

**2.17B**

The Insolvency Act 1986

**Statement of administrator's proposals**

Name of Company Kingsland Estates (Leicester) Limited	Company number 03899696
In the High Court of Justice (full name of court)	Court case number 6675/2016

(a) Insert full name(s) and address(es) of administrator(s)

I/We (a)  
Arron Kendall  
Moorfields Corporate Recovery Limited  
88 Wood Street  
London  
EC2V 7QF

Simon Thomas  
Moorfields Corporate Recovery Limited  
88 Wood Street  
London  
EC2V 7QF

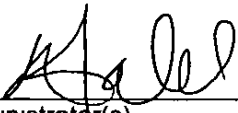
\*Delete as applicable

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) 9 December 2016

Signed

  
Joint Administrator(s)

Dated

8/12/16

**Contact Details:**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

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

Arron Kendall  
Moorfields  
88 Wood Street  
London  
EC2V 7QF

DX Number

0207 186 1144  
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at -  
**Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff**

SATURDAY



\*A5LK3QJ7\*

A10 10/12/2016 #363  
COMPANIES HOUSE

**Administrator's Proposals relating to  
Kingsland Estates (Leicester) Limited – In Administration  
("the Company")**

**Issued on: 7 December 2016**

Simon Thomas and I are the Joint Administrators of the Company and these are our statutory proposals relating to the Company

## 1. STATUTORY INFORMATION

Statutory information relating to the Company is attached at Appendix1

## 2 CIRCUMSTANCES LEADING TO THE APPOINTMENT OF THE ADMINISTRATORS

The Company was formed and incorporated on 24 December 1999 in order to purchase and lease the Company's property assets, being freehold property situated in Market Place, Leicester and Port Street, Stirling

A summary of the Company's recent trading performance is shown below

	<b>Mgmt Accts</b> <b>01/01/2016 to 17/10/2016</b> <b>£</b>
Turnover	126,519 25
Cost of Sales	(903 12)
Gross Profit	125,616 13
<i>Gross Profit %</i>	99 29%
Overheads	(115,713 71)
Net Profit/Loss after tax	9,902 42

It should be noted that the management accounts have not been verified for accuracy and therefore may not reflect the Company's true trading position

On 23 November 2005, the Company granted a fixed and floating charge to Norwich Union Mortgage Finance Limited ("NUMF") in relation to a loan facility that NUMF had agreed to provide in order for the purchase of the Company's assets to take place

The debt was subsequently assigned to LSREF IV Churchill Investment DAC ("LSREF") pursuant to a Trustee and Security Transfer Agreement dated 15 October 2015

At the beginning of 2016 the Company defaulted on the debt due to LSREF due to the fact that one of the tenants in the property in Leicester vacated and the inability to locate a new tenant to increase income. In addition, the Company failed to agree to a consensual repayment plan with LSREF

On 17 October, 2016 Simon Thomas and I were appointed by LSREF as Joint Administrators of the Company and took over from the Board responsibility for the management of the affairs, business and property of the Company. The appointment permitted the Joint Administrators to take any actions required either jointly or alone, and I have been the Administrator primarily involved in dealing with the Company's affairs

## 3. OBJECTIVES OF THE ADMINISTRATION AND THE ADMINISTRATORS' STRATEGY FOR ACHIEVING THEM

As Administrator of the Company I am an officer of the Court, and I must perform my duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration, which is to achieve one of the three objectives set out in the insolvency legislation, namely to -

- (a) rescue the Company as a going concern, or
- (b) 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), or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors

Due to the level of debt owed by the Company it will not be possible to achieve the first objective

The Administrators will seek to achieve objective (b) by continuing to operate the properties and collecting rent to enable a distribution by virtue of the prescribed part from floating charge realisations

The insolvency legislation has set a 12 month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If I am unable to complete the Administration of the Company within 12 months then I will either apply to the Court, or hold a meeting of creditors in order to seek approval to extending the duration of the Administration

#### **4. ACTIONS OF THE ADMINISTRATORS FOLLOWING APPOINTMENT**

Notice of the Administrators appointment has been served on all relevant parties and I have sought to ensure that the assets are covered sufficiently by an insurer

Cushman & Wakefield, the agents who were engaged by the Company prior to my appointment, have been retained in order to find a new tenant for the empty unit situated at Market Place, Leicester

