

Liquidator's Progress Report**S. 192****Pursuant to sections 92A and 104A of the
Insolvency Act 1986**

To the Registrar of Companies

Company Number

03131133

Name of Company

(a) Insert full name
of company

(a) Cheval Property Finance PLC

(b) Insert full
name(s) and
address(es)

We (b) Malcolm Fillmore and Ms Ranjit Bajon
Atherton Bailey LLP
Arundel House
1 Amberley Court
Whitworth Road
Crawley
West Sussex
RH11 7XL

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 8 February 2012 to 7 February 2013

Signed 
Malcolm P Fillmore

Date 12 February 2013

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

Malcolm Fillmore
Atherton Bailey
Arundel House
1 Amberley Court
Whitworth Road
Crawley
West Sussex
RH11 7XL

THURSDAY



A15

A226W082

14/02/2013

#77

COMPANIES HOUSE

CHEVAL PROPERTY FINANCE PLC (In Liquidation) ("The Company")
Trading address of company – Mendien House, 69 – 71 Clarendon Road, Watford, WD17 1DS

Liquidators' Progress Report for the period 8 February 2012 to 7 February 2013
(Pursuant to Section 104A of The Insolvency Act 1986 & Rule 4.49C of the Insolvency Rules 1986)

1 Introduction

1.1 On 31 January 2011, Rob Hunt and Karen Dukes, of PWC were appointed Joint Administrators to the Company. The liquidation was the exit route from the Administration and on 8 February 2012, Malcolm Fillmore and Ms Ranjit Bajon of Atherton Bailey LLP, Arundel House, 1 Amberley Court, Whitworth Road, Crawley, West Sussex RH11 7XL were appointed Joint Liquidators of the Company. This is our first report on the progress of this Liquidation since our appointment.

1.2 The Company was the non trading holding company for six subsidiary companies that operated as lenders of short term bridging finance for the residential and property development markets. The Company provided head office functions for its subsidiaries.

The Company was funded by a loan of £16.8m from Volkomen Financiering BV which was secured by fixed and floating charges. The Company had also granted a second charge to Clydesdale Bank Plc in respect of a loan swap for £25m. In the two years prior to the appointment of the Joint Administrators the Company had experienced financial difficulties as an increasing number of their clients defaulted on the loan.

In 2010 PWC were instructed to carry out a business review to assist Volkomen determine its strategy with regards to its lending. In January 2011 Volkomen made formal demand for repayment of its outstanding loan and as a result the majority of the directors resolved to apply to Court to put the Company into Administration. At this time the board received an offer of £16.5m for the assets of the Company from Checked Limited and Flexinet Limited which was to be funded by Volkomen. This offer was accepted and a pre pack sale of the business was concluded by the Joint Administrators on 2 February 2011.

1.3 Attached as Appendix 1 are certain formal and statutory details which we are required to disclose and which include details relating to our remuneration as Liquidators, further details of which are given in Appendices 2 and 3. Appendix 4 is a summary of our receipts and payments for the period to 7 February 2013 as well as to the date of this report.

2 Assets realised

2.1 The Principal asset at the date of liquidation, as shown in the Joint Administrators final progress report was funds available for distribution to the non preferential creditors under s176A of The Insolvency Act 1986. The Joint Administrators transferred the balance of £341,363 to us on 24 February 2012.

2.2 We are continuing to review whether there are any further assets available to the liquidation but are not aware of any at this stage.

2.3 Prior to our appointment the major shareholder of the Company had expressed concern over some of the transactions. We carried out a review but have not yet established any matters which could give rise to recoveries but we are still awaiting feedback.

2.4 We are in the process of dealing with the claims of the creditors which were previously "held over" when the first dividend was declared and once this has been done we will finalise the liquidation.

3 Assets remaining to be realised

3.1 As at the date of this report, there are no further known assets to be realised.

4 Creditor claims and forecast Outcome

4.1 Creditor claims estimated in the Directors' estimated Statement of Affairs presented to the Joint Administrators amounted to £5.3m, to date £10.7m claims have been received. Under the terms of the sale agreement the purchasers agreed to discharge the claims of various creditors. Some have claimed in the liquidation and we are seeking clarification from the purchasers.

4.2 It was anticipated by the Joint Administrators that Volkomen would suffer a shortfall of approximately £300,000 on their lending. The amount owed to Clydesdale was settled by Volkomen and Clydesdale has released their charge.

