

**Augustine Housing Trust
In Compulsory Liquidation**

**In the High Court of Justice
No. 2756 of 2014**

**Liquidator's annual progress report to members and creditors
for the year ending 15 December 2015**

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1 Introduction

In accordance with Rule 4 49B Insolvency Rules 1986 (IR1986), I am required to provide creditors with an annual progress report and additional information in respect of the company and office holder which is attached at Appendix A

The following report covers the first year since my appointment

As previously advised, the company was placed into liquidation on 20 October 2014 following the presentation of a petition for the compulsory winding up of the company by Preston City Council

I was appointed Liquidator by the Secretary of State on 16 December 2014

2 Receipts and payments accounts

An account of my receipts and payments for the period 16 December 2014 to 15 December 2015 is at Appendix B, together with a comparison with the Official Receiver's Report

Deposit on Petition Costs

The sum of £1,250 relates to the petitioner paying the required statutory deposit to cover the initial costs of the liquidation

Official Receiver's Remuneration

The Official Receiver's remuneration for the liquidation amounts to £2,400. This fee is payable to the Official Receiver for their general and statutory duties as Official Receiver on the making of a winding-up order.

Bank Charges

During the period of the liquidation Insolvency Service bank charges of £88 have been incurred

3 Realisation of assets

There were no assets listed in the handover papers provided by the Official Receiver. No additional assets have been identified or realised

4 Investigations

The company was wound up on the basis of liability orders arising from unpaid business rates, arising from an empty property avoidance scheme. The scheme involved business rates relief (or National Non-Domestic Rates / NNDR) being applied by local authorities on properties occupied by the company, due to its charitable status.



My investigations have sought to ascertain the level of potential liabilities in respect of business rates, the number of properties involved, and recover the books and records of the company and those of its professional advisors (accountants and solicitors) and connected parties

4 1 Local Authority Enquiries

As local authorities, including the petitioning creditor, had already submitted claims to the Official Receiver, I was able to obtain additional information from them including copies of licenses, rates bills, account statements and correspondence, which assisted in identifying further property addresses occupied by the company. I then undertook enquiries into particular properties to ascertain whether the properties were being properly used for charitable purposes.

It has not been possible to conclusively demonstrate whether the properties were used for the charitable purposes claimed, from the information provided to date. However, a review of a sample selection of the properties has identified examples where the premises are inappropriate for the stated purpose of the occupation (i.e. storage of charity goods), due to size of the premises or accessibility.

4 2 Bank Enquiries

Details of the company's Lloyds bank account were provided by the Official Receiver, and following the recovery of statements and banking information, an analysis of the data identified rates refunds from certain local authorities, and transfers of funds from an associated company Augustine Land Trust Limited ("ALT"). I understand that ALT entered into financial arrangements with landlords in respect of the property usage by the company, and is also under the control of the company's directors. To date, my review of the bank records have not identified any funds recoverable into the liquidation.

4 3 Charity Commission Enquiries

A meeting was arranged with the company's regulators, The Charity Commission, who had previously attempted to compel the company's directors/trustees to carry out an independent examination of its accounts for 2011 to 2012, due to its size and the significantly low level of turnover it had accounted for. A review of The Charity Commission's files was also undertaken and copies of specific correspondence obtained.

4 4 Property searches

Property searches were carried out and 69 landlord companies were identified as the proprietors. This was corroborated by the licenses to occupy premises obtained from the local authorities. Additional local authorities came to my attention either directly, due to news of the liquidation, or by way of referral from The Charity Commission or other local authorities. To date, I have received information from 21 local authorities with regard to 94 properties, but estimate from the information available to me that the company occupied at least 112 properties.



4.5 Company Records

I have sought to recover the company's trading records, but the directors have not provided them, stating that the records had been provided to the Official Receiver. The Official Receiver's office has confirmed that they have not received the records, and I presume therefore that the directors are withholding the company records.

