

The Insolvency Act 1986

Administrator's progress report

Name of Company

Arley Homes North West Limited

Company number

02850840

In the
High Court of Justice - Chancery Division, Leeds
(full name of court)Court case number
965 of 2016(a) Insert full
name(s) and
address(es) of
administrator(s)We (a)
Arron Kendall
Moorfields
88 Wood Street
London
EC2V 7QFSimon Thomas
Moorfields
88 Wood Street
London
EC2V 7QF

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From

(b) 28 October 2016

To

(b) 27 April 2017

Signed

Joint Administrator

Dated

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.

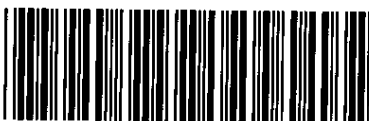
The contact information that you give will be visible to searchers of the public record

Arron Kendall
Moorfields
88 Wood Street
London
EC2V 7QF

DX Number

020 7186 1153
DX Exchange

SATURDAY



A67BRFKJ

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27/05/2017

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COMPANIES HOUSE

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

Arley Homes North West Limited - In Administration ("the Company")

Joint Administrators' First Progress Report

in accordance with

Rule 18.6 of the Insolvency Rules 2016

25 May 2017

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Disclaimer:

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Arley Homes North West Limited – In Administration ("The Company")

1. Background and Statutory Information

This is the Joint Administrators' first progress report on the conduct of the Administration from 28 October 2016 to 27 April 2017 in accordance with the requirements of Rule 18.6 of the Insolvency Rules 2016 ("the Rules").

This report should be read in conjunction with the Joint Administrators' Statement of Proposals ("the Proposals") circulated to all known creditors on 6 January 2017. The Proposals were approved as circulated in accordance with Rule 3.38 of the rules. There has been no major deviation from the strategy as proposed.

The Company entered administration on 28 October 2016 and Arron Kendall and Simon Thomas, both Licensed Insolvency Practitioners of Moorfields Advisory Limited ("Moorfields"), 88 Wood Street, London, EC2V 7QF, were appointed to act as Joint Administrators.

To date no fees have been drawn in respect of the Administration. Further information regarding fees is given in section 5.

Based on current information, it is likely that there will be a distribution to the unsecured creditors of the Company by virtue of the Prescribed Part, further details of which are discussed in section 6.

Statutory information relating to the Company and the Joint Administrators' appointment is attached at Appendix I.

2. Progress of the Administration

The affairs, business and property of the Company are managed by the Joint Administrators who act as agents of the Company and contract without personal liability.

The Joint Administrators' receipts and payments account for the period 28 October 2016 to 27 April 2017 is attached at Appendix II.

With regards to the fixed charge assets, there were a few sales agreed in principle prior to my appointment, and as such, I reviewed the documentation provided and consulted with agents regarding current market conditions, and was satisfied, all factors considered, that the best price had been achieved.

I would comment specifically as follows:

2.1 Realisation of assets

Plot 13 Charnock Richard

As previously advised, the Company's solicitors Brabners were already engaged to assist with the negotiations regarding the sale of Plot 13 Charnock Richard ("Charnock").

An offer of £60,000 plus VAT was accepted by the Administrators. The sale completed on 7 April 2017 and the monies have now been received into the Administration bank account.

Bank Interest

Bank interest totalling £8.90 has accrued in the Administration bank account to date.

Shared equity redemptions of three properties at Chanters Green, Atherton and two properties at Linden Mews, Whitchurch

As previously advised, the Company owned equity interest in the following properties:

- 3 & 8 Earl Edwin Mews, Whitchurch, Shropshire, SY13 1DT ("Linden Mews")
- 284 Gloucester Street, Atherton, Manchester, M46 0JB ("Chanters Green")
- 1 Formby Avenue, Atherton, Manchester, M46 0FX ("Chanters Green")
- 17 First Avenue, Atherton, Manchester, M46 0FX ("Chanters Green")

Shortly after my appointment, the sale of 17 First Avenue was completed and £17,585 was received to fully redeem the equity sum due to the Company, with the assistance of Hamptons Mortgage Servicing Limited ("Hamptons").

