.20	11.40	39.15	16,296.00	416.25
Tax / VAT	0.50	0.70	0.80		19.20	31.75	52.95	14,621.25	276.13
Total	9.90	0.70	4.25	220.25	22.90	119.42	377.42	124,122.45	328.87

Analysis of the Liquidators' time costs for the period to 6 November 2014 to 5 November 2015

Tasks performed by the Liquidators and their staff for this period include:

Strategy, planning & administration

- Maintaining general case strategy
- Planning and monitoring progress for specific aspects of the case including asset realisations, unsecured claim handling
- Team management/task planning

Assets

- Maintaining and securing properties and collecting rents
- Liaising with property professionals, local authorities, tenants and interested parties in order to maximise the returns on land and property assets
- Pursuing the sale of land and property assets

Creditor claims

- Gathering information for the review and agreement of creditor claims
- Dealing with enquiries from creditors
- Collating/filing creditor claims
- Adjudication of claims

Accounting and treasury

- Processing of receipts, payments and journals and updating nominal ledger
- Preparation of bank reconciliations
- Dealing with enquiries regarding accounting matters
- Preparing and filing receipt and payment accounts

Statutory, compliance & reporting

- Dealing with statutory and other regulatory requirements, and internal control procedures
- Reviewing and dealing with correspondence received at PwC offices that is addressed to the Joint Liquidators and the Company
- Preparation of stakeholder and statutory reports

Tax/VAT

- Preparation and filing of corporation tax returns
- Liaising with HM Revenue and Customs in respect of VAT and corporation tax returns

Set out below are the relevant maximum charge-out rates per hour worked for the grades of the Liquidators' staff actually or likely to be involved on these assignments. Time is charged by reference to actual work carried out on the assignments. There has been no allocation of any general costs or overhead costs.

In common with all professional firms, scale rates increase from time to time over the life of each insolvency case. PricewaterhouseCoopers LLP, or any successor firm, reserves the right to change the rates and grade structure. Full details of the charge out rates charged to this case from 6 November 2014 to 5 November 2015 are included below.

Grade	Maximum charge out rate per hour from 6 November 2014 £		Maximum charge out rate per hour from 1 July 2015 £	
	London	Regional	London	Regional
Partner	7 95	57 5	825	590
Director	695	480	725	490
Senior manager	540	415	550	425
Manager	460	330	470	340
Senior associate (qualified)	380	250	390	255
Senior associate (unqualified)	285	180	290	185
Associate	240	160	245	165
Support staff	120	85	123	87

Specialist departments within the Liquidators' firm such as Tax, VAT, Property and Pensions may charge a number of hours if and when the Joint Liquidators require their expert advice. Such specialists' rates do vary but the figures below provide an indication of the maximum rate per hour.

Grade	Maximum charge out rate per hour from 6 November 2014 £	Maximum charge out rate per hour from 1 July 2015 £
Partner	107 5	1190
Director	990	1095
Senior manager	7 55 - 915	835 - 920
Manager	545	665
Senior associate	250 - 410	280 - 490
Associate	17 5 - 210	195 - 240
Support staff	120	140

In common with all professional firms, the scale rates used by the Liquidators from PricewaterhouseCoopers LLP may periodically rise (for example to cover annual inflationary cost increases) over the period of the Liquidation. Any material amendments to these rates will be advised to creditors.

Analysis of the Liquidators' time costs for the period to 6 November 2014 to 5 November 2015

Category 1 disbursements

The Liquidators have incurred disbursements of £805.22 during the period 6 November 2013 to 5 November 2014. These disbursements have not been recovered as at 5 November 2015.

Classification of disbursements	Cost (£)
Insurance	112.5
Bank charges	33.66
Postage	34.69
Mobile phone charges	57.6
Total for period	238.45

Category 2 disbursements

No category disbursements were incurred by the Liquidators during the period covered by this report.

The Liquidators' firm's expenses policy allows for all properly incurred category 2 disbursements to be recharged to the case as follows:

Postage	At cost - only charged for circulars to creditors or exceptional packages.
Storage	At cost where provided internally.
Photocopying	At 12p per sheet copies - only charged for circulars to creditors and exceptional amounts of copying.
Staff expenses	These are only charged as they relate to the Liquidation and will generally be for subsistence or items charged at cost.