

Liquidator's Progress Report

S.192

Pursuant to Sections 92A, 104A and 192 of the Insolvency Act 1986

To the Registrar of Companies

Company Number

Name of Company

00782749

(a) Insert full name of company

(a) **Midfair Properties Limited**

(b) Insert name(s) and address(es) of liquidator(s)

I/We (b) Mark Robert Fry
Begbies Traynor (Central) LLP
31st Floor
40 Bank Street
London
E14 5NR

Kirstie Jane Provan
Begbies Traynor (Central) LLP
31st Floor
40 Bank Street
London

the Liquidator(s) of the company attach a copy of our Progress Report under Section 192 of the Insolvency Act 1986

The Progress Report covers the period from 21 January 2015 to 20 January 2016

Dated

Signed

16/3/16

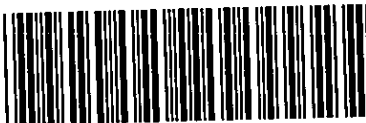
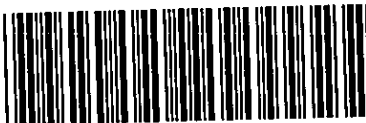
Joint Liquidator

Name in
BLOCK LETTERS

MARK ROBERT FRY

Presenter's name,
address and reference
(if any)

MI070CVL
Midfair Properties Limited
Mark Robert Fry
Begbies Traynor (Central) LLP
31st Floor
40 Bank Street
London
E14 5NR

For Official Use	
Liquidation Section	Post Room
 LD2	 *L52USR87* 16/03/2016 #1 COMPANIES HOUSE

Midfair Properties Limited (In Creditors' Voluntary Liquidation)

Progress report pursuant to Section 104A of the
Insolvency Act 1986 and Rule 4.49C of the
Insolvency Rules 1986

Period: 21 January 2015 to 20 January 2016

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Contents

- ❑ Interpretation
- ❑ Company information
- ❑ Details of appointment of liquidators
- ❑ Progress during the period
- ❑ Estimated outcome for creditors
- ❑ Remuneration and disbursements
- ❑ Liquidators' expenses
- ❑ Assets that remain to be realised
- ❑ Other relevant information
- ❑ Creditors' rights
- ❑ Conclusion
- ❑ Appendices
 - 1 Liquidators' account of receipts and payments
 - 2 Liquidators' time costs and disbursements
 - 3 Statement of Liquidators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Midfair Properties Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 21 January 2011
"the Liquidators", "we", "our" and "us"	Mark Robert Fry and Kirstie Jane Provan, both of Begbies Traynor (Central) LLP, 31st Floor, 40 Bank Street, London, E14 5NR
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	<ul style="list-style-type: none">(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and(ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act
"the Charging Group"	Estates & General Limited – in Liquidation Estates & General Developments Limited – in Liquidation Midfair Properties Limited – in Liquidation Penn House (Bracknell) Limited – in Liquidation Station House (Nominees) Limited – in Liquidation Station House Bracknell Limited – in Liquidation Site Improvements Limited – in Liquidation
"the E&G Group"	Estates & General Limited – in Liquidation Estates & General Properties Limited – in Liquidation Estates & General Developments Limited – in Liquidation Midfair Properties Limited – in Liquidation Penn House (Bracknell) Limited – in Liquidation Site Improvements Limited – in Liquidation Station House (Nominees) Limited – in Liquidation Station House Bracknell Limited – in Liquidation County & Suburban Holdings Limited – in Liquidation

2. COMPANY INFORMATION

Trading name(s)	Midfair Properties Limited
Company registered number	00782749
Company registered office	31st Floor, 40 Bank Street, London, E14 5NR
Former trading address	5 Wigmore Street, London, W1U 1PB

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	21 January 2011
Date of liquidators' appointment	21 January 2011
Changes in liquidator (if any)	None

4. PROGRESS DURING THE PERIOD

Creditors will recall that the sole asset of the Company is a freehold property known as 9-18 The Parade, Delta Gain, Watford ("the Property"). On 8 March 2011 fixed charge receivers were appointed over the Property ("Receivers"). The current Receivers are Lee Manning and Nick Edwards of Deloitte LLP.

Attached at Appendix 1 is our abstract of receipts and payments for the period from 21 January 2014 to 20 January 2015. This abstract does not include realisations on asset disposals, rental income, expenditure and other costs of realisations, distributions to secured creditors and tax or other liability generated by the Receivers, which could be material. Creditors are referred to the Receivers for further information in this regard.

Receipts

Restriction over land title During the period under review, £6,000 was received in respect of the release of an overage restriction, recorded on a land title.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the directors' Estimated Statement of Assets and Liabilities. This statement was included within the report presented to the meeting of creditors and subsequently circulated to creditors.

Secured creditors

Any distribution to secured creditors of the E&G Group will be from realisations of assets by the Receivers. In order to consider the interests of the creditors generally, the Liquidators continue to closely monitor the Receivers' strategy in respect of the Company's receivership.

