

AM03

Notice of administrator's proposals



Companies House

THURSDAY



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15/06/2017

#313

COMPANIES HOUSE

1 Company details

Company number 0 3 8 2 9 4 0 5

Company name in full Prestige Homes Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Paul

Surname Boyle

3 Administrator's address

Building name/number 102 Sunlight House

Street Quay Street

Post town Manchester

County/Region

Postcode M 3 3 J Z

Country

4 Administrator's name ①

Full forename(s) Tom

Surname Bowes

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 102 Sunlight House

Street Quay Street

Post town Manchester

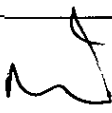
County/Region

Postcode M 3 3 J Z

Country

② Other administrator
Use this section to tell us about
another administrator.

AM03
Notice of Administrator's Proposals

6		Statement of proposals		
		<input checked="" type="checkbox"/>	I attach a copy of the statement of proposals	
7		Sign and date		
Administrator's Signature	Signature			
Signature date	^d 1 ^d 3	^m 0 ^m 6	^y 2 ^y 0 ^y 1 ^y 7	

AM03

Notice of Administrator's Proposals



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Julian Moules**

Company name **Harrisons Business Recovery and Insolvency Limited**

Address **102 Sunlight House**

Quay Street

Post town **Manchester**

County/Region

Postcode **M 3 3 J Z**

Country

DX

Telephone **0161 876 4567**



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- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



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DX 33050 Cardiff.



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**Prestige Homes Limited
In Administration**

**Report and Joint Administrators' Proposals
to Creditors Pursuant to Paragraph 49
of Schedule B1 of the Insolvency Act 1986**

Prestige Homes Limited - In Administration

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Prestige Homes Limited - In Administration

1 Introduction and Background

- 1.1 Prestige Homes Limited ('the Company'), company number 03829405, was incorporated on 20 August 1999.
- 1.2 Director Mahmood Al-Najar ('MAN') was initially the sole director and remained the principal director of the Company until his resignation on 20 March 2017. The following Company background and trading history has been prepared using information provided to the Joint Administrators by MAN and Julie Al-Najar ('JAN'), his wife and the current sole director.
- 1.3 MAN had a civil engineering background although he subsequently qualified as a commercial airline pilot.
- 1.4 In 1999, MAN successfully completed the building of his own residential property at Furzton, Milton Keynes. Following the experience gained from this project, MAN decided to establish a property development business as a sideline and the Company was incorporated for this specific purpose.
- 1.5 From the outset, the Company specialised in the development of one-off individual luxury residential homes in Milton Keynes and the surrounding area.
- 1.6 The Company operated by selling ad hoc property plans to prospective clients who were able to choose bespoke fixtures and finishings throughout the property to their own detailed specifications. This policy enabled the Company to ensure sales through to contract exchange by obtaining large deposits prior to commencing any building work and helped the Company to support its financial position before embarking upon any costly building projects.
- 1.7 As the Company became established, it acquired a reputation locally for quality and professionalism. The Company expanded as MAN left his airline job to concentrate upon the business and employed a growing team of staff and contractors upon which he could rely to deliver the upmarket, high quality development work required.
- 1.8 In accordance with professional advice and for financial and logistical reasons, many of the Company's functions were transferred to associated companies such as Prestige Homes Developments Limited ('Prestige Developments'), company number 06846048, which carried out much of the building work for the Company.
- 1.9 Although the Company experienced the widespread effects of the 2008 recession and property-building crash as bank lending to the construction sector significantly reduced, it was able to survive this major problem.
- 1.10 In subsequent years, the Company developed a successful relationship with Principality Building Society ('Principality') to finance the Company's ongoing development projects.
- 1.11 In 2012, however, Principality advised that they were no longer able to fund any new business and, more problematically, required all borrowings previously made to be returned as soon as possible through either sales or refinancing.
- 1.12 Whilst progress was made by the Company in selling six of the nine main sites subject to Principality's charges in relatively early course, there were problems at the other sites caused by purchasers dropping out and a long-running dispute with the potential purchaser of 48 Queensbury Lane, Monkston Park, Milton Keynes MK10 9PQ.

Prestige Homes Limited - In Administration

- 1.13 The Company was able to remortgage these properties through Shawbrook Bank Limited ('Shawbrook') in 2013 in order to repay the majority of the Principality liability and obtain further funding to complete the developments. By September 2015, the Company had just one loan outstanding to Principality but was struggling to generate sufficient funds to pay Principality off in full.
- 1.14 Around this time, the Company decided to invest in eight apartments at The Hub, Manhattan House, 401 Witan Gate, Silbury Boulevard, Milton Keynes MK9 2BQ which it intended to rent out to tenants to obtain a regular, consistent income stream to support its cashflow funded by Buy To Let mortgages through Shawbrook.
- 1.15 The Company found itself, however, still requiring a further injection of funds to support its cashflow generally. After an initial, costly funding application fell through at an advanced stage, a new lender was sought to provide capital and an application was made to Secure Trust Bank plc ('Secure Trust') in Spring 2016. This further application procedure took around eight months to complete.
- 1.16 Although a charge was granted to Secure Trust and funding obtained in December 2016, the amount available was less than MAN had originally anticipated and the Company's cashflow difficulties continued to increase.
- 1.17 Increasing financial pressure and the threat of legal action from Principality led the Company to seek further short-term funding from Capital Funding Two Limited ('CF2L') and a series of charges were granted between September and December 2016.
- 1.18 This enabled the Company to pay off Principality but the Company realised it would have to amend its intended strategy regarding the Manhattan House apartments and sought to obtain sales in order to generate sufficient income to relieve the cashflow difficulties and support its financial position.
- 1.19 From October 2016, considerable further pressure was being exerted upon the Company by investor Mohanad Challob for the return of the funds which he had invested. As sufficient funds to settle the liability were not available, the entire shareholding in the Company was transferred to Mr Challob in January 2017 in lieu of cash payment.
- 1.20 MAN became less involved with the Company from this point onwards as his wife and fellow director Julie Al-Najar ('JAN') assumed overall responsibility for the Company's affairs. MAN eventually resigned as a director on 20 March 2017.
- 1.21 At this time, an ongoing Court action against MAN regarding his personal affairs led to a freezing injunction against his personal assets being made at the High Court on 28 March 2017. This resulted in the closure of all bank accounts for which MAN was a signatory including the Company's own bank account.
- 1.22 Although JAN was still continuing in her efforts to sell the Manhattan House apartments, no sales were achieved.
- 1.23 As the deadline for the repayment of the CF2L short-term loan passed at the end of March 2017 and there was no prospect of repayment, CF2L made a formal demand for their liability to be settled but no satisfactory response was received from the Company.
- 1.24 As a result, Paul Boyle and Tom Bowes of Harrisons Business Recovery and Insolvency Limited, 102 Sunlight House, Quay Street, Manchester M3 3JZ were appointed Joint Administrators of the Company by the Capital Funding Two Limited on 24 April 2017. Paul Boyle and Tom Bowes are licensed to act in the United Kingdom as insolvency practitioners by the IPA.

Prestige Homes Limited - In Administration

- 1.25 Pursuant to Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, we would confirm that the functions of the Joint Administrators are being exercised by either or by both of the Joint Administrators.
- 1.26 The EC Regulation on Insolvency Proceedings 2000 applies to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.
- 1.27 This report incorporates the Joint Administrators' statement of proposals made under Paragraph 49 of Schedule B1 which will be treated as delivered to creditors on 15 June 2017.

2 Administration Strategy and Objective

- 2.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:
 - *Rescuing the Company as a going concern; or*
 - *Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or*
 - *Realising property in order to make a distribution to one or more secured or preferential creditors.*
- 2.2 The purpose of the Administration in accordance with Paragraph 3(1)(b) is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up without first being in Administration.

It was not possible to achieve the purpose as defined in Paragraph 3(1)(a), to rescue the Company as a going concern as the Company had no available funds to finance the ongoing property developments and enable trading to continue. The Company's bank account at Barclays Bank plc had been frozen some weeks prior to the Administration Order and, in view of the Company's financial position particularly with all Company assets subject to charges with the associated liabilities in excess of the asset values, it was unlikely that other banks or lenders would be willing to provide funding to assist the Company.

The High Court freezing injunction dated 28 March 2017 against the personal assets of former Director Mahmood Al-Najar had further contributed to making lenders wary of advancing funds to the Company.

The appointment of the Joint Administrators was made by the chargeholder CF2L following the Notice of Intention to Appoint Administrators being served on all prior chargeholders. Given the circumstances, CF2L was keen to protect its interests without delay which necessitated the appointment of the Joint Administrators.

Although chargeholder CF2L had made the Administration appointment to immediately protect its secured interests as a matter of urgency, further review of the Company's financial position by the Joint Administrators in the weeks following their appointment has shown that the Administration procedure should additionally fulfil the Paragraph 3(1)(b) purpose. Whilst the overwhelming majority of the Company's assets are subject to fixed charges, from the information available and our own enquiries to date, it appears that there should be a significant amount of floating charge realisations. In effect, it is anticipated that the Administration procedure will achieve a better result for the Company's creditors as a whole as outlined in the report and proposals below.

