

Liquidator's Progress Report

S.192

Pursuant to Sections 92A, 104A and 192 of the Insolvency Act 1986

To the Registrar of Companies

Company Number

04339949

Name of Company

(a) Insert full name of company

(a) **Penn House (Bracknell) Limited**

(b) Insert name(s) and address(es) of liquidator(s)

~~W~~We (b) Mark Robert Fry
Begbies Traynor (London) LLP
31st Floor
40 Bank Street
London
E14 5NR

Kirstie Jane Provan
Begbies Traynor (London) LLP
31st Floor
40 Bank Street
London

the Liquidator(s) of the company attach a copy of ~~my~~our Progress Report and statement of receipts and payments under Section 192 of the Insolvency Act 1986

The Progress Report and statement of receipts and payments covers the period from 21 January 2016 to 20 January 2017

Dated

Signed

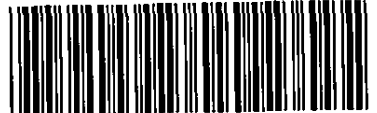
Joint Liquidator

Name in
BLOCK LETTERS

MARK ROBERT FRY

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

PE054CVL
Penn House (Bracknell) Limited
Mark Robert Fry
Begbies Traynor (London) LLP
31st Floor
40 Bank Street
London
E14 5NR

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TUESDAY



Penn House (Bracknell) Limited (In Creditors' Voluntary Liquidation)

Progress report

Period: 21 January 2016 to 20 January 2017

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Penn House (Bracknell) Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 21 January 2011.
"the Liquidators", "we", "our" and "us"	Mark Robert Fry and Kirstie Jane Provan of Begbies Traynor (London) LLP, 31st Floor, 40 Bank Street, London, E14 5NR
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act
"the E&G Group"	Estates & General Limited – in Liquidation ("EGL") Estates & General Properties Limited – in Liquidation Estates & General Developments Limited – in Liquidation Midfair Properties Limited – in Liquidation Penn House (Bracknell) Limited – in Liquidation Site Improvements Limited – in Liquidation Station House (Nominees) Limited – in Liquidation Station House Bracknell Limited – in Liquidation County & Suburban Holdings Limited – in Liquidation
"the Charging Group"	Estates & General Limited – in Liquidation Estates & General Developments Limited – in Liquidation Midfair Properties Limited – in Liquidation Penn House (Bracknell) Limited – in Liquidation Station House (Nominees) Limited – in Liquidation Station House Bracknell Limited – in Liquidation Site Improvements Limited – in Liquidation

2. COMPANY INFORMATION

Trading name(s).	Penn House (Bracknell) Limited
Company registered number	04339949
Company registered office.	31st Floor, 40 Bank Street, London, E14 5NR
Former trading address	5 Wigmore Street, London, W1U 1PB

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	21 January 2011
Date of liquidators' appointment	21 January 2011
Changes in liquidator (if any)	None

4. PROGRESS DURING THE PERIOD

Creditors will recall that the sole asset of the Company is a majority interest in leasehold property at Millennium House, Market Street, Bracknell ("the Property"). On 8 March 2011 fixed charge receivers were appointed over the Property ("Receivers"). The current Receivers are Lee Manning and Nick Edwards of Deloitte LLP

The Company owes significant sums to EGL and its failure was as a result of the failure of the E&G Group generally. Creditors will recall that the liquidator of EGL has been progressing investigations into the affairs of the E&G Group which has resulted in the winding up of the Company taking longer than might otherwise have been expected

Attached at Appendix 1 is our abstract of receipts and payments for the period from 21 January 2016 to 20 January 2017, which shows that there have been no receipts or payments in the liquidation during the reporting period.

What work has been done in the period of the report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorsgroup.com/work-details>. Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only. The Liquidators' previous reports contain the costs of the work undertaken since our appointment.

General case administration and planning

Regular compliance reviews have been carried out in order to ensure that any statutory requirements are being complied with and that the case is being efficiently and effectively progressed.

Whilst the above work is not of a direct financial benefit to creditors, the Liquidators are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case

Compliance with the Insolvency Act, Rules and best practice

During the reporting period the Liquidators, in line with the requirements of the Insolvency Act 1986, have prepared this progress report for circulation to creditors and ensured the case is adequately bonded for.

Whilst the above work is not of a direct financial benefit to creditors, it is a statutory requirement that the Liquidators must adhere to and it is of benefit to creditors as it ensures that they are advised of matters arising and progress within the liquidation

Investigations

The Liquidators are aware that the liquidators of EGL have been progressing their investigations into the affairs of the E&G Group and that a conclusion may soon be reached in that respect, allowing this winding up to be concluded

Realisation of assets

The Liquidators continue to liaise with the other E&G Group liquidators and other stakeholders in this regard

Dealing with all creditors' claims (including employees), correspondence and distributions

There has been minimal activity in respect of creditors' claims, correspondence and distributions at this stage

Other matters which includes meetings, tax, litigation, pensions and travel

There has been minimal activity in respect of meetings, litigation, pensions and travel Corporation Tax returns are completed and submitted annually

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the directors' Estimated Statement of Assets and Liabilities. This statement was included within the report presented to the meeting of creditors and subsequently circulated to creditors.