##### Managing Agents

Management of the properties has been dealt with by the director. We are liaising with the director with regards the ongoing management of the units in Leicester and Stirling to ensure all monies due pursuant to the terms of the lease are paid in full and any property issues dealt with accordingly

##### Marketing of the business and assets

No marketing campaign has been undertaken, nor have agents been instructed to commence the marketing process

##### Valuation of the business and assets

No formal valuation has been carried out at this stage. It is anticipated this will be undertaken as part of the formal marketing process in due course

#### **5. FINANCIAL POSITION OF THE COMPANY**

I have asked the directors to prepare a summary of the Company's estimated financial position as at 17 October 2016, which is known as a Statement of Affairs, but this has not yet been received

In the absence of a Statement of Affairs I have prepared an estimate of the financial position of the Company as at 17 October 2016 from the records of the Company and that is attached at Appendix 2, together with a list of names and addresses of all known creditors and the amounts of their debts

## **Comments on the Statement of Affairs/Administrators' estimate of the financial position of the Company**

### **Freehold land and buildings**

The Company's land and buildings are valued in the Company's balance sheet at £3,177,000. The properties in both Leicester and Stirling are retail units and currently generate annual rental income of £150,500.

### **Debtors**

There is evidence from the financial information provided that monies in the sum of £423,858 are owed by an associated company. The Administrators will pursue payment of these debts.

### **Preferential creditors**

The Company has no employees and therefore does not have any preferential creditors.

### **Prescribed part**

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property". A Company's net property is that left after paying the preferential creditors and the costs and expenses of the administration, but before paying the lender who holds a floating charge. An Administrator has to set aside

50% of the first £10,000 of the net property, and  
20% of the remaining net property up to a maximum of £600,000.

The Company gave a fixed and floating charge to NUMF on 23 November 2005, which was subsequently assigned to LSREF. The prescribed part provisions will therefore apply. The Joint Administrators' estimate of the financial position of the Company indicates that the net property of the Company is likely to be minimal.

## **6. ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

I attach a summary of the receipts and payments relating to the Company for the period from when it entered Administration, 17 October 2016, to the date of these proposals, at Appendix 3.

## **7. PROPOSED FUTURE ACTIONS OF THE ADMINISTRATORS TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATION**

In order to achieve the objective of the Administration of the Company I propose to seek a tenant for the vacant unit, prior to instructing an agent to market the properties for sale in order to maximise returns to the secured creditor.

## **8. ADMINISTRATORS' REMUNERATION AND EXPENSES**

I attach at Appendix 4 a copy of my practice fee recovery policy. In this case I am seeking to fix the basis of my remuneration with the secured creditor as detailed below:

- £10,000 set up fee
- £2,500 quarterly fee per property
- Sale fee of £4,000 per property
- 15% of any additional realisations

There are certain tasks that I have to carry out on nearly every Administration. Although they are required by statute or regulatory guidance, or are necessary for the orderly conduct of the

proceedings, they do not produce any direct benefit for creditors, but still have to be carried out. I have reviewed our past time records and after taking into account the complexity of the Administration, concluded that the initial set up fee of £10,000 is sufficient to cover this work. I believe that this demonstrates why the fixed fee is expected to produce an appropriate, reasonable and commensurate reflection of the work that I anticipate will be necessarily and properly undertaken. Please note that the list includes generic tasks that may not be necessary every time, but arise in a typical case and are expected to be necessary in this case. If any one task is not required it would not make a material difference to the amount of work done for which approval of the fixed fee is being sought.

#### *Realisation of assets*

- Arranging suitable insurance over assets
- Regularly monitoring the suitability and appropriateness of the insurance cover in place
- Corresponding with debtors and attempting to collect outstanding book debts
- Liaising with the bank regarding the closure of the account
- Instructing agents to value known assets
- Liaising with agents to realise known assets
- Instructing solicitors to assist in the realisation of assets

#### *Creditors*

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims
- Maintaining up to date creditor information on the case management system
- Dealing with unsecured creditor claims and proofs of debts
- Issuing a notice of intended dividend and placing an appropriate gazette notice
- Holding creditor committee meetings and regular reporting to the committee

#### *Investigations*

- Investigation of potential claims involving antecedent transactions
- Obtaining and reviewing company accounts and records
- Obtaining and reviewing company bank statements
- Interviewing and questioning the director and their associates
- Land Registry and Companies House searches
- Internet and social media searches

#### *Case specific matters*

- Legal matters including instructing solicitors and obtaining counsel opinion
- Obtaining specialist third party advice when required

I anticipate needing to seek approval to exceed the estimate if this work leads to further areas of investigation, potential further asset recoveries and any associated action, such as arbitration or legal proceedings.