Progress Since Appointment

Administration (including statutory compliance and reporting)

- 2.3 Following my appointment, the strategy for the Administration was carefully assessed to ensure that a coherent planned process for the case could be achieved. This work will, where appropriate, have included liaison with solicitors to deal with any legal considerations surrounding the Company's insolvency (such as assessing the validity of any 3rd party security in relation to the assets) and liaising with valuation agents about the most appropriate means of realising the value in the Company's business and assets.
- 2.4 I have also dealt with a number of statutory formalities which are required of me under related legislation. Typically, this includes issuing and filing all appointment notices with creditors and the Registrar of Companies and also advertising my appointment in the London Gazette.
- 2.5 I have also prepared and issued these proposals to creditors outlining how the purpose of the Administration may be achieved.
- 2.6 Other statutory duties performed are outlined in further detail in the fees information which can be found at Appendix E. Please note that much of this work will have been performed to comply with statutory requirements and as such may not necessarily add any value to the insolvent estate.

Realisation of assets

- 2.7 The work undertaken by the Administrator and his staff to date in realising the Company's assets has been necessary in order to maximise the likelihood of a return to creditors being made. Where assets remain to be realised, these will be dealt with as the Administration progresses and further updates will be provided to creditors in my progress reports.
- 2.8 Further information on the estimated outcome of the Administration can be found in section 9 below. Please be advised that this is the best estimate based on the information currently available and is subject to further enquiries and legal advice.
- 2.9 Properties owned by the Company

All properties owned by the Company are subject to various mortgage debentures and potential equitable charges as outlined below.

The properties were initially professionally valued on a drive-by basis on 24 April 2017 by Linda McPartland FNAEA MRICS, registered valuer, of McPartland and Gifford Limited ('McPartland and Gifford'), Pekin Building, 23 Harrington Street, Liverpool L2 9QA, property consultants and valuers.

Following the initial drive-by valuations, McPartland and Gifford were subsequently able to carry out more detailed inspections of the properties and the conclusions of the valuation reports produced are listed on a property-by-property basis below.

Prestige Homes Limited - In Administration

A summary of the properties is as follows:-

50 Ashford Crescent, Grange Farm, Milton Keynes, Buckinghamshire MK8 0LZ (Land Registry Title Number BM360984)

This residential property owned by the Company was being developed at the date of the Joint Administrators' appointment and Director Julie Al-Najar estimated that sixty percent of the work required to finish the property had been completed by that date. The construction work was being carried out by associated company Prestige Homes Developments Limited until the freezing injunction was granted against Mahmood Al-Najar on 28 March 2017. From this point, construction work was taken over by the Company itself until it ceased on 24 April 2017, the date of the Joint Administrators' appointment.

The McPartland and Gifford valuation report dated 16 May 2017 stated that the property in its current incomplete state had a market value of £400000 on a special thirty-day sale assumption and a market value of £500000 on a six-month assumption.

The property had been developed to the personal specifications of proposed purchasers Omar Shadid and Samar Sulaiman who had paid a deposit to the Company in the total sum of £275000 by 19 April 2016.

In return for a lending facility with Secure Trust Bank plc ('Secure Trust'), the Company provided a debenture secured by means of a fixed and floating charge over the Company's assets, including a fixed charge over 50 Ashford Crescent, on 15 December 2016.

The Secure Trust debenture in respect of the lending was also fixed over a property personally owned by then-Director Mahmood Al-Najar at 52 Ashford Crescent, Grange Farm, Milton Keynes, Buckinghamshire MK8 0LZ (land registry title number BM360981) and a property owned by current Director Julie Al-Najar at 44 Queensbury Lane, Monkston Park, Milton Keynes MK19 9PQ (land registry title number BM381940).

At the date of the Joint Administrators' appointment, the total outstanding to Secure Trust was in the sum of £591602.79.

Following the Joint Administrators' appointment, consideration was given to marketing the property at 50 Ashford Crescent in order to maximise realisations for the benefit of the administration estate.

The Joint Administrators' solicitors JMW Solicitors LLP ('JMW') gave consideration to the status of Mr Shadid and Mrs Sulaiman in respect of the £275000 deposit they had paid to the Company towards the purchase of 50 Ashford Crescent. Christopher Love of JMW concluded that Mr Shadid and Mrs Sulaiman held an equitable charge against 50 Ashford Crescent but stated that this charge ranked behind the charge in favour of Secure Trust.

From the date of appointment, the Joint Administrators' agents McPartland and Gifford made enquiries regarding prospective purchasers for the property and generated some potential interest. The matter was complicated, however, by 50 Ashford Crescent being subject to the same Secure Trust security as the personally owned properties at 52 Ashford Crescent and 44 Queensbury Lane.

The Joint Administrators and their agents liaised with Secure Trust regarding the various offers made and the best strategy for releasing the Secure Trust charge.

An offer was received from Woburn Homes Limited ('Woburn'), company number 10757880, to purchase 50 Ashford Crescent for the sum of £450000. McPartland and Gifford recommended that this offer be accepted.

Although initial enquiries of Woburn's solicitors suggested that Woburn had no connection with Company Director Julie Al-Najar and former Director Mahmood Al-Najar, it has subsequently transpired that this may not be the case and the Joint Administrators' investigations in this regard are ongoing.

Whilst Secure Trust suffered a shortfall under their charge from the sale of the property at 50 Ashford Crescent, Director Julie Al-Najar personally paid Secure Trust the outstanding facility balance to obtain the release of its security.

The proceeds from the sale of 50 Ashford Crescent are currently being held by JMW. Secure Trust has agreed that the Joint Administrators, JMW and McPartland and Gifford may charge a fee from the sale proceeds for arranging the sale of the property, the precise amounts of which have yet to be quantified. Creditors will therefore be advised of the costs of sale of 50 Ashford Crescent in the next progress report to be issued by the Joint Administrators.

**48 Queensbury Lane, Monkston Park, Milton Keynes, Buckinghamshire MK10 9PQ
(Land Registry title number BM340040)**

The Company purchased this property in October 2008 for the sum of £168000.

In view of an ongoing legal dispute regarding the property, it has not been possible for McPartland and Gifford to gain access to the property to conduct a detailed valuation. Accordingly, the Joint Administrators have had to rely upon a drive-by valuation carried out by McPartland and Gifford dated 24 April 2017. For commercial reasons, particularly ongoing attempts to market the property for sale which are outlined below, this report does not disclose the valuation figures provided by McPartland and Gifford. The Joint Administrators would confirm, however, that they will only agree to a sale for the property which is subject to a formal letter of recommendation from McPartland and Gifford.

In 2012, the Company entered into a sale contract with Yousuf Ahli to sell the property for the sum of £1000000 although this was not a standard sale contract and it is uncertain whether solicitors were involved. In total, Mr Ahli has paid £910000 to the Company although this includes the sum of £750000 paid over the course of 2008 following an earlier abortive deal to purchase another Company property on Ashford Crescent, Milton Keynes. Following the collapse of the Ashford Crescent sale, it appears that the payments already made by Mr Ahli were rolled over to the 48 Queensbury Lane purchase.

On 10 June 2013, the property was charged to Shawbrook Bank Limited ('Shawbrook'), replacing an earlier chargeholder. The amount currently outstanding to Shawbrook on this property at the date of this report is in the sum of £628028 although their debenture contains an all-monies clause which would entitle them to collect the further outstanding balance of £785963 from any sale proceeds.

On 8 June 2016, Mr Ahli served notice on the Company to complete the sale contract for 48 Queensbury Lane. Mr Ahli subsequently issued proceedings in August 2016 seeking an order for the completion of the sale contract and for the Company to indemnify him against the sums required to redeem the charge in favour of Shawbrook. As an alternative, Mr Ahli sought the return of the sum of £910000.

A second charge was granted to Capital Funding Two Limited ('CF2L') on 29 September 2016. In response to an enquiry from CF2L's solicitors, then-Director Mahmood Al-Najar advised that the sale contract was no longer valid and that Mr Ahli was renting the property with an option to purchase only. At the date of this report, the estimated sum of £1300000 is outstanding to CF2L.

Prestige Homes Limited - In Administration

At the date of the appointment of the Joint Administrators, the Company was defending the court action and with a purported counter-claim in the sum of £720000. The Court granted an injunction on 8 March 2017 which prevented the Company from entering the property, seeking to take possession or evicting Mr Ahli.

The Joint Administrators' solicitors are currently attempting to resolve the position with regard to this property with a view to maximising any realisation available and obtaining the best result for the benefit of the administration estate.

Despite the efforts of the Joint Administrators and their solicitors to progress the matter as quickly as possible, this has been far from straightforward and has necessitated significant amounts of work being undertaken. Initial delays in receiving the case files from the Company's former solicitors prevented a full review of the position from being completed for some weeks. Moreover, the nature of the dispute itself means that it is unlikely to be determined promptly and without difficulty.

