



Second progress report to members & creditors

17 December 2014

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 Jeremy Webb	
Address	PricewaterhouseCoopers LLP 7 More London Riverside, London SE1 2RT	
Dividend prospects	Current estimate Unsecured	p in £ 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 2013 to 5 November 2014.

Asset realisations

The only material assets remaining in the liquidation are the property assets. The Liquidators have worked to conclude the following matters.

Property assets

The Liquidators have realised a further £595,000 in respect of property sales in the period covered by this report. The two final property assets in Blackpool, Lancashire and Cullompton, Devonshire, have yet to be sold, the former has been impacted by the closure of the adjacent airport and the latter by ongoing planning issues. The former property is currently subject to an offer and the Liquidators are hopeful of concluding sales of the remaining in 2015.

Outcome for creditors

Secured creditors

The Liquidators have distributed a total £1,725,928.73 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 £3,999,999.98.

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 been working to agree the claims of unsecured creditors that have submitted Statements of Claim totalling £46.2 million, as at 5 November 2014.

The Liquidators estimate that there will be a prescribed part of between £400,000 and £500,000 to distribute to unsecured creditors. The claims agreement process has taken longer than originally anticipated due to deficiencies in the Company’s records and the number of creditors from whom the Liquidators had to seek further evidence of their claims. The Liquidators now hope to make a first and final distribution soon after the final property assets have been realised. Given the limited funds available, it is not appropriate to incur the costs of multiple distributions.

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.

To 5 November 2014, the Liquidators have incurred time costs of £136,850. This represents 423.36 hours at an average hourly rate of £604.80, principally as a result of the need to engage property specialist in the management and sale of leasehold and freehold assets.

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

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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 2012 to 5 November 2013, by work category, are attached at appendix B.

Professional Advisers

On this assignment the Liquidators have used the professional advisors 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

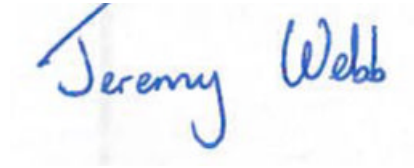
If any creditor requires further explanations on any aspect of the Liquidators' progress report, then please telephone or write to Christina Georgiou who will be pleased to deal with such enquiries, however, any request for further information regarding the Liquidators' remuneration or disbursements should be made in writing (Rule 4.49E).

In addition, should any creditor consider the Liquidators' remuneration and disbursements to be excessive or inappropriate, they have the right to challenge the amounts in accordance with Rule 4.131 IR86.

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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.



Jeremy Webb
Joint Liquidator

JR Webb and TS Underwood were appointed as Joint Liquidators of Rok Development Limited on 6 November 2012. JR Webb and TS Underwood 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 liquidation.

**Summary of the Liquidators' receipts and payments account
for the year ended 5 November 2014**

	Notes	Transactions for the period from 6 November 2012 to 5 November 2013	Transactions for the period from 6 November 2013 to 5 November 2014	Total transactions
ASSETS / RECEIPTS		£	£	£
Cash balance from the Administration		1,756,616.66	-	1,756,616.66
Freehold Property		1,783,109.11	595,000.00	2,378,109.11
Rental Income		-	926.50	926.50
Book debts		15,142.73	181.92	15,324.65
Refunds		1,486.43	7,284.46	8,770.89
Interest received		988.71	1,144.12	2,132.83
VAT Refunds/(Payments)		(213,025.40)	18,622.81	(194,402.59)
		3,344,318.24	623,159.81	3,967,478.05
COST OF REALISATIONS / PAYMENTS				
Distribution to Chargeholder		1,725,928.73	-	1,725,928.73
Office holders fees		114,301.59	-	114,301.59
Legal fees and expenses		111,928.88	10,315.60	122,244.48
Rent, rates utilities and other maintenance costs		58,196.82	23,985.86	82,182.68
Printing / postage / advertising and storage of books and records		1,485.46	635.37	2,120.83
Professional / Consultancy fees and expenses		41,098.38	34,189.58	75,287.96
Insurance		-	5,573.48	5,573.48
Bank charges		656.00	132.00	788.00
		2,053,595.86	74,831.89	2,128,427.75
BALANCE (held on interest bearing accounts with the Royal Bank of Scotland PLC)		1,290,722.38	548,327.92	1,839,050.30

**Liquidators' expenses
for the year ended 5 November 2014**

Statement of expenses

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

Expenses paid as at 5 November 2014	£
Legal fees and expenses	10,315.60
Professional / Consultancy fees	34,189.58
Rent, rates utilities and other maintenance costs	23,985.86
Printing / postage / advertising and storage of books and records	635.37
Insurance	5,573.48
Bank charges	132.00
Total	74,831.89
 Expenses incurred but not paid as at 5 November 2014	
Office holder's time costs	203,827.01
Office holders disbursements	3,736.27
Total	207,563.28
Total expenses	282,395.17

Analysis of the Liquidators' time costs for the period to 6 November 2013 to 5 November 2014

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
Strategy, planning & administration	2.80	-	1.90	-	0.05	18.10	-	22.85	7,409.85	324.28
Assets	-	-	-	213.05	-	7.25	-	220.30	72,114.00	327.34
Creditor claims/distributions	-	-	-	5.80	-	59.19	-	64.99	16,261.10	250.21
Accounting and treasury	-	0.20	0.60	2.70	4.95	35.60	0.40	44.45	10,737.90	241.57
Statutory, compliance & reporting	1.50	-	0.55	40.80	1.90	4.27	0.30	49.32	21,144.40	428.72
Tax/VAT	-	2.30	2.30	-	12.65	4.20	-	21.45	9,183.00	428.11
Total	4.30	2.50	5.35	262.35	19.55	128.61	0.70	423.36	136,850.25	604.80

Analysis of the Liquidators' time costs for the period to 6 November 2013 to 5 November 2014

Tasks performed by the Liquidators and their staff for the period 6 November 2013 to 5 November 2014

Strategy, planning & administration

- Maintaining general case strategy
- Planning and monitoring progress for specific aspects of the case including asset realisations, unsecured claim handling and updates required following the Nortel appeal
- 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

Analysis of the Liquidators' time costs for the period to 6 November 2013 to 5 November 2014

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 2013 to 5 November 2014 are included at appendix B.

Grade	Maximum charge out rate per hour from 6 November 2013 (£)		Maximum charge out rate per hour from 1 July 2014 (£)	
	London	Regional	London	Regional
Partner	775	555	795	575
Director	680	465	695	480
Senior manager	525	405	540	415
Manager	444	320	460	330
Senior associate (qualified)	370	240	380	250
Senior associate (unqualified)	275	177	285	180
Associate	230	152	240	160
Support staff	115	82	120	85
Secretary	112	112	120	120

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 2013 (£)	Maximum charge out rate per hour from 1 July 2013 (£)
Partner	871	1075
Director	799	990
Senior manager	697	755 - 915
Manager	442	545
Senior associate	323	250 - 410
Associate	170	175 - 210
Support staff	102	120

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 2013 to 5 November 2014

Liquidators' disbursements

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 2014.

Category 1:

Classification of Disbursements	Cost (£)
Courier	7.38
Insurance	287.05
Legal	18.00
Bank charges	23.72
Travel	282.20
Postage	19.02
Mobile phone charges	167.85
Total for period	805.22

Category 2 disbursements

The Liquidators have incurred disbursements of £807.88 during the period 6 November 2013 to 5 November 2014. These disbursements have not been recovered as at November 2014.

Category 2:

Classification of Disbursements	Cost (£)
Mileage	788.53
Printing	19.35
Total for period	807.88

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 4.6p 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.