Arrears of ground rent at Tottington Grange and Duxbury Manor

£1,250 and £230 has been received in relation to arrears of ground rent issued for Tottington Grange and Duxbury Manor respectively.

We will continue to collect rental income until a sale strategy has been devised for the respective properties.

VAT Refund

A VAT refund totalling £10,245 has been received from HM Revenue & Customs. It is not anticipated that further realisations will be received under this heading.

Insurance Refund

We have received £385.08 from Aviva in relation to an insurance refund. It is not anticipated that further realisations will be received under this heading.

Cash at Bank

£2,298.64 was received from the two Company bank accounts held by Yorkshire Bank, and £1,241.05 of the Company's monies was being held by the Company's solicitor's Brabners which has now been realised into the Administration account. It is not anticipated that further realisations will be received under this heading.

Council Tax Refund

We have received £79.05 from Bury City Council in relation to a council tax refund. It is not anticipated that further realisations will be received under this heading.

Utility Company Refund

£1,974.13 has been received from Npower in relation to an overpayment. It is not anticipated that further realisations will be received under this heading.

2.2 Assets still to be realised

Freehold reversionary interest at Tottington Grange

As previously advised in the Proposals, there are outstanding planning conditions which need to be discharged by the local Planning Authority in order to complete a sale of the property.

The remaining unsatisfied conditions relate to alleged non-compliance with drainage conditions following flooding of the site.

The drainage authority has confirmed that the sewage system has been correctly installed by the Company therefore upon my appointment I wrote to the Planning Authority to discharge the remaining unsatisfied conditions however the Planning Authority refused to discharge two of the conditions. I remain in correspondence with the local Planning Authority to ascertain how the remaining drainage conditions may be discharged.

A third party had previously shown interest in purchasing the property prior to my appointment. I have contacted the third party's solicitors to ascertain whether they would be interested in purchasing the property with a view to taking on the remaining outstanding planning conditions, however, they have now withdrawn their offer.

I have received further offers which are currently under review.

Freehold reversionary interest in Plot 80, Duxbury Manor

I previously reported that the Company had been in a dispute with the leaseholder who alleges that the removal of the rainwater harvesting system has devalued the property and subsequently commenced litigation proceedings. I am currently in correspondence with the leaseholders solicitors with a view to agreeing a settlement.

Land to the South of Newcastle Road, Huntersfield, Shavington

The Company owns land with a right to access the south of Newcastle Road in Shavington. Prior to my appointment a sale in principle of the land was agreed to a third party, however, the potential purchaser was also seeking to clear up a number of issues with adjacent land owners and householders prior to completing the purchase.

A final offer of £27,500 was received by the potential purchaser which, after reviewing all documentation and speaking to agents, has now been accepted.

BT Refund

British Telecommunications Plc ("BT") owe the Company £17,640 on completion of remedial works to the installation of telephony and broadband services to Duxbury Manor.

BT have instructed EuroGold to inspect the works completed and I am awaiting a response as to whether the works meet BT's standards.

Shared Equity

Hamptons were instructed by the Company in respect of the two plots at Linden Mews, and we are currently in the process of ascertaining the value of the equity in the two plots with a view to negotiating a discounted redemption figure with the current tenants, should they wish to acquire Linden Mews.

We are also seeking to value the equity interest in the remaining equity stakes in order to devise a stagey plan for realisation of these assets.

2.3 Sale of assets to a connected party

In accordance with Statement of Insolvency Practice ("SIP") 13, the Joint Administrators confirm there have been no transactions with connected parties in the period of the Administration or in the two years preceding the Administration Order.