4.3 There are no preferential creditors of the Company as all contracts of employment were transferred to Checked Limited on completion of the sale.

- 4 4 The Joint Administrators have transferred the sum of £341,636 which relates to the prescribed part A dividend of 3p in the £ was declared and paid on 20 August 2012 on the agreed claims of creditors Claims totalling £2 8m have been held over subject to further verification

5 Liquidators' Investigations

- 5 1 We were made aware of concerns raised by the major shareholder regarding transactions entered into by the Company relating to the repayment of a loan by a former director We have reviewed the Company's records and have corresponded with the director and are satisfied that there are no matters which require further investigation by us

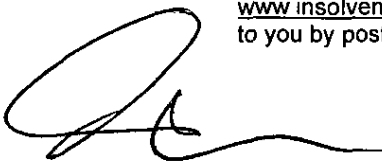
- 5 2 As required by SIP2, I have invited creditors to provide the liquidators with information they may have on any concern regarding the way in which the company's business has been conducted, or on potential recoveries for the liquidation estate We have also considered the conduct of those who have been directors of the company (whether formally appointed as directors nor not) at any time within the three years preceding the date of the resolution to wind-up the company We would advise you that no further investigations or actions are to be continued with, however if there are any matters you have not yet drawn to our attention, please could you do so as soon as possible

6. Liquidators' Costs and Remuneration

- 6 1 At the creditors' meeting held on 3 April 2012 to place the company into liquidation, the basis of the Liquidators' remuneration was agreed to be by reference to the time properly given by the Liquidators and their staff Under the provisions of The Insolvency Act 1986 where the funds transferred to the liquidation relate solely to the prescribed part we are only entitled to draw remuneration when dealing with the matters relating to the prescribed part

The total time costs recorded both since our appointment and for the period of the report are attached as Appendices 2 and 3 respectively and are in the format prescribed by R3 (The Association of Business Recovery Professionals) The creditors also approved including category 2 disbursements

A Creditor's guide to Liquidator's Fees can be located in SIP 9 (Statement of Insolvency Practice) which can be accessed through the website of the Insolvency Practitioners Association, www.insolvency-practitioners.org.uk Alternatively please contact this office for a copy to be sent to you by post



Malcolm Fillmore
Joint Liquidator of Cheval Property Finance Plc
Dated 12 February 2013

CHEVAL PROPERTY FINANCE PLC (In Liquidation)
APPENDIX 1

STATUTORY AND FORMAL INFORMATION AND DISCLOSURES

Company Details.

Registered Office Arundel House, Amberley Court, Whitworth Road, Crawley, RH11 7XL
Registered Number 03131133
Any former name in 12 months prior to Liquidation None
Trading address(es) Mendien House, 69 – 71 Clarendon Road, Watford, WD17 1DS

Liquidation Details:

Malcolm Peter Fillmore and Ms Ranjit Bajon of Atherton Bailey LLP, Arundel House, Amberley Court, Whitworth Road, Crawley RH11 7XL were appointed on 8 February 2012
The appointment was made pursuant to schedule B1 of the Insolvency Act 1986
The Liquidators act jointly and severally in all matters relating to the Liquidation
There have been no changes in the office holders since the date of Liquidation

Liquidators' Remuneration

At the creditors meeting held on 4 April 2012 creditors approved the basis of the Liquidators' remuneration to be by reference to the time properly given by the liquidators and their staff in attending to matters arising in the winding up pursuant to Rule 4 127 of The Insolvency Rules 1986 The current hourly rates of staff and partners involved in this case are as follows Partners £295 (£275 - £290), Senior Professional Staff £110 - £240 (£110 - £230), Assistants and Support Staff £85 - £100 The hourly rates have increased with effect from 1 June 2012, the previous rates are shown in brackets

The creditors also approved Category 2 disbursements to be paid to the liquidators at the rate of 25p per letter, 15p per photocopy and 45p per mile plus 5p for additional persons travelling in the same car

Company searches at the rate of £1 per search

Checks in relation to money laundering regulations, at the rate of £1 per enquiry

The expenses paid during the period of this report is shown on the attached Receipts and Payments Account, expenses incurred but not paid are as follows

Statutory Advertising £76 50
Printing, Copying & Postage £149 29
Mileage £43 61
Companies House Searches £60 00