Secured creditors

Any dividend to secured creditors of the E&G Group will be from realisations of secured assets by the Receivers

In order to consider the interests of the creditors generally, the Liquidators continue to monitor the Receivers' strategy.

Preferential creditors

There are no known preferential claims

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows

- ☐ 50% of the first £10,000 of net property,
- ☐ 20% of net property thereafter,
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

At this stage, the Joint Liquidators are not in a position to estimate the Company's net property and prescribed part, as defined in Section 176A(6) of the Act

Unsecured creditors

Unsecured creditors listed on the director's statement of affairs totalled c£11.8m including an £11.2m liability owed to EGL

6. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act by reference to the time properly given by the Liquidators and the various grades of staff calculated at the prevailing hourly charge out rates of Begbies Traynor (London) LLP in attending to matters arising in the liquidation and the Liquidators are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report

Our time costs for the period 21 January 2016 to 20 January 2017 amount to £1,024 which represents 4.2 hours at an average rate of £243.81 per hour

The following information in relation to our time costs and disbursements is set out at Appendix 2.

- ☐ Table of time spent and charge-out value for the period 21 January 2016 to 20 January 2017

- ❑ Cumulative table of time spent and charge-out value for the period 21 January 2011 to 20 January 2017
- ❑ Begbies Traynor (London) LLP's policy for re-charging disbursements
- ❑ Begbies Traynor (London) LLP's charge out rates

As at the date of this report, the Liquidators have not drawn any remuneration.

Disbursements

To 20 January 2017, the Liquidators have not drawn any disbursements

'A Creditors' Guide to Liquidators Fees (E&W) 2011' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3

8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

Regular compliance reviews will continue to be carried out in order to ensure that any statutory requirements are being complied with and that the case is being efficiently and effectively progressed

Whilst the above work is not of a direct financial benefit to creditors, the Liquidators are required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case.

Compliance with the Insolvency Act, Rules and best practice

The Liquidators, in line with the requirements of the Insolvency Act 1986, continue to produce progress reports including a final report and hold meetings as required. They will also ensure the case is adequately bonded for

Whilst the above work is not of a direct financial benefit to creditors, it is a statutory requirement that the Liquidators must adhere to and it is of benefit to creditors as it ensures that they are advised of matters arising and progress within the liquidation

Investigations

There are no further matters to investigate

Realisation of assets

The Liquidators will continue to liaise with the other E&G Group liquidators and other stakeholders in this regard.

Dealing with all creditors' claims (including employees), correspondence and distributions

In the event of sufficient realisations to warrant a dividend, in line with the requirements of the Insolvency Rules 1986, the Liquidators are required to adjudicate creditors' claims before a distribution can be made

Other matters which includes meetings, tax, litigation, pensions and travel

The Liquidators will continue to file corporation tax returns, and deal with any VAT that arises over the course of the liquidation. The Liquidators will conclude the liquidation and complete all the relevant closure tasks once the winding up is ready to conclude

How much will this further work cost?

The Liquidators' outstanding time costs currently amount to £6,370.50 and they anticipate that their costs for dealing with the above remaining matters will amount to between £500-£1,000

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as follows:

No.	Type of expense	Description	Estimate £
1.	Storage & destruction	Relating to company books and records	200 00
2.	Postage & stationery	For sending of circular letters and notices to the members and creditors of the company	220.00
3	Statutory Advertising	For advertising the final meeting of the Company's creditors	101 50

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Energy and Industrial Strategy. We can confirm that we have discharged our duties in these respects.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report

Right to make an application to court

Pursuant to Rule 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

It was intended that the liquidation of the Company would remain open until such time as the various liquidators' investigations into the E&G Group were complete. These investigations would appear to be largely complete and are unlikely to bring about any realisations for the estate. As such, we intend to commence the process of convening final meetings of members and creditors in order to conclude the winding up.

We will report again at the conclusion of the liquidation



Mark Fry
Joint Liquidator

Dated 3/3/17.

