

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

To the Registrar of Companies

Company Number

03794886

Name of Company

Prestbury West Coast Holdings Limited

We
Bryan Jackson
4 Atlantic Quay
70 York Street
Glasgow
G2 8JX

Jim Stewart-Koster
55 Baker Street
London
W1U 7EU

the liquidators of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 02/06/2012 to 01/06/2013

Signed _____

Date 22-07-13

BDO LLP
55 Baker Street
London
W1U 7EU

Ref 4017952/BAJ/JSK/LJ/CR

FRIDAY



A33 26/07/2013 #207
COMPANIES HOUSE

Prestbury West Coast Holdings Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 02/06/2012 To 01/06/2013	From 31/08/2010 To 01/06/2013
	ASSET REALISATIONS		
1,702,750 00	Loans to shareholders PIH	NIL	NIL
Uncertain	Loans to shareholders WCC	NIL	NIL
170,275 00	Loans to shareholders JAA	NIL	NIL
Uncertain	Debtors	NIL	NIL
138,872 00	Intercompany loan PWC4	NIL	NIL
10,085 00	Book Debts	NIL	1,872,991 62
7 00	Investments in subsidiaries	NIL	NIL
Uncertain	VAT Refund	NIL	NIL
12,717 00	Cash at Bank	NIL	12,726 02
	Bank Interest Gross	15,327 44	18,319 22
	Bank Interest Net of Tax	269 90	1,147 84
		<u>15,597 34</u>	<u>1,905,184 70</u>
	COST OF REALISATIONS		
	Office Holders Fees	NIL	85,400 00
	Office Holders Expenses	NIL	1,367 07
	Legal Fees	3,781 00	32,153 92
	Corporation Tax	1,492 28	1,492 28
	Bank Charges	3 74	6 70
		<u>(5,277 02)</u>	<u>(120,419 97)</u>
	UNSECURED CREDITORS		
(353,666 00)	Intercompany loan PWC	NIL	NIL
(47,701 00)	Intercompany loan PWC2	NIL	NIL
(1 00)	Intercompany loan PWC5	NIL	NIL
(1,950,481 00)	Intercompany loan Rice	NIL	NIL
(13,540,191 00)	HM Revenue & Customs	NIL	NIL
(106,694 00)	Trade Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(406 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(13,964,434.00)</u>		<u>10,320.32</u>	<u>1,784,764.73</u>

REPRESENTED BY

VAT Receivable	756 20
Bank 1 - Current	349,713 39
Bank of Scotland	166 12
BOS Treasury 3 months 20 03 13	1,014,000 00
BOSTreasury 3 mnths 13 05 13	420,129 02
	<u>1,784,764.73</u>



Bryan Jackson
Joint Liquidator



TO ALL KNOWN CREDITORS AND MEMBERS

Our ref: BAJ/JSK/LRJ/4017955/2400

22 July 2013

Dear Sirs

Prestbury West Coast Holdings Limited - In Liquidation ("PWCH")

Report to creditors on the progress of the liquidation pursuant to Rule 4.49C of the Insolvency Rules 1986

We write to provide you with a report on the progress of the liquidation for the period from 2 June 2012 to 1 June 2013 ("the Reporting Period").

The following items are attached to this report

- Statutory information
- An abstract of the joint liquidators' receipts and payments account for the Reporting Period and to date.
- An analysis of the time incurred during the liquidation for the Reporting Period

A Proof of Debt form is also enclosed to enable creditors, who have not already done so, to lodge their claims.

Tel 020 74865888 | Fax 020 79353944

www.bdo.co.uk

BDO LLP | 55 Baker Street | London | W1U 7EU | DX 9025 West End W1

Details of the authorising bodies of the insolvency appointment takers of BDO LLP are available at

www.bdo.co.uk/services/advisory/business-restructuring/authorising-bodies-insolvency-appointment-takers

BDO LLP, is a limited liability partnership registered in England and Wales with registered number OC305127, is a member of BDO International Limited, a UK company limited by guarantee. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name for the BDO network and for each of the BDO Member Firms