Apartments at Manhattan House, 401 Witan Gate, Silbury Boulevard, Milton Keynes, Buckinghamshire MK9 2BQ

Apartment numbers: 2 (Land Registry title number BM330856) ; 5 (Land Registry title number BM333727) ; 11 (Land Registry title number BM330854) ; 17 (Land Registry title number BM330670) ; 23 (Land Registry title number BM330857) ; 29 (Land Registry title number BM330965) ; 35 (Land Registry title number BM330897) ; 41 (Land Registry title number BM331642)

The Company owns the freehold interest in eight apartments as listed above at Manhattan House also known as 'The Hub', 401 Witan Gate, Silbury Boulevard, Milton Keynes MK9 2BQ.

All the apartments other than numbers 2 and 17 are currently occupied so McPartland and Gifford have been unable to inspect each separate apartment to carry out a site-specific valuation. We are advised that all the apartments have the same layout so, following an inspection of Number 17, McPartland and Gifford carried out a valuation dated 24 April 2017. For commercial reasons, particularly ongoing attempts to market the apartments for sale which are outlined below, this report does not disclose the valuation figures provided by McPartland and Gifford. The Joint Administrators would confirm, however, that they will only agree to a sale for the apartments which is subject to a formal letter of recommendation from McPartland and Gifford.

stated that the eight apartments have a total value of £1078000 on an investment basis with a thirty-day sale and a total value of £1248000 based upon vacant possession with a thirty-day sale period.

A debenture incorporating fixed and floating charges was granted to Barclays Bank plc ('Barclays') on 20 January 2002. At the date of this report, the amount of £68833.53 is outstanding to Barclays.

A debenture incorporating fixed and floating charges was granted to Shawbrook Bank Limited ('Shawbrook') on 25 July 2013. The amount currently outstanding to Shawbrook on this property at the date of this report is in the sum of £785963 although their debenture contains an all-monies clause which would entitle them to collect the further outstanding balance of £628028.

A debenture incorporating fixed and floating charges was granted to Capital Funding Two Limited ('CF2L') on 29 September 2016. At the date of this report, the amount of £1300000 is outstanding to CF2L.

Prestige Homes Limited - In Administration

The apartments are currently being actively marketed for sale for the benefit of the administration estate and it is currently thought likely that the best means of maximising their market value will be to sell them to an investor in a single transaction rather than by selling them piecemeal on an ad hoc basis.

Rental income from apartments at Manhattan House, 401 Witan Gate, Silbury Boulevard, Milton Keynes, Buckinghamshire MK9 2BQ

Until such time as the eight apartments at Manhattan House as listed above are sold, the Joint Administrators' agents McPartland and Gifford will continue to collect the monthly rental payments from the tenants for the benefit of the administration estate. As at the date of this report, the sum of £7961.62 is currently held in the Administration estate in rental proceeds and McPartland and Gifford are holding further sums for the month of June 2017.

Legal advice received from JMW dated 7 June 2017 states that the rental income constitutes a floating charge realisation, as opposed to fixed charge, and the Joint Administrators will treat the rental income proceeds accordingly.

2.10 Debtors

Director Julie Al-Najar has provided a schedule of six debtors which have liabilities to the Company in the total sum of £265735.87.

The largest debtor relates to a counter-claim against Yousuf Ahli in the sum of £242792.15. The prospects for collection are unknown but it will be dealt with as part of the legal dispute relating to 48 Queensbury Lane as outlined in Section 2.9 above.

The collection prospects for the remaining five debtors in the total sum of £22943.12 are also unknown. Although Director Julie Al-Najar has been asked to provide contact details, addresses and a brief assessment for these liabilities, she has failed to do so and the Joint Administrators will continue to press for this information.

2.11 Inter-Company Accounts

Director Julie Al-Najar advises that the Company is owed the sum of £30374.43 in respect of inter-company trading with associated company Prestige Homes Developments Limited. It is the Joint Administrators' intention to check the amount and provenance of this liability when the Company books and records are made available and to collect the outstanding balance for the benefit of the Administration estate.

2.12 VAT Refund

Director Julie Al-Najar has advised that the sum of approximately £26000 is outstanding to the Company in respect of reclaimable VAT and that there are no outstanding liabilities to HMRC such as corporation tax or PAYE which could be offset against the VAT refund.

Despite requests, Julie Al-Najar has failed to advise the Joint Administrators of the current position with of the VAT refund so it is uncertain whether a reclaim is already in progress or whether the appropriate application needs to be made. It is the Joint Administrators' intention to continue to pursue this matter in order to realise the VAT refund for the benefit of the Administration estate.

Prestige Homes Limited - In Administration

2.13 CITB Refund

The sum of £250.00 has been received in respect of a Construction Industry Training Board refund.

2.14 Directors' Loan Accounts and Liabilities to the Company

Although Director Julie Al-Najar advises that neither she nor former Director Mahmood Al-Najar any longer have any directors' loan account liabilities to the Company, the Joint Administrators intend to fully investigate this matter when the Company bank statements are received from Barclays Bank plc.

It is also noted that Julie Al-Najar and Mahmood Al-Najar may have personal liabilities to the Company in respect of any financial support or funding they have received from the Company to develop the personally-owned properties of 44 Queensbury Lane and 52 Ashford Crescent (and in particular through funds advanced via the Secure Trust facility, which has been settled primarily through the sale of 50 Ashford Crescent) as outlined at Section 2.9 above.

Again, it is the Joint Administrators' intention to fully investigate this matter to ensure that any outstanding liabilities are repaid for the benefit of the Administration estate.

2.15 Attached at Appendix D is a time matrix outlining the time spent by the Joint Administrators and their staff since the date of appointment. Further information about the basis of remuneration being proposed by the Joint Administrators can be found in section 8 of this report. Below is information about the work performed by the Joint Administrators and their staff since the Company entered Administration.

Creditors

2.16 The amounts outstanding to the secured creditors are outlined in Section 2.9 above and in the Estimated Outcome Statement at Appendix F.

There are no preferential creditors as there were no employees other than Director Julie Al-Najar who never drew a salary from the Company.

There are forty-one trade and expense creditors in the total sum of £2518445.30.

There are liabilities to five associated companies, namely Prestige Group (UK) Limited, Prestige Design MK Limited, Prestige Homes Renovations Limited, Prestige Leasings and Rentals Limited and Prestige Hi-Tech Solutions Limited, in the total sum of £160176.36. It is the Joint Administrators' intention to investigate these outstanding amounts and the circumstances which led to them being incurred.

As noted in section 2.9 above, the sum of £275000 is outstanding to Omar Shadid and Samar Sulaiman in respect of the deposit paid for 50 Ashford Crescent.

The sum of £50000 is outstanding to Ghous Khan in respect of a deposit paid to the Company to purchase 52 Ashford Crescent, the property personally owned by former Director Mahmood Al-Najar as outlined at 2.9 above.

The sums of £50000 and £100000 are owed to S Kermali and K Kermali respectively for monies taken as deposits on property sales which were not completed.

There is a contingent liability to South Yorkshire Pensions Authority in the estimated sum of £129550 in respect of a company cross guarantee given in favour of associated company Prestige Homes Improvements Limited.

Prestige Homes Limited - In Administration

Given the nature of certain creditors, we have relied upon legal advice from JMW Law LLP to establish each creditor's position. We anticipate that a significant amount of time will be incurred dealing with the deposit creditors outlined above.

Investigations

- 2.17 As Joint Administrator, I am required to conduct investigations into the conduct of the directors of the Company and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986 and Statement of Insolvency Practice 2 (Investigations by Office Holders in Administrations and Insolvent Liquidations).
- 2.18 This work may not necessarily lead to any financial benefit to creditors yet is work I am required to undertake by statute.

Case Specific Matters

- 2.19 Despite numerous requests, the Company's accounts have yet to be received. The Joint Administrators are also awaiting delivery of the Company's bank statements.

The Joint Administrators have therefore been unable to conduct preliminary investigations into the financial affairs of the Company with particular regard to directors' loan accounts, director remuneration and drawings, loans made by the Company and inter-company trading balances with the associated companies.

Director Julie Al-Najar has advised that there have been difficulties with the firm of accountants previously used by the Company. She has stated that a new firm of accountants has been instructed but the Joint Administrators are still awaiting an adequate response to their enquiries as at the date of this report.

Sale of Assets to Connected Parties

- 2.20 At the date of the sale of 50 Ashford Crescent, Grange Farm, Milton Keynes, Buckinghamshire MK8 0LZ on 31 May 2017, enquiries made by the Joint Administrators and their solicitors had revealed no connections or associations between the Company and purchaser Woburn Homes Limited ('Woburn'). It has subsequently transpired that there may be a family connection between the Company and Maytham Larry, the sole director of Woburn.

The Joint Administrators' investigations in this regard are ongoing and the full position will be confirmed in future progress reports.