2.4 Joint Administrators' Expenses

The expenses paid by the Joint Administrators in the period of this report are reflected in the receipts and payments account at Appendix II and are self-explanatory. The following expenses have been incurred by the Joint Administrators' in the period but not paid:

Expenses	Amount incurred £
Travel	86.30
Bond	30.00
Photocopying	8.12
Postage	7.79
Land Registry search	3.00
Creditor Portal Setup	50.00
Total	185.21

The statement excludes any potential tax liabilities that may be payable as an expense of the Administration in due course because amounts due will depend upon the position at the end of the tax accounting period.

2.5 Professional Advisers

The Joint Administrators have used the professional advisers listed below:

Brabners LLP	Finalising sale of Charnock	Time costs	£926	£926	Nil
Hampton Mortgage Servicing Limited	Redemption fee in relation to 17 First Avenue, Atherton	Fixed fee	N/A	£600	Nil

Brabners LLP were instructed due to their inherent knowledge of the various issues and their existing experience of the Company's affairs.

Hampton Mortgage Servicing Limited were engaged due to their existing knowledge of the case.

The Joint Administrators' choice was based upon their perception of the advisers' 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 Joint Administrators have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the case.

3 Pre-administration Costs

All pre-administration costs incurred have been written off.

4 Joint Administrators' Remuneration

The statutory provisions relating to remuneration are set out in Rule 18.16 of the Rules. Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at www.insolvency-practitioners.org.uk. There are different versions of these Guidance Notes, and in this case, please refer to the October 2015 version. Please note that we have also provided further details in the practice fee recovery sheet.

In accordance with the Proposals, and pursuant to Rule 18.18 of the Rules, approval for remuneration will be sought from the secured creditor on the basis that the Joint Administrators' remuneration be drawn at a fixed fee. In the event that the

Administration exceeds twelve months, I shall seek additional remuneration from the secured creditor.

Attached at Appendix III is a SIP 9 time and cost analysis which provides details of the activity costs incurred by staff grade by reference to time properly spent by the Joint Administrators in managing the Administration during this period. Time costs for the period from 28 October 2016 to 27 April 2017 are £52,941.10. This represents 193.01 hours at an average hourly rate of £274.29 per hour. No time costs drawn have been drawn in the period.

It is the Joint Administrators' policy to delegate the routine administrative tasks to less senior staff in order to maximise the cost effectiveness of the work performed. These staff are supervised by senior staff and the Joint Administrators. Any matter of complexity or significance is dealt with by the senior staff on the team and the Joint Administrators.

Attached at Appendix IV is a schedule detailing activities undertaken together with supporting information in accordance with the Association of Business Recovery Professionals' SIP 9. This also contains additional information in relation to this firm's policy on staffing, disbursements and details of our current charge-out rates by staff grade.

The Joint Administrators have drawn no fees to date.

5. Joint Administrators' Disbursements

In accordance with SIP 9, where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.

Category 1 Disbursements

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling, postage, photocopying (if external provider), statutory advertising and other expenses made on behalf of the assignment.

Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

The Joint Administrators' have incurred the following category 1 disbursements of during the period:

Category 1 Disbursement	Amount incurred £	Amount outstanding £	Amount paid £
Bond	30.00	30.00	0
Travel	86.30	86.30	0

Statutory Advertising	84.60	0	84.60
Courier	7.79	7.79	0
Land Registry	3.00	3.00	0
Storage costs	1,118.97	0	1,118.97
IT Support	720.00	0	720.00
Total	£2,050.66	£127.09	£1,923.57

These are shown on the receipts and payments account at Appendix 1. Disbursements incurred in the period but not yet drawn are detailed in section 2.4.

5.2 Category 2 Disbursements

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Moorfields for the provision of services which include an element of recharged overhead, for example, room hire or document storage. Statement of Insolvency Practice No. 9 provides that such disbursements are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to advise of any Category 2 disbursements before they are drawn.

The following Category 2 disbursements are currently charged by this firm:

- Stationery and postage charge for sending out circulars – 5 pence per sheet plus postage at cost.
- A set-up charge of £50 per case for online creditor reporting where applicable.
- Mileage allowances are paid at HM Revenue & Customs approved rates. For personnel using their own vehicles, these are currently 45 pence per mile for the first 10,000 miles and 25 pence per mile thereafter.
- A charge of £10 for identification searches per director to comply with Money Laundering Regulations.