Abbreviations used

Prestbury Investment Holdings Ltd	PIH		
Prestbury West Coast Holdings Limited	PWCH		
Prestbury West Coast Rice Limited	PWCR		
PWCR Bedford Street Limited	Bedford		
PWCR Burlington Ltd	Burlington		
PWCR Chandlers Ford Ltd	Chandlers		
PWCR Chandler Ford 2 Ltd	Chandler 2		
PWCR Finance Limited	Finance		
PWCR Kensington Ltd	Kensington		
PWCR Liverpool St Ltd	Liverpool		
PWCR Minerva House Ltd	Minerva		
PWCR Old Broad St Ltd	Old Broad		
PWCR Stevenage Ltd	Stevenage		
Talkbake Limited	Talkbake		
PWCR No 1 Ltd	PWCR No1		
PWCR No 2 Ltd	PWCR No2		

the Subsidiaries

the Group

1 Merger of PKF (UK) LLP and BDO LLP

During the period of this report PKF (UK) LLP and BDO LLP merged their businesses and will continue as BDO LLP. The merger took effect on 1 April 2013 and will have no significant effect on the liquidation of the Company

2 General overview

- 2.1** This report has been produced in order to detail the progress of the liquidation of PWCH during the Reporting Period in accordance with the joint liquidators' statutory duty pursuant to Rule 4.49C of the Insolvency Rules 1986 and should be read in conjunction with previous reports.
- 2.2** This report covers the liquidation of PWCH only and the required statutory information is attached. The only Group liquidations still active are PWCR and Talkbake, as they link into the Group's tax loss-refresher scheme investigation.
- 2.3** We continue to liaise with the major creditor, HM Revenue and Customs ("HMRC"), regarding investigations into dividends paid to the shareholders of PWCR, and subsequently the shareholders of PWCH.
- 2.4** Our investigations are on-going and once these are finalised, it is our intention to declare a dividend to the creditors of PWCH.
- 2.5** We anticipate that the review and future strategy will be determined over the next six months.
- 2.6** A further report will be issued after 1 June 2014, or sooner, if matters are concluded prior to that date.

- 2.7 Should you wish to discuss any particular aspect of this report further please do not hesitate to contact Louisa Johnstone of the London office on 020 7893 3739.

3 Progress of the liquidation

- 3.1 During the Reporting Period we have continued with the investigation of the Group's tax schemes and potential re-allocation of the Talkbake tax liability, in conjunction with HMRC and legal advisers

4 Asset realisation

- 4.1 No assets have been realised in the Reporting Period. A copy of our summary of receipts and payments is attached.

Interest

- 4.2 Interest totalling £15,597.34 has been earned in the Reporting Period

Prestbury West Coast Four Ltd ("PWC4") - Book Debt initially estimated to realise £138,872 (actual debt £169,925)

- 4.3 To date, PWC4 has had no success in obtaining a waiver via a debt for equity swap, from its secured lender in respect of its outstanding secured debt. The lender has advised verbally that at present, no equity stakes will be considered. PWC4 will only be able to repay the debt to PWCH once agreement has been reached in respect of their secured debt. Other options are being reviewed but currently, the recoverability of this debt remains uncertain.

5 Payments

- 5.1 In the reporting period, we have incurred, and paid, legal fees to Howard Kennedy totalling £3,781 (net of VAT) for advice given in relation to PWCH's payment of shareholder dividends.
- 5.2 Corporation tax in the sum of £1,492.28 for the period 31 August 2011 to 30 August 2012 has been paid

6 Creditor claims

- 6.1 The Company has no secured or preferential creditors
- 6.2 The Company's ordinary debts comprise the following:

Creditors	Amount as per Statement of Affairs (£)	Amount as per Proof of Debt (£)
BDO LLP (pre-merger debt)	7,344.00	7,343.70
HM Revenue & Customs (Corporations Tax & Interest)	3,269,146.56	13,644,354.63
HM Revenue & Customs (Talkbake Liability)	10,375,207.80	-
KPMG	2,850.00	-
Prestbury West Coast Limited	353,666.00	353,666.00
Prestbury West Coast Two Limited	47,701.00	47,701.00
Prestbury West Coast Five Limited (Dissolved)	1.00	1.00
Prestbury West Coast Rice Limited - In Liquidation	1,950,481.00	1,951,065.00
Total	16,006,397.36	16,004,131.33

- 6.3 It has now been established that the final claim of HM Revenue & Customs is £13,644,354.63 and a previously submitted Proof of Debt in a sum of £3,269,146.56 should not have been issued.