In order to provide full disclosure in accordance with Statement of Insolvency Practice 13, I would therefore advise that the following assets were sold to a party which, subject to confirmation, may be connected with the Company:

31 May 2017	50 Ashford Crescent, Grange Farm, Milton Keynes MK8 0LZ	£450000 paid on 31 May 2017	Woburn Homes Limited, company number 10757880	*

* - The relationship to the Company is uncertain and was not declared at the time of the sale transaction. Maytham Larry, director of Woburn, may be related to Director Julie Al-Najar and former Director Mahmood Al- Najar. The Joint Administrators' investigations are ongoing and creditors will be advised of the position in future reports.

3 Joint Administrators' Receipts and Payments

3.1 A summary of receipts and payments for the Administration period from the date of my appointment on 24 April 2017 to 13 June 2017 is attached at Appendix B.

3.2 All funds are held in interest bearing bank accounts.

4 Financial Position

4.1 Attached at Appendix C is a summary of the Director's Estimated Statement of Affairs of the Company as at 24 April 2017, the date of the appointment of the Joint Administrators. This was verified by a statement of truth by the Director dated 24 May 2017.

The Statement of Affairs has not been submitted in the prescribed format which would be acceptable for filing at Companies House. The Joint Administrators are therefore assisting the Director in transposing this information into an acceptable format which can readily be filed at Companies house

5 Proposals

5.1 It is proposed that the Joint Administrators will continue to manage the affairs of the Company in order to achieve the objective of the Administration. In the circumstances it is proposed that:

5.2 If the Joint Administrators think that the Company has no property which might permit a distribution to its creditors, they will file a notice with the Court and the Registrar of Companies for the dissolution of the Company. See Section 6 below on **Exit Routes** for further information on this process.

5.3 If during the course of their statutory investigations into the affairs of the Company, the Joint Administrators become aware of matters of Wrongful or Fraudulent trading under Sections 213 or 214 of the Insolvency Act 1986 and wish to pursue these matters further or if they deem it necessary for any other reason, the Joint Administrators are granted authority to issue a petition to wind up the Company, seek the appointment as Joint Liquidators in the compulsory liquidation and exit the Administration under Paragraph 80 of Schedule B1 of the Insolvency Act 1986.

5.4 If having realised the assets of the Company, the Administrators think that a distribution will be made to the unsecured creditors from the fund created out of the Company's net floating charge property (known as the **Prescribed Part**) by virtue of section 176A(2)(a), this will be distributed by the Administrators in the Administration and the Company will thereafter proceed to dissolution.

Prestige Homes Limited - In Administration

- 5.5 If, however, having realised the assets of the Company the Administrators think that a distribution will be made to the unsecured creditors other than by virtue of section 176A(2)(a) as noted above, they propose filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the Administrators to an end and will move the Company automatically into Creditors' Voluntary Liquidation (**CVL**) in order that the distribution can be made. In these circumstances, it is proposed that the Administrators in office at the date of conversion to CVL will become the Joint Liquidators in the CVL. The acts of the Joint Liquidators may be undertaken by either or both of them.
- 5.6 Court approval is not required to enable the Joint Administrators to make a distribution to the unsecured creditors of the Prescribed Part. If, however, a distribution to unsecured creditors not limited to the Prescribed Part is anticipated, the Joint Administrators may consider making an application to Court to seek permission to distribute this in the Administration. If permission is granted, the Company will exit into dissolution once the distribution has been made and the Administration is concluded.
- 5.7 The Joint Administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.
- 5.8 If the Joint Administrators consider it necessary to extend the period of the Administration, they will seek the consent of creditors or the approval of the Court to the extension. Creditors may consent to an extension for a period of up to one year and the Court can order that the Administrators' term of office be extended for a specified period determined by it.
- 5.9 The creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Joint Administrators' remuneration and disbursements and any proposed act on the part of the Joint Administrators without the need to report back to a further meeting of creditors generally, to include any decision regarding the most appropriate exit route from the Administration.
- 5.10 The basis of the Joint Administrators' remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by them:
- As a percentage of the value of the assets they have to deal with, or
 - By reference to time properly spent by the Joint Administrators and their staff managing the Administration, or
 - As a set amount
- 5.11 In accordance with Statement of Insolvency Practice 9, issued by the Association of Business Recovery Professionals, the Joint Administrators be authorised to draw Category 2 disbursements as and when funds are available, in accordance with their firm's published tariff. Details of Category 2 disbursements charged by the firm can be found at Appendix E.
- 5.12 Where no Creditors' Committee is appointed the remuneration and disbursements of the Joint Administrators shall be fixed by resolution of a meeting of creditors or where the Joint Administrators think that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with insolvency legislation. The Joint Administrators will also seek approval for any unpaid pre-administration costs detailed in this report and their discharge from liability in the same manner.

Prestige Homes Limited - In Administration

5.13 In this case, the Joint Administrators are seeking to approve the basis of their remuneration as follows:

- By reference to the time properly spent by the Joint Administrators and their staff in attending to matters arising in the Administration

Further details about the proposed fee basis can be found in Section 8 below and Appendix E.

5.14 The Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

6 Exit Routes

Dissolution of the Company

6.1 Based on present information, the Joint Administrators think that there may (subject to sufficient floating charge realisations) be a distribution available to the unsecured creditors from the Prescribed Part by virtue of section 176A(2)(a). If applicable, this will be distributed in due course within the Administration and a notice will thereafter be filed at Court and with the Registrar of Companies with the Joint Administrators' final report, for the dissolution of the Company.

6.2 The same notice will be filed and the Company moved to dissolution if the Joint Administrators think that the Company has no property which might permit a distribution to its unsecured creditors. A copy of these documents will be sent to the Company and its creditors.

6.3 The Joint Administrators' appointment will end following the registration of the notice by the Registrar of Companies.

Compulsory Liquidation

6.4 If a move to Creditors' Voluntary Liquidation is not possible because a dividend to the unsecured creditors (other than by virtue of the Prescribed Part) is not anticipated, but the Joint Administrators conclude that an exit into liquidation is appropriate so that further investigations into the Company's affairs may be carried out for example, an application to Court may be made to exit into Compulsory Liquidation instead. If this exit route is appropriate, at this stage it is anticipated (but is not mandatory) that the Joint Administrators will become the Joint Liquidators in the subsequent liquidation.

7 Pre-administration Costs

7.1 Pre-administration costs are defined as:

- (i) Fees charged, and
- (ii) Expenses incurred

by the Joint Administrators, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

7.2 Below is information on the pre-administration costs incurred in this case, together with details of any amounts which remain unpaid, where applicable.

Prestige Homes Limited - In Administration

7.3 Pre-appointment fees charged and expenses incurred by the Joint Administrators are as follows:

Charged by	Brief description of services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
Harrisons Insolvency and Business Recovery Limited	Initial evaluation and discussions and meetings with Chargeholder. Assessment and consideration of legal advice. Preparation for Administration appointment	8662.00	Nil	N/A	8662.00
JMW Law LLP	Initial advice and meetings with Chargeholder and Harrisons. Preparation and filing of Administration application including service upon prior chargeholders	2317.50	Nil	N/A	2317.50

7.4 The payment of unpaid pre-administration costs set out above as an expense of the Administration is subject to the approval of creditors, separately to the approval of the Administrators' proposals. As the Joint Administrators think that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with insolvency legislation.

8 Joint Administrators' Remuneration

- 8.1 As Joint Administrators, we are required to provide creditors with details of the work we propose to undertake in the Administration and the expenses we consider will be, or is likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which my remuneration will be fixed.
- 8.2 In addition to this, where Administrators seek to pass a resolution to agree the basis of their remuneration by reference to time properly spent by them and their staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided.
- 8.3 In this case, we are seeking to agree that our remuneration be based on the time properly spent by us and our staff in dealing with the affairs of the Company. My fees estimate and details of the work we propose to undertake in the Administration will be sent to the secured creditors in due course for approval. Further details on my fee estimate will be included in my next report to creditors. Further information on the work done since my appointment to the date of this report can be found in section 2.
- 8.4 Please note that where appropriate, the fees estimate may be to a particular stage of the case only and if we consider the estimate will be exceeded during the Administration, we are obliged to seek further approval for any increase in our remuneration. The fees estimate provides details of these matters where relevant and appropriate approval to the basis of our remuneration will be sought as outlined in section 5 of this report.
- 8.5 For information, attached at Appendix D is a time matrix outlining the time spent by us and our staff since the date of my appointment as Joint Administrator.

Prestige Homes Limited - In Administration

- 8.6 A copy of "A Creditors' Guide to Administrators' Fees" is available on request or can be downloaded from <http://harrisons.uk.com/creditors-guide-fees> . If you would prefer this to be sent to you in hard copy, please contact Julian Moules of this office on 0161 876 4567.

9 Estimated Outcome

- 9.1 Given the nature of the fixed charge assets, complexities concerning potential legal actions and the position of secured chargeholders, some of which have consolidation clauses in respect of amounts owed, I do not feel that an estimated outcome statement produced at today's date would be beneficial or meaningful to creditors due to the number of variables to be considered in this matter. I will, however, review the position once more in my subsequent progress report.