Preferential creditors

There are no known preferential claims

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows

- ☐ 50% of the first £10,000 of net property,
- ☐ 20% of net property thereafter,
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

At this stage, the Joint Liquidators are not in a position to estimate the Company's net property and prescribed part, as defined in Section 176A(6) of the Act, due to the uncertainty of the timing and quantum of potential realisations in the liquidation

Unsecured creditors

Unsecured creditors listed on the director's statement of affairs totalled c£6.5m all of which is owed to EGL. It is currently uncertain whether there will be sufficient funds to enable a distribution to unsecured creditors of the Company

6. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report

Our time costs for the period from 21 January 2015 to 20 January 2016 amount to £2,640.00 which represents 13 hours at an average rate of £203.08 per hour

The following further information in relation to our time costs and disbursements is set out at Appendix 2

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 21 January 2015 to 20 January 2016

- ❑ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ❑ Begbies Traynor (Central) LLP's charge-out rates

As at the date of this report, the Liquidators have not drawn any remuneration

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3

8. ASSETS THAT REMAIN TO BE REALISED

As stated above, the Property is being dealt with by the Receivers. The Liquidators are closely monitoring the Receiver's strategy in this regard.

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. We can confirm that we have discharged our duties in these respects.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report.

Right to make an application to court

Pursuant to Rule 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner

A handwritten signature in black ink, appearing to be 'Mark Fry', written over the word 'sooner'.

Mark Fry
Joint Liquidator

Dated 16 03.2016

ACCOUNT OF RECEIPTS AND PAYMENTS

Period. 21 January 2015 to 20 January 2016

Midfair Properties Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 21/01/2015 To 20/01/2016	From 21/01/2011 To 20/01/2016
	SECURED ASSETS		
1,270,000 00	Freehold Land & Property	NIL	NIL
(21,640,314 00)	2008 & 2018 Stock	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
4,649 69	Book Debts	NIL	NIL
	Restriction over land title	6,000 00	6,000 00
		6,000 00	6,000 00
	UNSECURED CREDITORS		
(6,532,652 93)	Intercompany Liability	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(26,898,417.24)		6,000.00	6,000.00
	REPRESENTED BY		
	Bank 2 Current		6,000 00
			6,000.00

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred,
- d Table of time spent and charge-out value for the period from 21 January 2015 to 20 January 2016, and
- e Cumulative table of time spent and charge-out value for the period from 21 January 2011 to 20 January 2016

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories.

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval)

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £150 per meeting,
- Car mileage is charged at the rate of 45 pence per mile, and
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² *Ibid* 1

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the London office as at the date of this report are as follows

Grade of staff	Standard 1 May 2011 – until further notice London
Partner	495
Director	395
Senior Manager	365
Manager	315
Assistant Manager	270
Senior Administrator	235
Administrator	185
Trainee Administrator	160
Support	160

Prior to 1 May 2011, the following rates applied

Grade of staff	Charge-out Rate (£ per hour)
Partner 1	495
Partner 2	395
Director	375
Senior Manager	350
Manager	300
Assistant Manager	250
Senior Administrator	220
Administrator	180
Trainee Administrator	150
Support	150

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units

Midfair Properties Limited

SUMMARY OF TIME COSTS AND EXPENSES

This summary, which should be read in conjunction with the Time Costs Analysis for the period of the report attached, is intended to provide sufficient information to enable the body responsible for the approval of our fees to consider the level of our fees and expenses in the context of the case

What work has been done in the period of the report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only. The Liquidators' previous reports contain the costs of the work undertaken since our appointment.

General case administration and planning

Regular compliance reviews have been carried out in order to ensure that any statutory requirements are being complied with and that the case is being efficiently and effectively progressed.

Whilst the above work is not of a direct financial benefit to creditors, the Liquidators are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Compliance with the Insolvency Act, Rules and best practice

During the reporting period the Liquidators, in line with the requirements of the Insolvency Act 1986, have prepared this progress report for circulation to creditors and ensured the case is adequately bonded for.

Whilst the above work is not of a direct financial benefit to creditors, it is a statutory requirement that the Liquidators must adhere to and it is of benefit to creditors as it ensures that they are advised of matters arising and progress within the liquidation.

Investigations

The Liquidators continue to progress investigations into the affairs of the E&G Group and these investigations may bring about greater realisations for the Group as a whole.

Realisation of assets

The Liquidators continue to liaise with the Receivers in this regard.

Other matters which includes meetings, tax, litigation, pensions and travel

The Liquidators continue to file corporation tax returns for the Company.

Time Costs Analysis

An analysis of time costs for the period of the report is attached showing the time spent by each grade of staff on the different types of work involved in the case, and giving the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which we have administered the liquidation.

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

Regular compliance reviews will continue to be carried out in order to ensure that any statutory requirements are being complied with and that the case is being efficiently and effectively progressed.