Inter-company liabilities

- 6.4 In aggregate the Company has £2,352,433 of inter-company liabilities. The largest of these debts (£1,951,065) is owed to Prestbury West Coast Rice Limited ("PWCR") which is a wholly owned subsidiary of PWCH. This company is also in liquidation.

7 Investigations

- 7.4 We have complied with all regulatory and statutory requirements under the Insolvency Act 1986 and the Company Directors Disqualification Act 1986.
- 7.5 Our investigations continue to focus on the payment of dividends to shareholders during the financial year ended 31 December 2008, at a time when HMRC had opened protective enquiries in relation to the Group's tax scheme and a loss-refresher scheme, similar to that utilised by the Group, was being challenged by HMRC
- 7.6 The Group's tax loss-refresher scheme failed resulting in a substantial shortfall to HMRC
- 7.7 We continue to liaise with HMRC, and during the reporting period, following a further review by Counsel, additional information was requested from PWCH's tax and audit advisers.
- 7.8 This information has now been reviewed and passed to Counsel for a final opinion on potential recovery options available to the Joint Liquidators, together with the estimated costs involved and the likelihood of success. We would hope to receive this opinion within the next 4 to 6 weeks.
- 7.9 These findings will then be reported to HMRC together with our recommendations.
- 7.10 If it is decided to commence recovery action, the appropriate sanction will then be sought.

8 Distribution Prospects

- 8.4 There are no secured or preferential creditors and sufficient realisations have been made to enable a distribution to the unsecured creditors of PWCH
- 8.5 The quantum and timing of this dividend will depend on whether future recovery action is taken and the costs associated with this
- 8.6 If legal action is commenced against the directors, it may be necessary to utilise some of the monies held to fund the costs of such an action and this may reduce the dividend payable to unsecured creditors; subject to any recoveries made from such an action.

9 Remuneration and disbursements

- 9.4 At the meeting of PWCH's creditors held on 31 August 2010, a resolution was passed to allow the Joint Liquidators to be remunerated on a time cost basis
- 9.5 Prior to the merger of PKF (UK) LLP and BDO LLP the rates charged were PKF (UK) LLPs standard rates. After the merger, the rates charged are a combination of PKF and BDO rates. The average rates for the post-merger period have increased. This is the result of a staff re-grading exercise.
- 9.6 In the Reporting Period 95.29 hours at an average charge out rate of £292 per hour have been incurred for a total time cost of £27,815.66. The charges incurred are summarised below and a detailed analysis is attached.

Grade	Cost (£)	Time (hours)	Grade average (£/hr)	Grade average last report (£/hr)
Partner	7,132.20	13.80	517	486
Manager	13,447.84	41.42	325	252
Senior Administrator	5,214.88	25.69	203	202
Administrator	2,020.74	14.38	141	144
	<u>27,815.66</u>	<u>95.29</u>		

9.7 During the course of the liquidation to 1 June 2013 a total of 407.61 hours at an average charge out rate of £281.61 per hour have been incurred for a total time cost of £114,788.89. To date we have raised and paid fee invoices totalling £85,400.00 (Net of VAT)

9.8 In the Reporting Period no fee invoices have been raised.

9.9 Future time costs will be derived from BDO LLP's normal rates for time properly spent by the liquidators and their staff in attending to matters arising in the liquidation. Where members of staff have been employed on this case they have been so based on their experience and abilities in dealing with a case of this nature. Where appropriate, certain staff have dealt with a specific area of the liquidation due to their specialist skills in that area. BDO LLP's scale rates may increase from time to time over the period of an assignment.

9.10 All staff who have worked on this matter, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the enclosed analysis. The cost of staff employed in central administration functions is not charged directly to the assignment, but is reflected in the general level of charge out rates.

9.11 Since appointment, the Joint Liquidators' disbursements have totalled £1,391.18. The table below shows the composition of the disbursements incurred and those which have been paid.

Category 1	Incurred (£)	Paid (£)
Travel - airfare	126.00	126.00
Advertising	224.32	214.13
Companies House fees	16.00	10.00
Insolvency bond/insurance	920.00	920.00
Storage	18.00	18.00
	<u>1,304.32</u>	<u>1,288.13</u>
Category 2		
Room hire	67.00	67.00
Postage	19.86	11.94
	<u>1,391.18</u>	<u>1,367.07</u>

9.12 A creditors' guide to fees, which provides information regarding creditors' rights in relation to insolvency practitioners' fees can be obtained by visiting our website at www.bdo.co.uk/cgtf. Alternatively a copy can be sent upon request.