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 21 January 2016 to 20 January 2017

Penn House (Bracknell) Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 21/01/2016 To 20/01/2017 £	From 21/01/2011 To 20/01/2017 £
	SECURED ASSETS		
4,000,000 00	Freehold Land & Property	NIL	NIL
(21,640,314.00)	2008 & 2018 Stock	NIL	NIL
1,690,881 16	Cash - Tenant Deposit Account	NIL	NIL
(1,690,881 16)	Tenant Deposit Creditor	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(11,228,170 67)	Intercompany Liability	NIL	NIL
(617,952.00)	Deferred Tax	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(1 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(29,486,437.67)</u>		<u>NIL</u>	<u>NIL</u>
	REPRESENTED BY		
			<u>NIL</u>

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (London) LLP's charging policy,
- b Time Costs Analysis for the period from 21 January 2016 to 20 January 2017, and
- c Cumulative Time Costs Analysis for the period from 21 January 2011 to 20 January 2017.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval).

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £150 per meeting,
- Car mileage is charged at the rate of 45 pence per mile; and
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the London office as at the date of this report are as follows.

Grade of staff	Standard 1 May 2016 – until further notice London
Partner	495
Director	395
Senior Manager	365
Manager	315
Assistant Manager	285
Senior Administrator	250
Administrator	220
Trainee Administrator	160
Support	160

Prior to 1 May 2016, the following rates applied:

Grade of staff	Standard 1 May 2011 – 30 April 2016
Partner	495
Director	395
Senior Manager	365
Manager	315
Assistant Manager	270
Senior Administrator	235
Administrator	185
Trainee Administrator	160
Support	160

Prior to 1 May 2011, the following rates applied

Grade of staff	Charge-out Rate (£ per hour)
Partner 1	495
Partner 2	395
Director	375
Senior Manager	350
Manager	300
Assistant Manager	250
Senior Administrator	220
Administrator	180
Trainee Administrator	150
Support	150

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units

Staff Grade	Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning												
Administration			0.6	1.1			0.2	0.8	0.2	2.9	769.50	265.34
Total for General Case Administration and Planning			0.6	1.1			0.2	0.8	0.2	2.9	769.50	265.34
Compliance with the Insolvency Act, Rules and best practice												
Appointment												
Banking and Bonding												
Case Closure												
Statutory reporting and statement of affairs												
Total for Compliance with the Insolvency Act, Rules and best practice												
GDPA and investigations												
Total for investigations												
Realisation of assets												
Debt collection												
Property, business and asset sales												
Retention of Title/Third party assets												
Total for Realisation of assets												
Trading												
Total for Trading												
Dealing with all creditors claims (including employees), correspondence and distributions												
Secured												
Others												
Creditors committee												
Total for Dealing with all creditors claims (including employees), correspondence and distributions												
Meetings												
Other												
Tax				0.3				0.8		1.1	222.50	202.27
Litigation												
Total for Other matters				0.3				0.8		1.1	222.50	202.27
Total hours by staff grade			0.6	1.4			0.2	1.8	0.4	4.2		
Total time cost by staff grade			219.00	441.00			44.00	266.00	64.00		1,024.00	
Average hourly rate £	0.00	0.00	365.00	315.00	0.00	0.00	220.00	160.00	160.00			243.81
Total fees drawn to date £											0.00	

Staff Grade	Consultant/Partner	Director	Snr Mgr	Mgr	Asst Mgr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning												
Case Planning												
Administration			11	30	01	04	56	64	02	168	3,544.50	210.98
Total for General Case Administration and Planning			11	30	01	04	56	64	02	168	3,544.50	210.98
Compliance with the Insolvency Act, Rules and best practice												
Appointment					46		07			53	1,276.00	240.75
Banking and Bonding						02		07	02	11	191.00	173.64
Case Closure												0.00
Statutory reporting and statement of affairs												0.00
Total for Compliance with the Insolvency Act, Rules and best practice				10	08	02				20	547.00	273.50
Investigations												
CDOA and Investigations				10	64	04	07	07	02	84	2,014.00	239.76
Total for Investigations							07			07	129.50	185.00
Realisation of assets												
Debt collection										07	129.50	185.00
Property, business and asset sales												0.00
Retention of Title/Third party assets												0.00
Total for Realisation of assets												0.00
Trading												
Trading												0.00
Total for Trading												0.00
Dealing with all creditors claims (including employees), correspondence and distributions												
Secured												0.00
Others												0.00
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions												0.00
Other matters which includes meetings, tax, litigation, pensions and travel												
Meetings												0.00
Other												0.00
Tax				07	02		04	21		34	692.50	200.74
Litigation												0.00
Total for Other matters				07	02		04	21		34	692.50	200.74
Total hours by staff grade			11	47	57	08	74	92	04	293		
Total time cost by staff grade			401.50	1,465.50	1,431.00	188.00	1,348.50	1,472.00	64.00	6,370.50		
Average hourly rate £:	0.00	0.00	365.00	311.61	251.05	235.00	182.23	160.00	160.00			217.42
Total fees drawn to date £:										0.00		

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Postage	Royal Mail Group	1 58	0 00	1.58