As the directors have not co-operated with my investigations into the company's affairs, I have considered whether it is appropriate to make applications to Court under s236 of the Insolvency Act 1986 for their co-operation, and the provision of the missing company records. This also applies to enquiries I may make of them as directors of ALT, and specific enquiries in respect of the financial relationship between the company and ALT.

The estate does not currently have the necessary funds to make these applications, and I do not therefore propose to do so.

4.6 Directors' Assets

A review of the directors' asset position has also been undertaken, to determine whether there are any prospects of recovery in the event claims against them are identified and legal proceedings are brought. This has included enquiries into alleged off-shore company holdings. No assets have been identified.

I must inform creditors that there are no options currently available for recovery. Unless further information comes to light in respect of assets of the company or claims against the directors, I will have no choice but to cease any further enquiries and seek my release from office.

5 Creditors

Secured creditors

No creditors hold a fixed or floating charge over the assets of the company.

Preferential creditors

No preferential claims have been received in the liquidation to date and none are expected.

Unsecured creditors

The unsecured claims received to date amount to £352,645.72 as against the initial estimated figure of £209,095.89. The variance mainly relates to a claim received from Cardiff City Council which was not listed in the papers received from the Official Receiver.



If you have not already submitted your claim in the liquidation then please do so now. I would, however, comment that I am currently unable to confirm whether unsecured creditors will receive a dividend.

6 Liquidator's remuneration

Please note that as of 6 April 2015, Griffins introduced a new time recording analysis, which provides a more comprehensive breakdown of time recorded by my staff and I in the administration of this case. This has resulted in additional time recording categories being utilised. Should you require any further clarification, please contact me.

The time recorded by my staff and I for the period 16 December 2014 to 15 December 2015 totals £155,204.70, which represents 452.08 hours at an average charge out rate of £343.31 per hour.

The time spent is recorded under the following classifications, in my time analysis report attached at Appendix C:

- Administration and Planning
- Creditors
- Investigations
- Legal & Litigation
- Realisation of Assets

The report also provides details of the activity costs incurred by staff grade to date, together with details of charge out rates.

It is our firm's policy to use the most junior grade of staff compatible with the efficient conduct of a matter, in order to ensure that costs are kept to a minimum. The majority of the investigation work has been undertaken by a senior investigator.

It was approved at the meeting of creditors held on 30 September 2015 that the Liquidator be remunerated on the basis of the time properly spent by the Liquidator and his staff in dealing with the liquidation. To date, I have not drawn any fees for acting as Liquidator.

Further information regarding remuneration can be found in "A Creditors' Guide to Liquidators' Remuneration", which is available for download at <http://www.griffins.net/technical/>. A hard copy can be provided upon request.

In addition, creditors can find more information on the insolvency process at <http://www.creditorinsolvencyguide.co.uk/>.



7 Liquidator's disbursements

Disbursements have been incurred in accordance with the Statement of Insolvency Practice 9, which defines expenses by two categories Category 1 which relate to direct expenses and can be drawn without prior approval from creditors and Category 2 which relate to indirect expenses and require a resolution from creditors to enable them to be drawn

Category 1 Disbursements

The table below provides details of the Category 1 disbursement incurred and paid during the period covered by this report

Payee Name	Nature of Expense Incurred	Amount Incurred this period	Amount paid during this period	Amount Outstanding
		£	£	£
Court Advertising	Statutory Advertising	137 00	137 00	0 00
JLT	Specific Bond *	25 00	25 00	0 00
Land Registry	Land Registry searches *	757 00	757 00	0 00
Sundry	Sundry expenses **	108 61	108 61	0 00
HM Revenue and Customs	VAT Irrecoverable	27 40	27 40	0 00
	TOTAL	1,055 01	1,055.01	0 00

* These amounts were paid by Griffins and have not yet been recharged to the estate Accordingly, these amounts do not yet appear on the receipts and payments account

** This relates to overseas investigation disbursements in Gibraltar

Category 2 Disbursements

No Category 2 disbursements have been drawn since my appointment

8 Creditors' rights

Creditors are advised that under Rule 4 49E IA1986 they have the right to request the Liquidator for further information about remuneration or expenses which have been itemised in this report