- 9.13 In accordance with Rule 4.49E of the Insolvency Rules 1986, any unsecured creditor with the concurrence of at least 5% in value of the total unsecured creditors (including the value of their own claim) or with the permission of the Court, or any secured creditor may make a formal request in writing to the liquidators for further information about their remuneration or expenses (other than pre-liquidation costs) set out in this report. Such a request must be made within 21 days from the date of receipt of this progress report
- 9.14 Additionally, creditors who believe that the liquidators' remuneration is, in the circumstances, excessive or inappropriate may apply to the Court under the provisions of Rule 4.131 of the Insolvency Rules 1986. Such application may be made by a secured creditor or any unsecured creditor, the latter requiring the concurrence of 10% of the total unsecured creditors (including their own claim) or the permission of the Court.
- 10 **Concluding Comments**
- 10.4 The liquidation of PWCH is on-going and will not be concluded until our investigations into the Group's tax schemes and shareholder dividends are finalised
- 10 5 Sufficient asset realisations have been made to enable a distribution to unsecured creditors however, the quantum and timing of such a dividend is not yet known
- 10 6 We are required to next report after 1 June 2014 and will do so unless circumstances require us to report sooner.

We trust that the aforementioned is self explanatory, but if you require any further information or have any questions, please contact Louisa Johnstone of this office on telephone number 020 7893 3739.

Yours faithfully



Bryan Jackson
Joint Liquidator

Statutory Information

Company name	Prestbury West Coast Holdings Limited
Registration number	03794886
Registered office address	Farringdon Place, 20 Farringdon Road, London, EC1M 3AP
Liquidator(s) details	<p>Bryan Jackson BDO LLP 4 Atlantic Quay, 70 York Street, Glasgow G2 8JX Appointed 31/08/2010 Resigned:</p> <p>Brian J Hamblin PKF (UK) LLP Farringdon Place, 20 Farringdon Road, London, EC1M 3AP Appointed: 31/08/2010 Resigned:01/06/2012</p> <p>James Stewart-Koster BDO LLP 55 Baker Street, London W1U 7EU Appointed 01/06/2012 Resigned:</p>

Prestbury West Coast Holdings Limited
(In Liquidation)

Summary of Receipts & Payments

RECEIPTS	Statement of Affairs (Estimated to Realise) (£)	From 31/08/2010 To 01/06/2012 (£)	From 02/06/2012 To 01/06/2013 (£)	Total (£)
Book Debts (due from shareholders)	1,873,025 00	1,872,991 62	0 00	1,872,991 62
Cash at Bank	12,717 00	12,726 02	0 00	12,726 02
Bank Interest Gross		2,991 78	15,327 44	18,319 22
Bank Interest Net of Tax		877 94	269 90	1,147 84
Investment in Subsidiaries	7 00	0 00	0 00	0 00
Amounts due from Group Companies	148,957 00	0 00	0 00	0 00
	<u>2,034,706 00</u>	<u>1,889,587 36</u>	<u>15,597 34</u>	<u>1,905,184 70</u>
PAYMENTS				
Office Holders Fees		85,400 00	0 00	85,400 00
Office Holders Expenses		1,367 07	0 00	1,367 07
Legal Fees		28,372 92	3,781 00	32,153 92
Corporation Tax		0 00	1,492 28	1,492 28
Bank Charges		2 96	3 74	6 70
		<u>115,142 95</u>	<u>5,277 02</u>	<u>120,419 97</u>
Net Receipts/(Payments)		<u>1,774,444 41</u>	<u>10,320 32</u>	<u>1,784,764 73</u>
MADE UP AS FOLLOWS				
VAT Receivable		22,511 82	756 20	23,268 02
Bank 1 - Current		332,965 14	16,748 25	349,713 39
Bank of Scotland		75 67	90 45	166 12
BOS Treasury 3 months 20 03 13		1,002,991 78	11,008 22	1,014,000 00
BOSTreasury 3 mnths 13 05 13		415,900 00	4,229 02	420,129 02
Vat Control Account		0 00	-22,511 82	-22,511 82
		<u>1,774,444 41</u>	<u>10,320 32</u>	<u>1,784,764 73</u>

