

Liquidator's Progress Report

S.192

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

To the Registrar of Companies

Company Number

04875853

Name of Company

Prestbury Wentworth Limited

I / We

Neil David Gostelow, Arlington Business Park, Theale, Reading, Berkshire, RG7 4SD

John David Thomas Milsom, Arlington Business Park, Theale, Reading, Berkshire, RG7 4SD

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 30/01/2015 to 29/01/2016

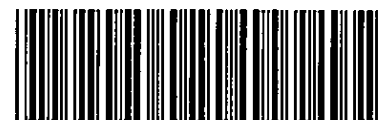
Signed 

Date 29 March 2016

KPMG LLP
Botanic House
100 Hills Road
Cambridge
CB2 1AR

Ref PF210C3857/HRM/KOS

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Prestbury Wentworth Limited - in Liquidation

Joint Liquidators' progress report for the
period 30 January 2015 to 29 January 2016

29 March 2016

Notice to creditors

This report provides an update on the liquidation of the Company

We have included (Appendix 2) an account of all amounts received and payments made during the period from the date of our appointment on 30 January 2015 to 29 January 2016

We have also explained our future strategy for the liquidation and how likely it is that we will be able to pay each class of creditor

You will find other important information in this report such as the costs which we have incurred to date

A glossary of the abbreviations used throughout this document is attached (Appendix 5)

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk> We hope this is helpful to you

Please also note that an important legal notice about this report is attached (Appendix 6).



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1 Executive summary

- We, Neil Gostelow and John Milsom, were appointed Joint Liquidators of the Company on 30 January 2016 at a meeting of creditors
- This report covers the period from the date of our appointment to 29 January 2016
- The only realisable assets in the Company are refunds of tax and mandatory costs (Section 2 - Progress to date)
- A distribution will be made to the secured creditor (Section 3 - Dividend prospects)
- The Company has no preferential creditors (Section 3 - Dividend prospects)
- A dividend will be available to the unsecured creditors of the Company (Section 3 - Dividend prospects)
- Please note you should read this report in conjunction with any previous reports issued to the Company's creditors. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT



Neil Gostelow
Joint Liquidator

2 Strategy and progress to date

A meeting of members was held on 30 January 2015 at which we were appointed Joint Liquidators of the Company

Our appointment was confirmed at the meeting of creditors also held on 30 January 2015

This section updates you on our strategy for the liquidation and on our progress to date. It follows the information provided in the report to the meeting of creditors

2.1 Strategy to date

Background

The Company is part of the Prestbury Wentworth Holdings (PWH) group of companies (the Group), a property investment group which was established in 2004 to acquire 211 public houses. During the turbulent market conditions which followed the financial crash of 2008, the group companies breached their loan to value financial covenant ratio.

Following a review by KPMG of the disposal options available, the directors, after taking legal advice and obtaining the support of the bank, took the decision to pursue a sale of the property portfolio outside of an insolvency process with a view to maximising realisations for the creditors as a whole. After an extensive marketing campaign, all properties were sold with the proceeds used to repay the bank debt to the fullest extent possible, although there remained a shortfall overall. As the Company had no realisable assets but remained a guarantor under group bank facilities, the directors did not consider the Company to be a going concern and took the decision to place it in creditors' voluntary liquidation.

It should be noted that all the companies in the PWH group are now in liquidation.

Strategy

The assets listed on the directors' Statement of Affairs for the Company include intercompany debtors and investment in subsidiaries with no estimated realisable values attributed to them. They also include amounts due from HMRC in respect of corporation tax and VAT receivable, refunds of which have been received in the period covered by this report (See Section 2.2).

The investment in subsidiaries all relate to investments in companies which are part of the Prestbury Wentworth Group, all of which are in liquidation. Accordingly no value is realisable for these investments.

The intercompany debtor balances stated are owed by group companies which are also in liquidation. However, all group companies have signed non-competition clauses in the guarantees provided to the secured creditor which mean that they cannot prove in the liquidations of other group companies in competition with the secured creditor, or apply set off in respect of intercompany debt unless the secured creditor consents.



2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2)

Summaries of the most significant realisations during the period are provided below

Mandatory costs refunds

Refunds of mandatory costs totalling £223,039 together with statutory interest of £132,153 have been received from Bank of Scotland plc during the period covered by this report

Corporation tax

A refund of £819,763 was received from HMRC in respect of corporation tax during the period

VAT

A VAT refund of £168,833 was received during the period

Investigations

We have complied with the relevant statutory requirements to provide information on the conduct of the Company's directors and any shadow directors to the Department for Business, Innovation and Skills. The contents of our submission are confidential

2.3 Costs

There have been no costs paid in the period since our appointment

2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3)

3 Dividend prospects

3.1 Secured creditor

The last claim received from the bank in January 2015 detailed the total debt across the Prestbury Wentworth group at £159,178,681. The secured creditor valued its secured debt at £59,056,524, leaving an unsecured balance that is subject to cross guarantees of £100,122,156. The distribution we expect to be available to the secured creditor will leave a shortfall owing.