Also under Rule 4 131 IA1986, creditors have a right to challenge the Liquidator's remuneration and expenses

Extracts of these Rules are attached at Appendix D, for your information



9 Next report

I will report again following the next anniversary of the liquidation, or sooner if the administration of the liquidation is complete



Kevin Goldfarb
Liquidator

Date 4 March 2016



**Augustine Housing Trust
In Compulsory Liquidation**

Statutory information



Company information

Company name	Augustine Housing Trust
Trading name	As Above
Company registration number	04829714
Nature of business	Charity Provision of storage to homeless people
Registered office	Tavistock House South, Tavistock Square, London WC1H 9LG
Previous registered office	36 Chagford Street London NW1 6EB
Trading address	3rd Floor 85 Western Road Romford Essex RM1 3LS

Current Liquidator's details

Name	Kevin Goldfarb
IP number	8858
Name of firm	Griffins
Firm's address	Tavistock House South, Tavistock Square, London WC1H 9LG
Date of appointment	16 December 2014



**Augustine Housing Trust
In Compulsory Liquidation**

Receipts and payments account for the period 16 December 2014 to 15 December
2015



**Augustine Housing Trust
(In Liquidation)
Liquidator's Abstract of Receipts & Payments**

Statement of Affairs	From 16/12/2014 To 15/12/2015	From 16/12/2014 To 15/12/2015
COST OF REALISATIONS		
O R Remuneration	2,400 00	2,400 00
Petitioners Deposit	(1,250 00)	(1,250 00)
Sundry Expenses	108 61	108 61
VAT	27 40	27 40
Statutory Advertising	137 00	137 00
Bank Charges	88 00	88 00
	<u>(1,511 01)</u>	<u>(1,511 01)</u>
UNSECURED CREDITORS		
(53,220 92) Trade & Expense Creditors	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
<u>(53,220 92)</u>	<u>(1,511.01)</u>	<u>(1,511 01)</u>
REPRESENTED BY		
Client Account No2		(164 40)
ISA NIB		(1,238 00)
Office		(108 61)
		<u>(1,511.01)</u>

Note



Kevin Goldfarb
Liquidator

Augustine Housing Trust In Compulsory Liquidation

Griffins' time analysis for the period 16 December 2014 to 15 December 2015, together with details of charge out rates, provided in accordance with the Statement of Insolvency Practice 9