I have incurred the following category 2 disbursements since the date of my appointment:

Category 2 Disbursement	Amount incurred £	Amount outstanding £	Amount paid £
Creditor Portal setup	50.00	50.00	0
Postage and photocopying	8.12	8.12	0
Total	58.12	58.12	0

6. Prescribed Part

Under the provisions of Section 176A of the Insolvency Act 1986 the Joint Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the company has granted a floating charge to a creditor after 15 September 2003.

A floating charge was granted in favour of Clydesdale bank Plc, which was subsequently assigned to Promontoria (Henrico) Limited ("the Bank"), on 24 March 2005, therefore the prescribed part would ordinarily apply.

The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs and preferential claims (the 'net property'), to be set aside for unsecured creditors. This equates to:

- 50% of net property up to £10,000
- Plus, 20% of net property in excess of £10,000
- Subject to a maximum of £600,000.

The Company's net property is the amount of its property subject to any floating charges created by the Company after allowing for costs and claims of preferential creditors.

A Calculation of Net Property and Prescribed Part is attached at Appendix V. Based on present information the Joint Administrators estimate that after allowing for costs the value of the Company's net property will be £33,872. The Prescribed Part is therefore calculated as follows:

	£
50% of £10,000	5,000
20% of balance (enter net property – 10,000)	<u>4,774</u>
	9,774

Please note that the net property and prescribed part calculation can only be estimated at this stage. The value of any prescribed part may be subject to change once creditor claims and the Joint Administrators' costs and expenses have been finalised.

At this time, the Joint Administrators do not intend to make an application to the court under section 176A (5) of the Insolvency Act 1986 for an Order not to distribute the prescribed part.

7. Estimated outcome for creditors

It is estimated that there will be a return to creditors but this amount will change depending on the value of realisations. There will only be funds available via the prescribed part, detailed on Appendix V.

7.1 Secured Creditors

The Bank holds fixed and floating charges over the Company's assets. At the date of the Administration the indebtedness was estimated at £4,423,343.34 (including interest).

7.2 Preferential Creditors

No preferential creditors have been identified in the Administration.

7.3 Unsecured Creditors

The Joint Administrators have received three claims totalling £155,322.52 from three creditors. I have yet to receive claims from 12 creditors whose debts total £13,397,025.86 as per the directors' statement of affairs.

No defined clarification of creditors' claims has been undertaken. Based on current information, and in accordance with information available at the time of the Joint Administrators' Proposals, the Joint Administrators do not anticipate there being sufficient funds to enable a distribution to be paid to the unsecured creditors of the Company other than by virtue of the prescribed part.

8. Investigations

In accordance with the Company Directors Disqualification Act 1986 I would confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills. As this is a confidential report, I am not able to disclose the contents.

To complete this report a review of the Company's financial accounts, bank statements and directors' questionnaires was undertaken regarding the period leading up to the Administration to ascertain whether or not there had been any misconduct by the director in the form of any preference payments, transactions at an undervalue or wrongful trading.

If creditors wish to bring any matters they believe to be relevant to the attention of the Joint Administrators, they are invited to do so in writing to Arron Kendall and Simon Thomas at Moorfields, 88 Wood Street, London EC2V 7QF.

9. Exit from Administration

As outlined in the Proposals it is the Administrators' intention to exit the Administration via a dissolution of the Company.

The Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Act immediately upon their appointment as Administrators ceasing to have effect.

10. Creditors' rights

Within 21 Days of the delivery of this report, a secured creditor, or an unsecured creditor (with concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about his remuneration or expenses (other than pre-administration costs) which have been *itemised in this progress report*.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Joint Administrators' remuneration, the remuneration charged or the expenses incurred by the Joint Administrators as set out in the progress report are excessive. (Rule 18.34).

If you have any queries regarding this report please contact Jack Jones of this office in the first instance. I will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner.