Whilst the above work is not of a direct financial benefit to creditors, the Liquidators are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Compliance with the Insolvency Act, Rules and best practice

The Liquidators, in line with the requirements of the Insolvency Act 1986, continue to progress report(s) including a final report and hold meetings as required. They will also ensure the case is adequately bonded for.

Whilst the above work is not of a direct financial benefit to creditors, it is a statutory requirement that the Liquidators must adhere to and it is of benefit to creditors as it ensures that they are advised of matters arising and progress within the liquidation.

Investigations

The Liquidators will continue to progress investigations into the affairs of the E&G Group and these investigations may bring about greater realisations for the Group as a whole.

Realisation of assets

The Liquidators will continue to liaise with the Receivers in this regard.

Dealing with all creditors' claims (including employees), correspondence and distributions

In the event of sufficient realisations to warrant a dividend, in line with the requirements of the Insolvency Rules 1986, the Liquidators are required to adjudicate creditors' claims before a distribution can be made.

Other matters which includes meetings, tax, litigation, pensions and travel

The Liquidators will continue to file corporation tax returns, and deal with any VAT that arises over the course of the liquidation. The Liquidators will conclude the liquidation and complete all the relevant closure tasks when it is deemed suitable.

How much will this further work cost?

The Liquidators estimate £5,000 based on 12 months to the conclusion of liquidation.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as follows

- Storage Approximately £50 00
- Postage Approximately £10 00

Staff Grade	Partner	Director	Snr Mgr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning												
Administration			10	0.9	0.2	0.6	12.2	17.6		32.5	5,885.50	181.09
Total for General Case Administration and Planning			10	0.9	0.2	0.6	12.2	17.6		32.5	5,885.50	181.09
Compliance with the Insolvency Act, Rules and best practice												
Appointment												
Banking and Bonding						0.2		0.7	1.2	2.1	291.00	138.57
Case Closure												0.00
Statutory reporting and statement of affairs				1.0		0.3	0.5	0.3		2.1	511.00	243.33
Total for Compliance with the Insolvency Act, Rules and best practice				1.0		0.5	1.2	1.0	1.2	4.9	928.00	189.39
Investigations												
CDDA and investigations										0.8	148.00	185.00
Total for Investigations										0.8	148.00	185.00
Realisation of assets												
Debt collection												0.00
Property business and asset sales				2.7						2.7	850.50	315.00
Retention of Title/Third party assets												0.00
Total for Realisation of assets				2.7						2.7	850.50	315.00
Trading												
Total for Trading												0.00
Dealing with all creditors claims (including employees), correspondence and distributions												
Secured												0.00
Others												0.00
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions												0.00
Meetings												
Other												0.00
Tax				0.4	0.2	0.1	0.1	1.3		2.1	429.50	204.52
Litigation												0.00
Total for Other matters				0.4	0.2	0.1	0.1	1.3		2.1	429.50	204.52
Total hours by staff grade			10	5.0	0.4	1.2	14.3	19.9	1.2	43.0		
Total time cost by staff grade			365.00	1,560.00	108.00	282.00	2,610.50	3,184.00	132.00		8,241.50	
Average hourly rate £	0.00	0.00	365.00	312.00	270.00	235.00	182.55	160.00	110.00			191.66
Total fees drawn to date £											0.00	

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning												
Administration				0.9				6.6		7.5	1,339.50	178.60
Total for General Case Administration and Planning				0.9				6.6		7.5	1,339.50	178.60
Compliance with the Insolvency Act, Rules and best practice												
Appointment												
Banking and Bonding								0.5	1.2	1.7	212.00	124.71
Case Closure												0.00
Statutory reporting and statement of affairs												0.00
Total for Compliance with the Insolvency Act, Rules and best practice, CODA and investigations								0.5	1.2	1.7	212.00	124.71
Investigations												0.00
Total for investigations												0.00
Realisation of assets												0.00
Debt collection												0.00
Property business and asset sales				2.7						2.7	850.50	315.00
Retention of Third/Third party assets												0.00
Total for Realisation of assets				2.7						2.7	850.50	315.00
Trading												0.00
Total for Trading												0.00
Dealing with all creditors claims (including employees), correspondence and distributions												0.00
Secured												0.00
Others												0.00
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions												0.00
Meetings												0.00
Other												0.00
Tax				0.4				0.7		1.1	238.00	216.36
Litigation												0.00
Total for Other matters				0.4				0.7		1.1	238.00	216.36
Total hours by staff grade				4.0				7.8	1.2	13.0		
Total time cost by staff grade				1,260.00				1,248.00	132.00		2,640.00	
Average hourly rate £	0.00	0.00	0.00	315.00	0.00	0.00	0.00	160.00	110.00			203.08
Total fees drawn to date £											0.00	

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Postage	Royal Mail Group	3 56	0 00	3 56
Land registry searches	HM Land Registry	3 00	0 00	3 00
Land registry searches	HM Land Registry	3 00	0 00	3 00
Land registry searches	HM Land Registry	3 00	0 00	3 00
Postage	Royal Mail Group	0 95	0 00	0 95