10 Proposals Approval and Next Report Meeting of Creditors

- 10.1 As I think the Company has insufficient property to enable it to make a distribution to its unsecured creditors (other than a potential distribution of the prescribed part fund of any net floating charge property), I am not required to seek a decision from the unsecured creditors on the approval of my Proposals.
- 10.2 The Joint Administrators are required to provide a progress report within one month of the end of the first six months of the Administration and we will report to you again at this time.

For and on behalf of
Prestige Homes Limited



Paul Boyle
Joint Administrator

13 June 2017

Prestige Homes Limited - In Administration

Appendix A

Statutory Information

1 Company Information

Company name	Prestige Homes Limited
Trading name	None
Registered number	03829405
Registered office address	102 Sunlight House Quay Street Manchester M3 3JZ
Former registered office address	17 Manhattan House 401 Witan Gate Silbury Boulevard Milton Keynes Bucks MK9 2BQ
Trading address	17 Manhattan House 401 Witan Gate Silbury Boulevard Milton Keynes Bucks MK9 2BQ
Court details	High Court of Justice, Chancery Division, Manchester District Registry
Court reference number	2384 of 2017

2 Details of the Company's Directors, Secretary and Shareholdings

	Date appointed	Date resigned	Shares held
Directors			
Ahmad Al- Najar	31/8/2007	12/6/2013	
Mahmood Al-Najar	20/8/1999	31/12/2016	100 percent shareholding as at 11 January 2017 return. Shares transferred on 25 January 2017
" "	1/2/2017	20/3/2017	
Julie Ann Al-Najar	26/9/2013	1/2/2017	
" "	20/3/2017	N/A	
Secretary			
Julie Ann Al-Najar	8/1/2002	12/3/2009	
Mahmood Al-Najar	12/3/2009	31/12/2016	
Shareholding			
Mohanad Khalaf Challob Challob	-	-	100 percent shareholding from 25 January 2017

3 Joint Administrators' Details

Name of Administrators	Paul Boyle	Tom Bowes
Address	102 Sunlight House Quay Street Manchester M3 3JZ	102 Sunlight House Quay Street Manchester M3 3JZ
Telephone Number	0161 876 4567	0161 876 4567
Fax Number	0161 876 4554	0161 876 4554
Administrator's IP Number	008897	17010
Authorising Body	IPA	IPA

Prestige Homes Limited - In Administration

Appendix B

Receipts and Payments Account for the Period from 24 April 2017 to 13 June 2017

Prestige Homes Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 24/04/2017 To 13/06/2017 £	From 24/04/2017 To 13/06/2017 £
	SECURED ASSETS		
400,000.00	50 Ashford Crescent MK8 0LZ	NIL	NIL
750,000.00	48 Queensbury Lane MK10 9PQ	NIL	NIL
1,078,000.00	Manhattan House Apartments MK9 2B	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	SECURED CREDITORS		
(591,602.79)	Secure Trust Bank plc	NIL	NIL
(68,833.53)	Barclays Bank plc	NIL	NIL
(628,028.00)	Shawbrook Bank Limited	NIL	NIL
(785,963.00)	Shawbrook Bank Limited	NIL	NIL
(1,300,000.00)	Capital Funding Two Limited	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	ASSET REALISATIONS		
	Bank Interest Gross	0.36	0.36
	CITB refund	250.00	250.00
	Manhattan House rental payments	7,961.62	7,961.62
		<u>8,211.98</u>	<u>8,211.98</u>
	COST OF REALISATIONS		
16,000.00	Rents Payable	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(1,130,427.32)		<u>8,211.98</u>	<u>8,211.98</u>
	REPRESENTED BY		
	Bank 2 - Current		8,211.98
			<u>8,211.98</u>

Prestige Homes Limited - In Administration

Appendix C

Director's Statement of Affairs of the Company as at 24 April 2017

A – Summary of Assets

Assets

Assets subject to fixed charge:

Book Value £	Estimated to Realise £
--------------------	------------------------------

Assets subject to floating charge

Uncharged assets:

see attachment A

Estimated total assets available for preferential creditors

Signature John Cooper Date 24/5/2017

ATTACHMENT A.

Prestige Homes Ltd Assets		Book value)	Market value)
48 Queensbury Lane, Monkston Park, Milton Keynes Large new build executive property (last valuation 2013)		1200000 (2013)	1,300,000.00
Manhattan apartments Dec 2015 book value was £1.22m Valued in Jan 2017 at 210k each.			
2, Manhattan House, Witan Gate, Milton Keynes		210,000.00	210,000.00
5, Manhattan House, Witan Gate, Milton Keynes		210,000.00	210,000.00
11, Manhattan House, Witan Gate, Milton Keynes		210,000.00	210,000.00
17, Manhattan House, Witan Gate, Milton Keynes		210,000.00	210,000.00
23, Manhattan House, Witan Gate, Milton Keynes		210,000.00	210,000.00
29, Manhattan House, Witan Gate, Milton Keynes		210,000.00	210,000.00
35, Manhattan House, Witan Gate, Milton Keynes		210,000.00	210,000.00
41, Manhattan House, Witan Gate, Milton Keynes		210,000.00	210,000.00
50 Ashford Crescent, Grange Farm, Milton Keynes Part finished new build large executive house Valuation difficult - and +CSA to date Sale achieved at 1.1m + extras when finished		450,000.00	650,000.00
			3,630,000.00
Money owed to Prestige Homes Ltd.			
KARAO1	Mehboob Kara		963.32
DHANQ1	R. Dhanj		1,794.17
SABUR01	Shabir Sabur		2,187.78
KSIMK	KSIMK		9,156.62
ALHI01	Yousif Ahl		242,792.75
2111	Prestige Homes Developments Ltd Int co loan a/c		21,533.20
	Prestige Homes Developments Ltd		8,841.23
	VAT refunds due Feb - April (estimated)		26,000.00
			313,269.07

Note

Having checked with accounts they have confirmed that all work carried out by PHL on plots 4 Monkston Park and plot 5 Grange Farm have already been invoiced to 31 March and have been paid by Al-Najar. Full details can be obtained from the accountant.

A1 – Summary of Liabilities

	Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	£
Liabilities	
Preferential creditors:-	
Estimated deficiency/surplus as regards preferential creditors	£
Estimated prescribed part of net property where applicable (to carry forward)	£
Estimated total assets available for floating charge holders	£
Debts secured by floating charges	£
Estimated deficiency/surplus of assets after floating charges	£
Estimated prescribed part of net property where applicable (brought down)	£
Total assets available to unsecured creditors	£
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£
Shortfall to floating charge holders (brought down)	£
Estimated deficiency/surplus as regards creditors	£
Issued and called up capital	£
Estimated total deficiency/surplus as regards members	£

Signature

[Handwritten Signature]

Date

24/5/2017

B 1/2

ATTACHEMENT B

Prestige Homes Ltd. - Creditors Summary

N/C	Name	Credit (
2331	Shawbrook Bank Ltd. Morikston Park - 2013020407	569,055.09
2332	Shawbrook Bank Ltd. - The Hub 2013060098	736,724.16
2164	Secure Trust Bank	537,232.33
	Capital Funding	1,200,000.00 circa
1201	Barclays Bank a/c Jan 10	38,861.31
1202	Barclays Bank Loan Account	34,037.38
1205	Lloyds Bank	1.05
		3,110,911.32
	Other creditors (suppliers etc known to date)	2/6,881.61
2103	Tenants Deposit - 29 Manhattan House	1,237.50
2103	Tenants Deposit - 23 Manhattan House	1,050.00
	Tenants Deposit - 2 Manhattan House	850.00
	Tenants Deposit - 11 Manhattan House	850.00
2126	Prestige Group (UK) Ltd. Intra company loan a/c	387,301.31
Client	Plot 6 Samar (Deposit, exchange and extras)	282,524.70
2305	Loan - Shabbir Merai & Sabera Merai	225,000.00
2306	Loan - Ahmad Al Najar	3,581.63
		1,114,276.75
2312	Investment - Ahmad Abdulla Habib	1,624,564.22
2313	Investment - Ali Hussein Abdulinda	177,288.00
		1,751,852.22
		6,037,040.29
Amounts which are disputed as deposits on property then pulled out / didn't complete		
Client	Mr Ghous Khan (Deposit on Plot 5 Grange Farm)	50,000.00
2309	Loan - S Kermali	50,000.00
2310	Loan - K Kermali	100,000.00
		200,000.00

NB: Barclays hold a Debiture on PHL

PHL provided a guarantee to the Landlord of unit 3b Winterhill against Lease taken out by PH Improvements Ltd. (current debt circa. 150,000)

PHL provided guarantee on mortgage with Shawbrook obo Prestige Rental Properties (circa. 470,000) no issue.