For and on behalf of
Arley Homes North West Limited



A S Kendall
Joint Administrator

DDI 0207 186 1153
Fax 0207 186 1177
Email jjones@moorfieldscr.com

Arron Kendall and Simon Thomas of Moorfields, 88 Wood Street, London, EC2V 7QF were appointed Joint Administrators on 28 October 2016. The Administrators now manage the affairs, business and property of the Company. The Joint Administrators act as agents only and without personal liability.

**Arley Homes North West Limited
Statutory Information**

Company Information

Company Number: 02850840

Registered Office: 88 Wood Street, London, EC2V 7QF

Trading Address: The Old Rectory, Rectory Lane, Winwick, Warrington, Cheshire, WA2 8LE

Principal Activity: Construction of domestic buildings

Appointment details

Joint Administrators: Arron Kendall and Simon Thomas (IP numbers 1826 & 1289)

Joint Administrators' address: Moorfields, 88 Wood Street, London, EC2V 7QF

Date of appointment: 28 October 2016

Court: High Court of Justice, Chancery Division, Leeds

Court Reference: Number 965 of 2016

Appointed by: QFCH – Promontoria (Henrico) Limited

Functions: Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Joint Administrators acting jointly or alone.

EC Regulations: The Company's registered office is from where the Company carries on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom and as such these proceedings will be the main proceedings as defined in article 3 of the EC regulation.

**Arley Homes North West Limited
(In Administration)**

**Joint Administrators' Summary of Receipts and Payments
To 27 April 2017**

RECEIPTS	Statement of Affairs (£)	Total (£)
Freehold Land & Property - Tottington Gr	90,000.00	NIL
Freehold Land & Property - Plot 80 Dux	7,500.00	NIL
Freehold Land & Property - Plot 13 Char	60,000.00	60,000.00
Bank Interest		5.14
Freehold Land & Property - Shavington	40,000.00	NIL
Shared Equity - Atherton	17,500.00	17,585.00
Shared Equity - Whitchurch	2,500.00	NIL
Ground Rent - Tottington Grange	750.00	1,250.00
Ground Rent - Duxbury Manor	200.00	230.00
VAT Refund	10,245.00	10,245.00
Insurance Refund		385.08
Cash at Bank	2,617.00	3,539.69
Bank Interest Gross		3.76
Council Tax Refund		79.05
Utility Company Refund		1,974.13
BT Repayment	17,640.00	NIL
		<hr/>
		95,296.85

PAYMENTS

Legal Fees		926.00
Agents/Valuers Fees		600.00
Promontoria (Henrico)	(4,423,343.00)	26,000.00
IT Support		720.00
Storage Costs		1,118.97
Statutory Advertising		84.60
Trade & Expense Creditors	(61,436.00)	NIL
Arley Homes Ltd (in Administration)	(8,919,767.00)	NIL
John Cosgrave	(250,000.00)	NIL
Ordinary Shareholders	(30,000.00)	NIL
		<hr/>
		29,449.57
		<hr/>
Net Receipts/(Payments)		65,847.28

MADE UP AS FOLLOWS

Bank 1 Current	63,240.14
Bank 2 Current	13,918.42
VAT Receivable / (Payable)	(11,311.28)
	<hr/>
	65,847.28