Time Entry - Detailed SIP9 Time & Cost Summary

AUGUS01 Augustine Housing Trust
From 16/12/2014 To 15/12/2015
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Administrators	Total Hours	Time Cost (£)	Average Hourly Rate (£)
CASHG Cashiering Functions	0.00	0.17	0.00	0.00	0.25	0.42	89.99	215.56
CASH Cash Flows & Projections	0.00	0.00	0.00	0.00	0.50	0.50	137.50	275.00
CASHIER Cashiering Functions	0.00	0.00	0.00	0.33	0.00	0.33	89.58	179.16
ADMIN Case Administration	0.00	0.00	0.83	0.00	0.00	0.83	258.33	310.00
ADMIN Administration Work	0.00	1.92	10.42	0.58	8.75	19.67	8,060.45	308.18
ADVERT Advertising	0.00	0.00	0.00	0.00	0.42	0.42	114.50	275.00
DIARY Case Diary	0.00	0.17	0.00	0.00	0.33	0.50	145.83	291.66
MTGS Meetings	0.00	0.00	0.58	0.00	0.00	0.58	180.83	309.89
PENS Pension Schemes Etc	0.00	0.00	0.00	0.00	0.50	0.50	137.50	275.00
REVIEWS Case Reviews	0.00	0.33	0.00	0.00	0.00	0.33	150.00	450.00
SPECBOND Specific Bond	0.00	0.00	0.00	0.00	0.50	0.50	164.58	282.14
STAT Statutory	0.00	0.25	0.00	0.00	1.50	1.75	483.75	282.14
STATUTORY Statutory Duties	0.08	3.42	9.50	0.08	6.08	19.00	6,221.28	327.44
TELS Telephone calls	0.17	0.08	0.00	0.00	0.00	0.25	120.00	480.00
TRAV Chargeable Travel Time	0.00	0.00	1.00	0.00	0.00	1.00	340.00	340.00
Administration & Planning	0.25	6.50	22.33	1.00	18.82	48.83	14,704.21	313.87
CLMS Creditor Claims	0.00	0.00	0.00	0.00	0.08	0.08	22.52	275.04
CMTG Creditors Meetings	0.00	0.00	0.00	0.00	0.25	0.25	68.75	275.00
CRED Creditor Related Work	0.00	0.00	0.00	0.00	1.08	1.17	335.41	287.49
CREDITOR Creditor Related Work	0.42	0.92	1.83	0.00	3.83	6.00	1,835.03	322.51
CREDITORS Creditors	0.25	0.25	0.67	0.00	1.83	3.00	917.10	305.70
Creditors	0.67	1.25	2.50	0.00	7.08	10.50	3,278.21	312.31
INV Investigation	0.00	0.83	1.25	0.00	0.00	2.08	825.00	396.00
INV FURTH Further Investigations	0.00	0.50	15.42	0.00	0.00	15.92	5,205.01	327.02
INV INT Initial Investigations	4.92	4.33	165.83	0.00	0.00	175.08	60,668.73	348.51
SIP2 Investigation into Affairs	0.00	0.00	158.67	0.00	0.00	158.67	54,748.36	345.05
INVMTGS Internal Meetings	3.50	3.50	25.00	0.00	0.00	32.00	11,838.34	369.95
Investigations	8.42	9.17	368.17	0.00	0.00	383.75	133,285.44	347.32
LEGL Legal Issues	0.00	0.33	0.00	0.00	0.00	0.33	150.00	450.00
LIT POST Post action litigation	0.00	0.08	0.00	0.00	0.00	0.08	37.50	450.00
LIT PRE Pre-action litigation	0.00	0.08	5.58	0.00	0.00	5.67	2,060.83	363.68
INVLEGAL Legal	0.00	0.00	4.75	0.00	0.00	4.75	1,621.68	341.41
Legal & Litigation	0.00	0.50	10.33	0.00	0.00	10.83	3,870.01	357.33
ASS-OTHER Other Assets	0.00	0.08	0.00	0.00	0.00	0.08	37.50	450.00
ASST Asset Realisation	0.00	0.00	0.08	0.00	0.00	0.08	28.33	339.96
Realisations of Assets	0.00	0.08	0.08	0.00	0.00	0.17	65.83	394.88
Total Hours	9.33	17.50	401.42	1.00	24.00	452.08	155,204.70	343.31

Total Fees Claimed

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Time Entry - Detailed SIP9 Time & Cost Summary

AUGUS01 Augustine Housing Trust
From 16/12/2014 To 15/12/2015
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Administrators	Total Hours	Time Cost (£)	Average Hourly Rate (£)
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GRIFFINS POLICY ON CHARGEOUT RATES AND DISBURSEMENTS

SCHEDULE OF STANDARD CHARGEOUT RATES IN RESPECT OF GRIFFINS PARTNERS AND STAFF AS AT 1 OCTOBER 2015

In accordance with Statement of Insolvency Practice 9 "Remuneration of Insolvency Office Holders" the following hourly charge-out rates will be applied when fixing the Officeholders Remuneration.