Contact details for additional creditors / investors:-

Omar Shadid and Samar Sulaiman
12 Littlestone Gate
Broughton
MK10 7DH

Ali Hussein Abdulrida and Ahmad Al-Habib
11 Albion Place
Campbell Park
Milton Keynes
MK9 4AJ

Sabera Merali
Suite 1004-16
Harrisson Garden Blvd
Toronto
Ontario
M2N 7J6

Shabbir Merali
315 Park Avenue
Bushey
Herts
WD23 2DR

Ahmad Al-Najjar
8 Chalmers Avenue
Haversham
Milton Keynes
MK19 7AG

Those whom we believe their entitlement would be disputed.

Ghous Khan
6 Cosway Place
Grange Farm
Milton Keynes
MK8 0NS

The following resided in America at the time they paid their deposits to purchase houses in Bletchley, Milton Keynes but they never completed on the purchase. They have subsequently moved to Tanzania and we do not have addresses for them. Their email addresses are:

S. Kermali: shabbar@jamanaprinters.com

K Kermali: kazim@jamanaprinters.com

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession.

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession.

Date *as to* 9/5/77.

Signature

ATTACHMENT C

C1/2

Recorded and known as at 9/5/17

Name of Creditor	Address	Amount	Security	Date given	Value
Prestige Group	Prestige House, 6 Fingle Drive, Stonebridge, Milton Keynes, MK13 0AT	57,600.00			
Prestige Design MK	Prestige House, 6 Fingle Drive, Stonebridge, Milton Keynes, MK13 0AT	50,250.00			
Prestige Homes Renovations	Prestige House, 6 Fingle Drive, Stonebridge, Milton Keynes, MK13 0AT	38,646.36			
Bereco Ltd. (1)	HSBC Invoice Finance (UK) Ltd, Farncombe Road, Worthing, West Sussex, BN11 2BW	tbc			
Travis Perkins (2)	P O Box 5227, Northampton, Northamptonshire, NN5 7ZE	26,219.81			
Crown Investments	315 Park Avenue, Bushey, WD23 2DR	19,440.00			
Broadoak Mgt.	Unit 7, Hockliffe Business park, Beds, LU7 9NB	15,812.28			
Prestige Leasing & Rentals	Prestige House, 6 Fingle Drive, Stonebridge, Milton Keynes, MK13 0AT	12,240.00			
WMG Office Interiors Limited	Interior House, 34A Lakes Lane, Newport Pagnell, MK61AJ	8,887.59			
Telefonica	260 Bath Road, Slough, Berks SL1 4DX	7,785.23			
Eon Energy	Westwood Way, Westwood Business Park, Coventry, CV4 8LG	4,924.02			
EMW Law	Seebeck House, 1 Seebeck Place, Milton Keynes, MK5 8FR	4,107.00			
MK Council Rates	P O Box 5327, Central Milton Keynes, MK9 3WB	3,081.46			
Companies House	P O Box 710, Crown Way, Cardiff, CF14 3UZ	3,000.00			
Eon Energy (Plt 1 SL)	Westwood Way, Westwood Business Park, Coventry, CV4 8LG	2,035.86			
Innovate Lifting Systems	The Warehouse, No1 Draper Street, Royal Tunbridge Wells, Kent, TN4 0PG	1,677.60			
NHBC Prepaid	NHBC Accounts Department, NHBC House, Davy Avenue, Knowhill, Milton Keynes, Bucks, MK5 8FP	1,672.80			
Prestige Hi-Tech Solutions Ltd	Prestige House, 6 Fingle Drive, Stonebridge, Milton Keynes, MK13 0AT	1,440.00			
CDR Training Ltd	33 Garrick Road, Lichfield, Staffs. WS13 7DR	1,236.00			
Jonro Solicitors	81 High Street, Stoney Stratford, Milton Keynes, MK11 1AT	1,056.00			
LSCD Ltd	7 Higham Road, Rushden, Northants, NN10 6DG	225.60			
Environmental Agency		60.85			
Thamesway Energy	2nd Floor, Gloucester Chambers, Jubilee Square, Woking, Surrey, GU21 6GA	59.63			

Additional creditors (Invoices received by accounts after 9/5/17)

Name of Creditor	Address	Amount	Any security	Date security given	Value of security
Corkett Scaffolding (3)	Millfield, 135 Station Road, Quainton Aylesbury, Buckinghamshire HP22 4BX	Tbc (4) circa 10k			
NuHeat	Heathpark House Devonshire Rd, Heathpark Ind. Estate, Honiton, Devon, EX14 1SD	5,423.52			

Notes:

- (1) Bereco - £29,389.45 windows ordered by PHL for plot 5 ready for delivery. Payment required prior to delivery. Supplier will be contacted to re-invoice Al-Najar as PHL no longer responsible for plot 5. If agreed no longer a creditor of PHL.
- (2) Travis Perkins - We think there may be a personal guarantee by M.Al-Najar from a long time ago. (checking this and will advise asap).
- (3) Checking if all invoices should be attributed to PHL or if some should be deducted following email exchange with administrators.
- (4) Need to remove some of the invoices raised with PHL associated with plots 4 and 5.
- (5) I am aware that there are a number of Baggi services (accountant) invoices outstanding / to follow - amount tbc.

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No of shares held	Nominal Value	Details of Shares held
M Challab	12 Street 10 Al-Munawar, Baghdad Iraq correspondence address: c/o Julie Al-Sayid, Broadacre, High St. Havertham, Huntingdon PE14 7DX	100%	£100	100 Shares @ £1 each
TOTALS				

Julie Al-Sayid

Signature

Date

9/5/17

Appendix D

Time Analysis for the Period from 24 April 2017 to 13 June 2017

Time Entry - Detailed SIP9 Time & Cost Summary

PREST002 - Prestige Homes Limited
From: 24/04/2017 To: 13/08/2017
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 : Administration & Planning	0.00	11.80	6.40	0.00	18.00	5,830.00	312.78
101 : Case planning	0.00	1.90	2.20	0.00	4.10	1,215.00	296.34
102 : Administrative set-up	0.00	0.00	9.50	0.80	10.10	2,459.00	243.47
103 : Appointment notification	0.00	0.00	1.40	0.00	1.40	360.00	250.00
104 : Maintenance of records	0.00	0.00	1.10	0.00	1.10	275.00	250.00
112 : Dealing with Existing Advisors	0.00	0.00	1.40	0.00	1.40	350.00	250.00
113 : Dealing with Directors	5.80	12.50	10.30	0.00	28.40	10,000.00	353.17
115 : Insurance	0.00	0.00	3.90	0.00	3.90	975.00	250.00
120 : General Correspondence	0.00	0.80	0.00	0.00	0.80	280.00	350.00
122 : Peer Review and Signing	0.00	0.30	0.00	0.00	0.30	105.00	350.00
136 : Admin - Month 1 Review	0.00	0.00	2.40	0.00	2.40	600.00	250.00
141 : Admin - Case Specific Review	0.00	0.00	0.30	0.00	0.30	75.00	250.00
148 : Admin - P49 Report	0.00	0.00	24.20	0.00	24.20	6,060.00	250.00
159 : Admin - Appointment Holder VAT426427/833	0.00	2.10	0.00	0.00	2.10	735.00	350.00
180 : Bonding - Initial Bond Calculation	0.00	0.10	0.00	0.00	0.10	35.00	350.00
181 : Bonding - Bond Review	0.00	0.00	0.90	0.00	0.90	225.00	250.00
188 : Cashier - VAT 426427/833	0.00	0.00	0.80	0.00	0.80	150.00	250.00
Administration & Planning	5.80	29.30	64.80	0.80	100.10	29,539.00	295.09
500 : Creditors	0.20	0.90	5.20	0.00	6.30	2,475.00	266.13
501 : Communication with creditors	0.00	0.00	8.30	0.00	8.30	1,982.50	238.45
508 : Secured Creditors	21.70	8.50	6.40	0.00	36.60	16,510.00	451.09
Creditors	21.90	9.40	22.90	0.00	54.20	29,947.50	368.49
205 : General Investigations	0.00	0.00	4.00	0.00	4.00	1,000.00	250.00
Investigations	0.00	0.00	4.00	0.00	4.00	1,000.00	250.00
300 : Realisation of assets	0.40	9.50	0.30	0.00	10.20	3,820.00	354.90
301 : Ident, securing and insuring assets	0.00	2.90	0.00	0.00	2.90	1,015.00	350.00
303 : Debt collection	1.20	0.00	0.80	0.00	2.00	860.00	430.00
304 : Sale of business and assets	0.90	0.00	0.00	0.00	0.90	485.00	550.00
311 : Agents - Realisation of Assets	0.00	3.50	6.60	0.00	10.10	2,875.00	284.65
312 : Legal - Realisation of Assets	0.00	10.50	5.50	0.00	16.00	5,050.00	315.63
315 : Freehold Land & Property	40.80	0.00	44.80	0.00	85.40	33,580.00	393.33
316 : Leasehold Land & Property	0.00	0.00	1.30	0.00	1.30	325.00	250.00
317 : Leases/Licences	0.00	0.00	1.10	0.00	1.10	275.00	250.00
Realisations of Assets	43.30	26.40	66.20	0.00	129.90	48,105.00	370.32
Total Hours	78.90	65.10	181.70	0.80	298.20	99,591.50	345.86
Total Fees Claimed					0.00		

Appendix E

Additional Information in Relation to Joint Administrators' Fees

Fee Basis

The Joint Administrators are seeking to agree the basis of their remuneration in this case as time properly spent by them and their staff in dealing with the affairs of the Company. My fees estimate and details of the work we propose to undertake in the Administration will be sent to the secured creditors in due course for approval and further details on my fee estimate will be included in my next report. Information about the work done to date can be found in the body of the Joint Administrators' Report and Statement of Proposals.