Time Entry - Detailed SIP9 Time & Cost Summary

ARLE001 - Arley Homes North West Limited
From: 28/10/2016 To: 27/04/2017
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
10 Case Planning	0.00	0.90	0.90	0.00	1.80	614.50	341.39
12 Appointment Notification	0.00	0.00	3.00	0.00	3.00	825.00	275.00
14 Statutory Reporting	0.00	0.70	16.40	0.00	17.10	4,387.50	256.58
15 Case Monitoring	0.00	4.65	19.80	2.00	26.45	7,443.50	281.42
17 General Administration	0.00	0.30	0.40	0.00	0.70	196.50	280.71
18 Cashiering	0.10	0.40	2.50	3.70	6.70	1,449.50	216.34
70 Post appoint VAT and CT returns	0.00	0.00	2.20	0.00	2.20	605.00	275.00
Admin & Planning	0.10	6.95	46.20	5.70	57.95	15,521.50	267.84
71 Other Assets	0.00	0.00	0.60	0.00	0.60	165.00	275.00
47 Intangible Assets - Intellectual Property, etc	0.00	0.00	0.20	0.00	0.20	55.00	275.00
30 Freehold / Leasehold Property	1.00	13.20	70.60	0.00	84.80	24,474.00	288.61
34 Debtors	0.00	0.00	0.30	0.00	0.30	82.50	275.00
36 Identifying, Securing, Insuring	0.00	0.00	3.20	0.00	3.20	880.00	275.00
38 Asset related legal matters	0.00	0.00	4.60	0.00	4.60	1,265.00	275.00
Asset Realisation	1.00	13.20	79.60	0.00	93.70	26,921.50	287.32
60 Case Specific	0.00	0.20	0.00	0.00	0.20	71.00	355.00
Case Specific Matters	0.00	0.20	0.00	0.00	0.20	71.00	355.00
50 Creditor Correspondence	0.00	0.00	6.50	0.00	6.50	1,627.50	250.38
Creditors	0.00	0.00	6.50	0.00	6.50	1,627.50	250.38
20 SIP2 Review	0.00	0.00	6.00	0.00	6.00	1,568.00	261.33
21 CDDA Reports	0.00	1.10	0.60	0.00	1.70	553.50	325.59
22 Antecedent Transactions	0.00	0.90	22.96	0.00	23.86	5,825.60	244.16
Investigations	0.00	2.00	29.56	0.00	31.56	7,947.10	251.81
42 On going employee issues	0.00	0.00	3.10	0.00	3.10	852.50	275.00
Trading	0.00	0.00	3.10	0.00	3.10	852.50	275.00
Total Hours	1.10	22.35	163.86	5.70	193.01	52,941.10	274.29
Total Fees Claimed						0.00	

Arley Homes North West Limited

1. Explanation of office-holders charging and disbursement recovery policies

In accordance with best practice we provide below details of policies of Moorfields, in respect of fees and disbursements for work in relation to insolvency estates.

This summary outlines the activities undertaken during this matter to date together with details of charge out rates for time costs incurred and the basis of disbursements incurred and recharged.

The activities are summarised as follows:

Administration and planning

The following activities have been undertaken:

- Statutory duties associated with the appointment including the filing of relevant notices;
- Notification of the appointment to creditors, members, employees and other interested parties;
- Setting up of case files
- Reviewing available information to determine the appropriate strategy;
- Setting up and maintaining bank accounts;
- Implementing the strategy for the Administration;
- 6 monthly progress review of the case;
- Completion of statutory returns to the Insolvency Compliance Unit of the Department for Business Innovation and Skills

Staff of different levels were involved in the above activities depending upon the experience required.

Realisation of assets

Appendix II shows the realisations made for the benefit of the creditors. In this case the assets belonging to the Company were as follows:

- Freehold – Charnock Richard
- Freehold – Tottington Grange
- Freehold – Duxbury Manor Way
- Freehold – Shavington
- Ground rent arrears – Tottington Grange
- Ground rent arrears – Duxbury
- Shared equity redemptions of three properties
- Cash at bank
- VAT refund
- BT repayment
- Utility refund
- Insurance refund

- Council tax refund

The time spent includes the following matters:

- Inspecting, securing, insuring and arranging a valuation of the properties;
- Dealing with day to day property management issues;
- Negotiating with current tenants at Linden Mews regarding the discounted redemption figure;
- Issuing rent demands to tenants and collecting rental income;
- Corresponding with the Company's former bankers in relation to the Company's cash at bank;
- Corresponding with HM Revenue & Customs, Npower, Aviva and Bury City Council regarding refunds due to the Company;
- Corresponding with the local Planning Authority regarding the undischarged drainage conditions;
- Negotiating with third parties regarding the sale of the freehold at Charnock Richard, Tottington Grange, and Shavington;
- Corresponding with EuroGold regarding inspection of works completed to realise BT repayment;
- Dealing with legal advisors with regards to the sale agreement and licenses;
- Corresponding with agents in relation to valuation and realisation of assets;