Grade of staff	Hourly Rate
Partners	£450 - £565
Senior Managers	£400 - £450
Managers	£325 - £390
Investigators	£280 - £360
Administrators	£150 - £325
Cashiering	£100 - £275
Support	£ 70 - £200

The above rates are reviewed annually on 1 October

It is not our policy to charge for support staff (secretarial, filing, reception) unless such staff are working on an individual matter for more than 7 hours in which case the rate for an Administrator may be applied

Time is charged in minimum units of 5 minutes for all staff

DISBURSEMENTS

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 make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance¹ requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at

DEFINITIONS

Practice guidance¹ classifies expenses into two broad categories

- *Category 1 expenses (approval not required)* – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external suppliers' invoice or published tariff of charges, mileage is charged at the appropriate H M Revenue & Customs rate
- *Category 2 expenses* These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to an appointment on a proper and reasonable basis

CHARGING POLICY

- *Category 1 expenses (approval not required)* – all such items are re-charged to the case as they are incurred

1 - Statement of Insolvency Practice 9 (England and Wales)

- *Category 2 expenses (approval required)* – resolutions to be sought from creditors if these category of expenses arise

GRIFFINS HISTORIC CHARGEOUT RATES SINCE 1 OCTOBER 2009

STAFF GRADE	1 October 2009
	£
Partners	365-440
Managers	290-300
Senior Administrators/Investigators	260-290
Administrators	140-220
Support Staff	70-170

STAFF GRADE	1 October 2010	1 October 2011	1 October 2012
	£	£	£
Partners	495	495-545	495-545
Managers	300-350	300-395	300-395
Senior Investigators	300-350	325-380	325-380
Administrators/Investigators	180-280	200-300	200-300
Junior Administrators/Junior Investigators	140-190	145-190	145-250
Support Staff	70-170	70-180	70-180

STAFF GRADE	1 October 2013	1 May 2014
	£	£
Partners	495-565	450-565
Managers	300-400	300-450
Senior Investigators	325-385	325-425
Administrators/Investigators	200-310	200-360
Junior Administrators/Junior Investigators	150-250	150-250
Support Staff	70-220	70-220

STAFF GRADE	1 October 2014
	£
Partners	450-565
Managers	325-450
Investigators	285-380
Administrators	150-310
Support/Cashier Managers	220-275
Support/Cashier Staff	70-180

The above rates are reviewed annually on 1 October, however following the appointment of a new partner on the 1 May 2014 a rate review took place

It is not our policy to charge for support staff (secretarial, filing, reception) unless such staff are working on an individual matter for more than 7 hours in which case the rate for an Administrator may be applied Time is charged in minimum units of 5 minutes for all staff

**Augustine Housing Trust
In Compulsory Liquidation**

Creditors' rights - Rules 4 49E and 4 131 of the Insolvency Rules 1986



Rule 4.49E Creditors' and members' request for further information

4.49E(1) If—

(a) within the period mentioned in paragraph (2)—

- (i) a secured creditor, or
- (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- (iii) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company,

or

(b) with the permission of the court upon an application made within the period mentioned in paragraph (2)—

- (i) any unsecured creditor, or
- (ii) any member of the company in a members' voluntary winding up,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in the progress report in accordance with Rule 4 49B(1)(e) or (f) (including by virtue of Rule 4 49C(5)) or in a draft report under Rule 4 49D, the liquidator must within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4 49D or a progress report required by Rule 4 108 which (in either case) was previously included in a progress report not required by Rule 4 108

4.49E(2) The period referred to in paragraph (1)(a) and (b) is—

- (a)** 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4 108, and
- (b)** 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

4.49E(3) The liquidator complies with this paragraph by either—

- (a)** providing all of the information asked for, or
- (b)** so far as the liquidator considers that—
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,

giving reasons for not providing all of the information

4.49E(4) Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of—

- (a)** the giving by the liquidator of reasons for not providing all of the information asked for, or
- (b)** the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just

4.49E(5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4.131(1B) or 4.148C(2) by such further period as the court thinks just

4.49E(6) This Rule does not apply where the liquidator is the official receiver

Rule 4.131 Creditors' claim that remuneration is or other expenses are excessive

4.131(1) Any secured creditor, or any unsecured creditor, with the concurrence of at least 10 per cent in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more orders in paragraph (4)

4.131(1A) Application may be made on the grounds that—

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
- (c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

4.131(1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report") "

4.131(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

4.131(3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

4.131(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
- (b) an order fixing the basis of remuneration at a reduced rate or amount,
- (c) an order changing the basis of remuneration,
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
- (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report "

4.131(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable out of the assets