Pursuant to Rule 4 49E of The Insolvency Rules 1986, members and creditors are advised that within 21 days of receipt of a progress report you may request the Liquidators to provide further information about the remuneration and expenses set out in the report Any request must be in writing, and made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of all unsecured creditors (including himself) or the permission of the court upon an application made within the 21 day period

Pursuant to Rule 4 131 of The Insolvency Rules 1986, any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including himself) or the permission of the court, may apply to the court to challenge the liquidator's remuneration and expenses

HOURS							
Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	12 13	0 00	41 27	74 83	128 23	22,677 25	176 84
Investigations	1 37	0 00	14 38	3 07	18 82	4,249 82	225 85
Realisation of Assets	0 00	0 00	0 23	2 57	2 80	390 84	139 58
Creditors	2 07	0 00	16 07	15 57	33 70	6,516 53	193 37
Litigation	0 00	0 00	0 88	0 00	0 88	209 35	236 98
Rec & Pay	0 00	0 00	0 00	6 43	6 43	611 09	95 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	4,463 26	0 00	17,203 44	12,988 18		34,654 88	
Total Hours	15 57	0 00	72 83	102 46	190 86		
Average Rate	286 71	0 00	236 20	126 76			

Atherton Bailey**TIME & CHARGEOUT SUMMARIES**

Cheval Property Finance Plc

From 8 Feb 2012 to 7 Feb 2013

HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	9 68	0 00	36 10	67 92	113 70	19,908 90	175 10
Investigations	1 37	0 00	14 38	3 07	18 82	4,249 82	225 85
Realisation of Assets	0 00	0 00	0 23	2 57	2 80	390 84	139 58
Creditors	2 07	0 00	16 07	15 57	33 70	6,516 53	193 37
Litigation	0 00	0 00	0 88	0 00	0 88	209 35	236 98
Rec & Pay	0 00	0 00	0 00	6 43	6 43	611 09	95 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	3,744 47	0 00	16,015 12	12,126 94		31,886 53	
Total Hours	13 12	0 00	67 67	95 55	176 33		
Average Rate	285 47	0 00	236 68	126 92			

CHEVAL PROPERTY FINANCE PLC
[IN LIQUIDATION]

JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD 8 FEBRUARY 2012 TO 12 FEBRUARY 2013

As shown in
Directors' S of A

£

RECEIPTS

Funds transferred from Joint Administrators	341,363 28
Bank Interest Received Gross	414 24
Funds held by Solicitor	674 85
	<u>342,452 37</u>

PAYMENTS

Statutory Advertising	91 80
Retrieval of Company Records	186 12
CHAPS Fee	24 00
	<u>301 92</u>

DISTRIBUTIONS

Unsecured Distributions, 3p in the £ paid on 20 August 2012	238,209 99
£238,209 99 paid to unsecured creditors by virtue of the application of section 176A	

Balance in insolvent estate account as at 12 February 2013 (interest bearing account)	<u>£103,940 46</u>
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Transactions are shown gross of VAT as the company is not VAT registered

A comparison between the statement affairs and actual realisations have not been given as the statement of affairs was prepared by the directors in the administration and all assets were realised in the administration. Creditors should refer to the Joint Administrators final progress report for a comparison

FOR THE PERIOD FROM 8 FEBRUARY 2012
TO 7 FEBRUARY 2013

£

341,363 28
414 24
674 85
<u>342,452 37</u>

91 80
186 12
24 00
<u>301 92</u>

238,209 99

<u>£103,940 46</u>

LIQUIDATION PROOF OF DEBT

Name/Address of Debtor

Cheval Property Finance Plc Trading Address: Meridien House 69-71 Clarendon Road Watford Hertfordshire WD17 1DS
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Name/Address of Creditor

Please provide us with an email contact address:

Amount of Claim (Please attach a detailed Statement of Account)

£

Brief Summary of Nature of Goods/Services Supplied

Do you claim any security? (Such as retention of title, fixed or floating charges, conditional sale agreement, lease or hp interest etc) If so, please set out details

Yes/No

Signed
Position

Date

Please give email address:

This form should be returned to Atherton Bailey LLP, Arundel House, 1 Amberley Court, Whitworth Road, Crawley, West Sussex RH11 7XL together with supporting documentary evidence.