Creditors

The time spent includes the following matters:

- Recording and maintaining the list of creditors;
- Dealing with employee related matters;
- Recording creditor claims;
- Dealing with specific creditor calls and correspondence;
- Reporting to creditors;
- Meetings of creditors;
- Dealing with creditor queries;
- Reviewing and evaluating creditor claims to date.

Investigations and communications

The time spent includes the following matters:

- Corresponding with Company directors for purposes of conduct report;
- Issuing questionnaires and requests for Statement of Affairs;
- Reviewing Company records and questionnaires and preparing the statutory return in accordance with the requirements of the Department for Business Innovation and Skills.

2. Time recording

The Partners will engage managers and other staff to work on the insolvent estate and statutory compliance diaries. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the

individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the estate's bank accounts. Work carried out by all staff is subject to the overall supervision of the Partners.

All time spent by staff working directly on case related matters is charged to a time code established for the case. Each member of staff has a specific hourly rate, which is subject to change over time.

The current charge out rates per hour of staff within the firm who may be involved in working on the insolvency follows, this in no way implies that staff at all such grades will work on the case:

GRADE	£
Partner	530
Director/ Senior Manager	450
Manager	355
Assistant Manager	300
Senior Administrator	255
Administrator	225
Cashier/ Support	195

The rates charged by Moorfields are reviewed periodically in January & July each year and are adjusted to take account of inflation and the firm's overheads.

Our rates increased on 1 January 2016. The charge out rates per hour for the period from 1 January 2015 to 31 December 2015 were:

GRADE	£
Partner	515
Director/ Senior Manager	425
Manager	355
Assistant Manager	280
Senior Administrator	245
Administrator	195-225
Cashier/ Support	195

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time in units of 6 minutes.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time cost basis the time invoiced will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors, the report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs. The current hourly rates may be higher than the average rates, if hourly rates have increased over the period covered by the fee request.

Approved remuneration will be drawn at such times that sufficient funds are available.

For your information, A Creditor's Guide to Administrators' Fees can be obtained at <http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-to-administrators-fees-england-and-wales-apr-10.pdf>

3. Disbursement recovery

Category 1 Disbursements

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling, postage, photocopying if external provider, statutory advertising and other expenses made on behalf of the assignment.

Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

Category 2 Disbursements

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Moorfields for the provision of services which include an element of recharged overhead, for example, room hire or document storage. Statement of Insolvency Practice No. 9 provides that such disbursements are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn.

The following Category 2 disbursements may be charged by this firm

- Stationery and postage charge for sending out circulars – 5 pence per sheet plus postage at cost.
- A set-up charge of £50 per case for online creditor reporting where applicable
- Mileage allowances are paid at HM Revenue & Customs approved rates. For personnel using their own vehicles, these are currently 45 pence per mile for the first 10,000 miles and 25 pence per mile thereafter.
- A charge of £10 for identification search's per director to comply with Money Laundering Regulations.

It should be noted that disbursements costs might increase from time to time, however, increases would only be in line with inflation or increases from our supplier.

Arley Homes North West Limited - In Administration
Prescribed Part

Estimated to Realise
£

ASSETS SUBJECT TO FLOATING CHARGE

BT refund	17,640
Cash at bank	3,540
VAT refund	10,245
Utility refund	1,974
Insurance refund	385
Council Tax refund	79
Bank Interest	9

ESTIMATED TOTAL ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS

33,872

LIABILITIES

Preferential Creditors	Nil
ESTIMATED SURPLUS AS REGARDS TO PREFERENTIAL CREDITORS	<u>33,872</u>
Estimated Prescribed Part of net property	<u>9,774</u>