Where a time cost basis is being sought, the Joint Administrators' fee estimate will provide details of the rates the Joint Administrators and their staff propose to charge for each part of that work and the time they anticipate each part of that work will take.

The fees estimate is based on information about the Company's affairs available to the Joint Administrators at the present time. Should any matters arise which impact on this estimate, such as additional investigatory matters or potential realisable assets, further time or cost will be incurred and it may be necessary to revise the Joint Administrators' estimate of fees.

Expenses

Below is a table which outlines the expenses that we consider at this stage will be, or are likely to be, incurred in dealing with the Company's affairs. We will provide an update to creditors in my future progress reports.

Expense	Provider	Basis of fee arrangement	Cost to date £
Agent's costs in dealing with property/chattel asset sales	McPartland and Gifford	Time costs	76209.00
Solicitors' costs in dealing with sale of property and property issues/ antecedent transactions/ compliance issues	JMW Law LLP	Time costs	26005.50
Statutory advertising	London Gazette	Cost per advert	58.25
Joint Administrator's bond	AUA Insolvency Risk Services Limited	Fixed rate cost	81.59
Property Insurance	AUA Insolvency Risk Services Limited	Cost based upon assets insured	6543.08
Land Registry Searches	HM Land Registry	Fixed cost per search	53.00
Staff related travel expenses	Direct cost of Administrator and staff	Direct cost	211.24

Staff Allocation and the Use of Sub-Contractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Where the basis of the Joint Administrators' remuneration is being proposed on a time cost basis, details of our current charge-out rates can be found below. We are not proposing to utilise the services of any sub-contractors in this case.

Joint Administrators' Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. Any Category 1 disbursements we anticipate being incurred in this case are included in the table of expenses above.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

We would advise that the following Category 2 disbursements are currently charged by this firm:

Type and purpose	
Photocopying	15p per sheet
Letterhead	12p per sheet
Fax	40p per sheet
Mileage	65p per mile
Meeting Room	£50
Registered Office Fee	£60 per annum
Document Storage	Storage charge of £3 per box per quarter

Separate approval will be sought for the authorisation of this firm's Category 2 disbursements from creditors.

Charge-out Rates

A schedule of Harrisons Business Recovery and Insolvency Limited charge-out rates for this assignment effective from 1 July in each period is shown below. Please note this firm records its time in minimum units of six minutes.

	2015/2016	2016/2017
	£	£
Directors	305 – 550	305 – 550
Managers	250 – 350	250 – 350
Senior Case Supervisors	175 – 250	175 – 250
Case Supervisors	125 – 205	125 – 205
Assistants/Trainee Case Supervisors	100 – 150	100 – 150

Harrisons Business Recovery and Insolvency Limited Fee Policy

1. Charge out rates and policy regarding staff allocation, support staff, the use of subcontractors and the recharge of disbursements.

The following information relating to the policy of Harrisons Business Recovery and Insolvency Limited is considered to be relevant: -

2. Charge out rates

The following hourly charge out rates apply to all assignments undertaken by Harrisons Business Recovery and Insolvency Limited. Please note that the charge-out rates are effective from 1 July in each period:-

	2015/2016	2016/2017
	£	£
Directors	305 – 550	305 – 550
Managers	250 – 350	250 – 350
Senior Case Supervisors	175 – 250	175 – 250
Case Supervisors	125 – 205	125 – 205
Assistants/Trainee Case Supervisors	100 – 150	100 – 150

Please note that Harrisons Business Recovery and Insolvency Limited records its time in minimum units of 6 minutes.

Creditors Guide to Fees can be accessed at [www.icaew.co.uk/en/technical/insolvency/creditor-guides-or-
www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees](http://www.icaew.co.uk/en/technical/insolvency/creditor-guides-or-www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees)

3. Staff allocation, support staff & the use of subcontractors

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is charged. Details of any subcontractor(s) used are given in the attached report.

4. Professional advisors

Details of any professional advisor(s) used are given in the attached report. Unless otherwise indicated the fee arrangement for each will be based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors will be based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographical location.

5. Disbursements

Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as "category 1 disbursements". Category 1 disbursements will generally comprise supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses. Included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Where we propose to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by us) they must be disclosed and be authorised by those responsible for approving the insolvency practitioners' remuneration. Such expenditure is referred to as a "category 2 disbursement". The following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:-

Photocopying	15p a sheet
Letterhead	12p a sheet
Fax	40p a sheet
Mileage	65p per mile
Meeting Room	£50
Registered Office Fee	£60 per annum
Document Storage	Storage charge of £3 per box per quarter

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

ENGLAND AND WALES

1 Introduction

- 1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive..

2 The nature of administration

- 2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,

or, if the administrator thinks neither of these objectives is reasonably practicable

- realising property in order to make a distribution to secured or preferential creditors.

3 The creditors' committee

- 3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

4 Fixing the administrator's remuneration

4.1 Basis

The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed:

- as a percentage of the value of the property which the administrator has to deal with,
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration, or
- as a set amount.

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the administrator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the administrator.

4.2 Advance information where remuneration not based on time costs

Prior to the determination of the basis of remuneration, the administrator must give the creditors details of the work the administrator proposes to undertake, and the expenses he considers will be, or are likely to be, incurred. However, where the administrator proposes to take any part or all of his remuneration on a time cost basis, he must provide more detailed information in the form of a 'fees estimate', as explained below.

4.3 Fees estimates where remuneration to be based on time costs

Where the administrator proposes to take remuneration based on time costs, he must first provide the creditors with detailed information in the form of a 'fees estimate'. A fees estimate is a written estimate that specifies –

- details of the work the administrator and his staff propose to undertake;
- the hourly rate or rates the administrator and his staff propose to charge for each part of that work;
- the time the administrator anticipates each part of that work will take;
- whether the administrator anticipates it will be necessary to seek approval or further approval under the Rules; and
- the reasons it will be necessary to seek such approval.

In addition, the administrator must give the creditors details of the expenses he considers will be, or are likely to be, incurred.

The fees estimate and details of expenses may include remuneration anticipated to be charged and expenses anticipated to be incurred if the administrator becomes the liquidator where the administration moves into winding up.

4.4 Who fixes the remuneration

It is for the creditors' committee (if there is one) to determine on which bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the committee to determine the percentage or percentages to be applied, and where it is a set amount, to determine that amount. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property which the administrator has to deal with.

- 4.5 If there is no creditors' committee, or the committee does not make the requisite determination (and provided the circumstances described in paragraph 4.3 do not apply), the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as apply in the case of the committee. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator, but the administrator may not make such an application unless he has first tried to get his remuneration fixed by the committee or

creditors as described above, and in any case not later than 18 months after his appointment.

- 4.6 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets.

In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of –

- each secured creditor of the company; or
- if the administrator has made or intends to make a distribution to preferential creditors –
 - each secured creditor of the company; and
 - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval,

having regard to the same matters as the committee would.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

- 4.7 A resolution of creditors may be obtained by correspondence.

5. Review of remuneration

- 5.1 Where there has been a material and substantial change in circumstances since the basis of the administrator's remuneration was fixed, the administrator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

6. Approval of pre-administration costs

- 6.1 Sometimes the administrator may need to seek approval for the payment of costs in connection with preparatory work incurred before the company went into administration but which remain unpaid. Such costs may relate to work done either by the administrator or by another insolvency practitioner. Disclosure of such costs must be included in the administrator's proposals and should follow the principles and standards set out in section 7.
- 6.2 Where there is a creditors' committee, it is for the committee to determine whether, and to what extent, such costs should be approved for payment. If there is no committee or the committee does not make the necessary determination, or if it does but the administrator, or other insolvency practitioner who has incurred pre-administration costs, considers the amount agreed to be insufficient, approval may be given by a meeting of creditors. Where the circumstances described in paragraph 4.3 apply, the determination may be made by the same creditors as approve the administrator's remuneration.
- 6.3 The administrator must convene a meeting of the committee or the creditors for the purposes of approving the payment of pre-administration costs if requested to do so by another insolvency practitioner who has incurred such costs. If there is no determination under these provisions, or if there is but the administrator or other insolvency practitioner considers the amount agreed to be insufficient, the administrator may apply to the court for a determination.