I also propose that we are permitted to charge what are known as category 2 expenses. Information about category 2 expenses is set out in Appendix 4.

A meeting of creditors is not being held as the Company's financial position means there are insufficient assets to pay a dividend to non-preferential unsecured creditors other than by virtue of the prescribed part. The purpose of the Administration of the Company is to achieve objective (b), that 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).

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be

approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice/e-and-w/sip-9-list>. Alternatively, a hard copy may be requested from Greg Lishak of Moorfields. Please note that we have provided further details in the practice fee recovery sheet.

I have incurred total expenses of £1,644.37 since my appointment as Administrator. I have not been able to draw any expenses in this matter.

I have incurred the following expenses since my appointment as Administrator:

Type of expense	Amount incurred since appointment
Planning Application Fee	£385.00
Planning Consultant Fee	£1,140.00
Statutory Advertising	£84.60
Bonding	£30.00
Postage	£4.77

I have not incurred any category 2 disbursements since my appointment as Administrator.

I have used the following agents or professional advisors since my appointment as Administrator:

Professional Advisor	Nature of Work	Basis of Fees
Stephenson Harwood LLP	Solicitors - Appointment	£5,000 fixed fee
Cushman & Wakefield	Letting Agent	10% of rent agreed

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them.

## **9. PRE-APPOINTMENT FEES AND EXPENSES**

Please note that the Administrators will not be recovering any costs incurred prior to their appointment.

## **10. ADMINISTRATORS' INVESTIGATIONS**

I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

## **11. EC REGULATION ON INSOLVENCY PROCEEDINGS**

I consider that the EC regulation on insolvency proceedings apply to the Administration of the Company. I also consider that they are "main" proceedings since the Company's registered office is in the United Kingdom.

## **12. ADMINISTRATOR'S PROPOSALS**

In order to achieve the objective set out at section 3 above, we formally propose to creditors that:

- (a) We continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that we
  - (i) sell the Company's assets at such time on such terms as we consider appropriate,
  - (ii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company, and
  - (iii) do all such things and generally exercise all their powers as Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (b) the Administration of the Company will end by filing notice of dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar of Companies three months after the notice is registered
- (c) the Administration will end by the presentation of a winding up petition to the Court for the compulsory liquidation of the Company, and propose that Simon Thomas and I, Arron Kendall are appointed Joint Liquidators of the Company by the Court

### **13 APPROVAL OF PROPOSALS**

Since the company's financial position means it has insufficient assets to pay a dividend to non-preferential unsecured creditors, it is not a statutory requirement to hold a meeting of creditors. Accordingly, we do not intend to do so.

However, creditors whose debts amount to at least 10% of the total debts of the company can require that a meeting of creditors is convened. Such a request must be made on Form 2.21B within 8 business days from the date of these proposals. If creditors do not require us to convene a meeting of creditors within that time period, then these proposals will be deemed to have been approved.

### **14 FURTHER INFORMATION**

If creditors or members have any queries regarding the proposals or the conduct of the Administration in general, they should contact on Greg Lishak on 0207 186 1165.

At Moorfields we always strive to provide a professional and efficient service, however we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. If you should have cause to complain about the way that we are acting, you should, in the first instance, put details of your complaint in writing to our complaints officer Mrs S Colledge. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, or you may email [ip.complaints@insolvency.gov.uk](mailto:ip.complaints@insolvency.gov.uk), or you may phone 0845 602 9848 - calls are charged at between 1p and 10.5p per minute from a land line, for mobiles, between 12p and 41p per minute if you're calling from the UK.