Notes

All of the above numbers are shown net of VAT

SIP9 Analysis of OfficeHolders Timecosts from 02/06/12 to 01/06/2013

Client: **Prestbury West Coast Holdings Ltd - In Liquidation**

Tasks	Grade		Partner / Director		Manager		Supervisor / Senior Administrator		Administrator / Assistant		Total	
	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours
Average Cost per hour:												
	£517.00		£325.00		£203.00		£141.00		£292.00			
Partner/Senior Manager Review	3,604.50	7.00	1,697.25	5.25	0.00	0.00	0.00	0.00	0.00	0.00	5,301.75	12.25
Planning & Monitoring	0.00	0.00	396.25	1.25	30.60	0.15	0.00	0.00	0.00	0.00	426.85	1.40
Time Summaries & Billing	0.00	0.00	196.54	0.62	0.00	0.00	0.00	0.00	0.00	0.00	196.54	0.62
Cashiering Function Generally	157.20	0.30	2,678.25	8.60	339.28	1.64	932.94	7.08	839.30	4.80	4,107.67	17.62
Office Holders Tax Liabilities	0.00	0.00	4,441.25	12.85	673.20	3.30	0.00	0.00	0.00	0.00	5,953.75	20.95
Non Preferential Creditors	0.00	0.00	151.80	0.60	0.00	0.00	0.00	0.00	0.00	0.00	151.80	0.60
Book Debt Realisations	0.00	0.00	153.50	0.50	39.60	0.20	0.00	0.00	0.00	0.00	193.10	0.70
Legal Correspondence/Litigation	0.00	0.00	0.00	0.00	571.20	2.80	0.00	0.00	0.00	0.00	571.20	2.80
General Administration	3,370.50	6.50	0.00	0.00	91.80	0.45	145.50	1.50	0.00	0.00	3,607.80	8.45
Statutory Compliance (including CRO returns and for Investigations	0.00	0.00	79.25	0.25	756.00	3.75	2,713.20	13.40	0.00	0.00	835.25	4.00
Liasing with Agents/Solicitors/Other Professionals	0.00	0.00	2,298.25	7.25	0.00	0.00	0.00	0.00	0.00	0.00	5,011.45	20.65
Annual/Periodic Reporting/Meeting (ie S48 or S105)	0.00	0.00	483.75	1.50	0.00	0.00	0.00	0.00	0.00	0.00	483.75	1.50
Secretarial	0.00	0.00	871.75	2.75	0.00	0.00	0.00	0.00	0.00	0.00	871.75	2.75
	0.00	0.00	0.00	0.00	0.00	0.00	103.00	1.00	0.00	0.00	103.00	1.00
	7,132.20	13.80	13,447.84	41.42	5,214.88	25.69	2,020.74	14.38	27,815.66	95.29		

Proof of Debt – General Form

Prestbury West Coast Holdings Limited

Date of resolution for voluntary winding-up 31 August 2010

1	Name of creditor (If a company please also give company registration number)	
2	Address of creditor for correspondence Include any reference or account number to be quoted in correspondence	
2a	Email address (By including an email address on this form you are consenting to receive future correspondence by email)	
2b	Reference or account number If applicable	
3	Total amount of claim Include any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation	£
4	Details of any documents by reference to which the debt can be substantiated There is no need to attach them now but the may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting	
5	Uncapitalised interest If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6	Particulars of how and when debt incurred If you need more space append a continuation sheet to this form	
7	Particulars of any security held Include the value of the security and the date it was given	
8	Particulars of any reservation of title Include full details of the goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf <div style="border-bottom: 1px solid black; width: 100%;"></div> Name in BLOCK LETTERS <div style="border-bottom: 1px solid black; width: 100%;"></div> Position with or in relation to creditor <div style="border-bottom: 1px solid black; width: 100%;"></div> Address of person signing (if different from 2 above) <div style="border-bottom: 1px solid black; width: 100%;"></div> <div style="border-bottom: 1px solid black; width: 100%;"></div>	

To be completed by the when admitting claims

Admitted to vote for	£	Admitted for dividend for	£
Date		Date	