7 What information should be provided by the administrator?

7.1 General principles

7.1.1 The administrator should provide those responsible for approving his remuneration with sufficient information to enable them to make an informed judgement about the reasonableness of the administrator's request. The information should be presented in a manner which is transparent, consistent throughout the life of the case and useful to creditors, while being proportionate to the circumstances of the case.

7.1.2 The administrator should disclose:

- payments, remuneration and expenses arising from the administration paid to the administrator or his or her associates;
- any business or personal relationships with parties responsible for approving the administrator's remuneration or who provide services to the administrator in respect of the insolvency appointment where the relationship could give rise to a conflict of interest.

The administrator should inform creditors of their rights under insolvency legislation, and should advise them how they may access suitable information setting out their rights within the first communication with them and in each subsequent report.

7.1.3 Where the administrator sub-contracts out work that could otherwise be carried out by the administrator or his or her staff, this should be drawn to the attention of creditors with an explanation of why it is being done.

7.2 Key issues

7.2.1 The key issues of concern to those with a financial interest in the level of payments from the insolvency estate will commonly be:

- the work the administrator anticipates will be done, and why that work is necessary;
- the anticipated cost of that work, including any expenses expected to be incurred in connection with it;
- whether it is anticipated that the work will provide a financial benefit to creditors, and if so what benefit (or if the work provided no direct financial benefit, but was required by statute);
- the work actually done and why that work was necessary;
- the actual costs of the work, including any expenses incurred in connection with it, as against any estimate provided;
- whether the work has provided a financial benefit to creditors, and if so what benefit (or if the work provided no direct financial benefit, but was required by statute).

When providing information about payments, fees and expenses, the administrator should do so in a way which facilitates clarity of understanding of these key issues. Narrative explanations should be provided to support any numerical information supplied. Where it is practical to do so, the administrator should provide an indication of the likely return to creditors when seeking approval for the basis of his remuneration.

7.2.2 When approval for a fixed amount or a percentage basis is sought, the administrator should explain why the basis requested is expected to produce a fair and reasonable reflection of the work that the administrator anticipates will be undertaken.

7.3 Fee estimates and subsequent reports

- 7.3.1 When providing a fee estimate, the administrator should supply that information in sufficient time to facilitate that body making an informed judgement about the reasonableness of the administrator's requests. The estimate should clearly describe what activities are anticipated to be conducted in respect of the estimated fee. When subsequently reporting to creditors, the actual hours and average rate (or rates) of the costs charged for each activity should be provided for comparison.

7.4 Disbursements

- 7.4.1 Costs met by and reimbursed to the administrator in connection with the administration will fall into two categories:

- Category 1 disbursements: These are payments to independent third parties where there is specific expenditure directly referable to the administration. Category 1 disbursements can be drawn without prior approval, although the administrator should be prepared to disclose information about them in the same way as any other expenses.
- Category 2 disbursements: These are costs that are directly referable to the administration but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the administrator or their firm, and that can be allocated to the administration on a proper and reasonable basis.

When seeking approval, the administrator should explain, for each category of cost, the basis on which the charge is being made. If the administrator has obtained approval for the basis of Category 2 disbursements, that basis may continue to be used in a sequential appointment where further approval of the basis of remuneration is not required, or where the administrator is replaced.

- 7.4.2 The following are not permissible as disbursements:

- a charge calculated as a percentage of remuneration;
- an administration fee or charge additional to the administrator's remuneration;
- recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges.

8. Exceeding the amount set out in the fees estimate

Remuneration must not exceed the fees estimate without approval by the body which fixed the original basis of the remuneration. The request for approval must specify –

- the reason why the administrator has exceeded, or is likely to exceed, the fees estimate;
- the additional work the administrator has undertaken or proposes to undertake;
- the hourly rate or rates the administrator proposes to charge for each part of that additional work;
- the time that additional work has taken or the administrator anticipates that work will take;
- whether the administrator anticipates that it will be necessary to seek further approval; and
- the reasons it will be necessary to seek further approval.

9 Progress reports and requests for further information

- 9.1 The administrator is required to send a progress report to creditors at 6-monthly intervals. The report must include:

- details of the basis fixed for the remuneration of the administrator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it);
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report);
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report;
- a statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was actually made during that period;
- where appropriate, a statement –
 - that the remuneration anticipated to be charged is likely to exceed the fees estimate or any approval given for remuneration exceeding the estimate;
 - that expenses incurred or anticipated to be incurred are likely to exceed, or have exceeded, the details given to the creditors prior to the determination of the basis of remuneration; and
 - the reason for that excess.
- the remuneration anticipated to be charged is likely to exceed the fees estimate or any approval given for remuneration exceeding the estimate;
- the expenses incurred or anticipated to be incurred are likely to exceed, or have exceeded, the details given to the creditors prior to the determination of the basis of remuneration; and
- the reasons for that excess;
- the date of approval of any pre-administration costs and the amount approved;
- a statement of the creditors' rights to request further information, as explained in paragraph 8.2, and their right to challenge the administrator's remuneration and expenses.

9.2 Within 21 days of receipt of a progress report a creditor may request the administrator to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

9.3 The administrator must provide the requested information within 14 days, unless he considers that:

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the administration or might be expected to lead to violence against any person, or
- the administrator is subject to an obligation of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information.

Any creditor may apply to the court within 21 days of the administrator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information.

10. Provision of information – additional requirements

The administrator must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is –

- the total number of hours spent on the case by the administrator or staff assigned to the case;
- for each grade of staff, the average hourly rate at which they are charged out;
- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office.

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office.

11 What if a creditor is dissatisfied?

- 11.1 If a creditor believes that the administrator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the administrator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court.
- 11.2 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 8.1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing.
- 11.3 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the administration.

12 What if the administrator is dissatisfied?

- 12.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

13 Other matters relating to remuneration

- 13.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.

- 13.2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.
- 13.3 If a new administrator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new administrator until a further determination, resolution or court order is made.
- 13.4 Where the basis of the remuneration is a set amount, and the administrator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing administrator. The application must be made to the same body as approved the remuneration. Where the outgoing administrator and the incoming administrator are from the same firm, they will usually agree the apportionment between them.

14. Effective date

This guide applies where a company enters administration on or after 1 October 2015.

Appendix

Suggested format for the provision of information

Professional guidance issued to insolvency practitioners sets out the following suggested format for the provision of information when seeking approval of remuneration. However, the level of disclosure suggested below may not be appropriate in all cases, and will be subject to considerations of proportionality. In larger or more complex cases the circumstances of each case may dictate the information provided and its format.

Narrative overview of the case

In all cases, reports on remuneration should provide a narrative overview of the case. Matters relevant to an overview are:

- the complexity of the case;
- any exceptional responsibility falling on the administrator;
- the administrator's effectiveness;
- the value and nature of the property in question.

The information provided will depend upon the basis or bases being sought or reported upon, and the stage at which it is being provided. An overview might include:

- an explanation of the nature, and the administrator's own initial assessment, of the assignment (including the anticipated return to creditors) and the outcome (if known);
- initial views on how the assignment was to be handled, including decisions on staffing or subcontracting and the appointment of advisers;
- any significant aspects of the case, particularly those that affect the remuneration and cost expended;
- the reasons for subsequent changes in strategy;
- the steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, and fee drawing;
- any existing agreement about remuneration;
- details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees;
- in a larger case, particularly if it involved trading, considerations about staffing and managing the assignment and how strategy was set and reviewed;
- details of work undertaken during the period;
- any additional value brought to the estate during the period, for which the administrator wishes to claim increased remuneration.

Time cost basis

Where any part of the remuneration is or is proposed to be calculated on a time costs basis, requests for and reports on remuneration should provide:

- An explanation of the administrator's time charging policy, clearly stating the units of time that have been used, the grades of staff and rates that have been charged to the assignment, and the policy for recovering the cost of support staff. There is an expectation that time will be recorded in units of not greater than 6 minutes.
- A description of work carried out, which might include:
 - details of work undertaken during the period, related to the table of time spent for the period;
 - an explanation of the grades of staff used to undertake the different tasks carried out and the reasons why it was appropriate for those grades to be used;
 - any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- Time spent and charge-out summaries, in an appropriate format.

It is useful to provide time spent and charge-out value information in a tabular form for each of the time periods reported upon, with work classified (and sub-divided) in a way relevant to the circumstances of the case

The following areas of activity are suggested as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The level of disclosure suggested above will not be appropriate in all cases, and considerations of proportionality will apply:

- where cumulative time costs are, and are expected to be, less than £10,000 the administrator should, as a minimum, state the number of hours and average rate per hour and explain any unusual features of the case;
- where cumulative time costs are, or are expected to be, between £10,000 and £50,000, a time and charge-out summary similar to that shown above will usually provide the appropriate level of detail (subject to the explanation of any unusual features);
- where cumulative time costs exceed, or are expected to exceed, £50,000, further and more detailed analysis or explanation will be warranted.