Yours faithfully  
For and on behalf of  
Kingsland Estates (Leicester) Limited

**Arron Kendall**  
**Joint Administrator**

**Arron Kendall and Simon Thomas of Moorfields, 88 Wood Street, London, EC2V 7QF were appointed Joint Administrators on 17 October 2016. The Administrators now manage the affairs, business and property of the Company. The Administrators act as agents only and without personal liability.**

## **Appendix 1 – Statutory information**

### **Company information**

Company name Kingsland Estates (Leicester) Limited

Previous name n/a

Company number 03899696

Date of incorporation 24 December 1999

Trading address 90 Lillie Road, London, SW6 7SR

Current registered office 88 Wood Street, London, EC2V 7QF

Former registered office 90 Lillie Road, London, SW6 7SR

Principal trading activity Buying and selling real estate

### **Appointment details**

Date of appointment 17 October 2016

Appointment made by LSREF IV Churchill Investments DAC

Court name and reference High Court of Justice Number 6675 of 2016

Administrators appointed Arron Kendall & Simon Thomas (IP No's 16050&8920)

### **Officers of the Company**

**Director:** Jeremy Dyer

**Company Secretary.** Sophie Dyer

### **Share capital**

100 ordinary shares of £1 each owned by Kingsland Estates Limited

Insolvency Act 1986

Kingsland Estates (Leicester) Limited  
Estimated Statement Of Affairs as at 17 October 2016

	Book Value £	Estimated to Realise £	£
<b>ASSETS</b>			
Freehold Land & Property	1,200,000 00	1,200,000 00	
Chargeholder (1)		(3,376,420 08)	
Deficiency c/d		<u>(2,176,420 08)</u>	
Book Debts	423,857 97		<u>423,857 97</u>
			423,857 97
<b>LIABILITIES</b>			
<b>PREFERENTIAL CREDITORS -</b>			
			<u>NIL</u>
			423,857 97
<b>DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003</b>			
<b>OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS</b>			
			<u>NIL</u>
			423,857 97
Estimated prescribed part of net property where applicable (to carry forward)			<u>87,771 59</u>
			336,086 38
<b>DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003</b>			
Deficiency b/d		2,176,420 08	
			<u>2,176,420 08</u>
			<u>(1,840,333 70)</u>
Estimated prescribed part of net property where applicable (brought down)			<u>87,771 59</u>
			87,771 59
<b>Unsecured non-preferential claims (excluding any shortfall to floating charge holders)</b>			
Trade & Expense Creditors		<u>10,628 18</u>	
			<u>10,628 18</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F C's post 14 September 2003)			77,143 41
Shortfall in respect of F C's post 14 September 2003 (brought down)			<u>1,840,333 70</u>
			<u>(1,763,190 29)</u>
Issued and called up capital			
Ordinary Shareholders		100 00	
			<u>100 00</u>
<b>TOTAL SURPLUS/(DEFICIENCY)</b>			<u><u>(1,763,290 29)</u></u>

**Kingsland Estates (Leicester) Limited**  
**(In Administration)**  
**s' Abstract of Receipts & Payments**

Statement of Affairs		From 17/10/2016 To 24/11/2016	From 17/10/2016 To 24/11/2016
	<b>SECURED ASSETS</b>		
1,200,000 00	Freehold Land & Property	<u>NIL</u> NIL	<u>NIL</u> NIL
	<b>SECURED CREDITORS</b>		
(3,376,420 08)	Chargeholder (1)	<u>NIL</u> NIL	<u>NIL</u> NIL
	<b>UNSECURED CREDITORS</b>		
(10,628 18)	Trade & Expense Creditors	<u>NIL</u> NIL	<u>NIL</u> NIL
	<b>DISTRIBUTIONS</b>		
(100 00)	Ordinary Shareholders	<u>NIL</u> NIL	<u>NIL</u> NIL
<b>(2,187,148.26)</b>		<u><b>NIL</b></u>	<u><b>NIL</b></u>
REPRESENTED BY			<u><b>NIL</b></u>



Arron Kendall

**Moorfields**  
**Statement of Policy on Charging Remuneration and Disbursements January**  
**2016**

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

The Partners will engage managers and other staff to work on the insolvent estate and statutory compliance diaries. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the estate's bank accounts. Work carried out by all staff is subject to the overall supervision of the Partners.

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

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

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

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

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

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

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

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

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

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

## **OTHER COSTS**

In accordance with Statement of Insolvency Practice No 9, where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories

### **Category 1 Disbursements**

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

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

### **Category 2 Disbursements**

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

The following Category 2 disbursements are currently charged by this firm

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

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