3.2 Preferential creditors

We are not aware of any preferential claims against the Company.

3.3 Unsecured creditors

Based on current estimates, we anticipate that unsecured creditors should receive a dividend. We have yet to determine the amount of this, but we will do so when we have completed the realisation of assets and payment of associated costs.

In the Directors' Statement of Affairs, the only unsecured creditors listed are Bank of Scotland plc and intercompany creditors. The intercompany creditors are subject to non-competition provisions (See Section 2.1).

4 Joint Liquidators' remuneration and disbursements

At a meeting of creditors held on 30 January 2016 the creditors passed a resolution providing approval that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff according to the charge-out rates included in Appendix 4
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 4

Time costs

From the date of our appointment to 29 January 2016, we have incurred time costs of £71,426. These represent 191 hours at an average rate of £374 per hour.

Remuneration

During the period, we have not drawn any remuneration.

Disbursements

During the period, we have incurred disbursements of £20 which have not been drawn.



Additional Information

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from our appointment to 29 January 2016. We have also attached our charging and disbursements policy.



5 Future strategy

5.1 Future conduct of the liquidation

The following matters are still ongoing in the liquidation

- distribution to the secured creditor,
- agreement of creditor claims and distribution of prescribed part, if appropriate,
- finalisation of the tax affairs of the Companies, and
- statutory and compliance obligations

5.2 Future reporting

We will report again on the progress of this liquidation by 29 March 2017 or in the draft final report if matters have been concluded earlier

Appendix 1 Statutory information

Company information

Company name	Prestbury Wentworth Limited
Previous company names if applicable	Picnicnumber Limited until 2/03/2004
Date of incorporation	22 August 2003
Company registration number	04875853
Previous registered office	Cavendish House, 18 Cavendish Square, London, W1G 0PJ
Present registered office	KPMG LLP, Arlington Business Park, Theale, Reading, RG7 4SD
Trading address	Cavendish House, 18 Cavendish Square, London, W1G 0PJ
Nature of business	Property investment

Liquidation information

Appointed by	Members and creditors pursuant to Section 98 of the Insolvency Act 1986
Date of appointment	30 January 2015
Joint Liquidators' details	Neil Gostelow and John Milsom
Joint Liquidators' address	Arlington Business Park, Theale, Reading, Berkshire, RG7 4SD
Estimated Values of the Net Property and Prescribed Part	Estimated Net Property is £1.3 million. Estimated Prescribed Part is £266k. The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3)
Prescribed Part distribution	The Joint Liquidators intend to distribute the Prescribed Part
Functions	The functions of the Joint Liquidators are being exercised by them individually or together in accordance with Section 231(2) of the Insolvency Act 1986
EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations



Appendix 2 Joint Liquidators' receipts and payment account

Prestbury Wentworth Limited - in Liquidation

Abstract of receipts & payments

Statement of affairs (£)	From 30/01/2015 To 29/01/2016 (£)	From 30/01/2015 To 29/01/2016 (£)
ASSET REALISATIONS		
Mandatory cost refund	223,039 42	223,039 42
Mandatory cost refund-stat interest	132,152 70	132,152 70
Corporation tax refund	819,762 75	819,762 75
Interest on corporation tax refund	853 45	853 45
VAT refunds (pre-liq)	168,833 13	168,833 13
	1,344,641 45	1,344,641 45
OTHER REALISATIONS		
Bank interest, gross	1,151 90	1,151 90
	1,151 90	1,151 90
	1,345,793 35	1,345,793 35
REPRESENTED BY		
Current account		1,345,793 35
		1,345,793 35

Appendix 3 Schedule of expenses

Schedule of expenses (30/01/2015 to 29/01/2016)

Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Cost of realisations			
Joint liquidators' fees	nil	71,426	71,426
TOTAL	nil	71,426	71,426

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this report, you must do so in writing within 21 days of receiving this report

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this report, you must do so by making an application to Court within eight weeks of receiving this report

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court

The full text of the relevant Rules can be provided on request by writing to Kerry O'Sullivan at KPMG LLP, KPMG LLP, Arlington Business Park, Theale, Reading, RG7 4SD



Appendix 4 Joint Liquidators' charging and disbursements policy

Joint Liquidators' charging policy

The time charged to the liquidation is by reference to the time properly given by us and our staff in attending to matters arising in the liquidation. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the liquidation to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Liquidators' Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at <https://www.r3.org.uk/what-we-do/publications/professional/fees/liquidators-fees>

If you are unable to access this guide and would like a copy, please contact Kerry O'Sullivan on 01223 582036.

Hourly rates

Set out below are the relevant charge-out rates per hour worked for the grades of our staff actually or likely to be involved on this liquidation. Time is charged by reference to actual work carried out on the liquidation.

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

Charge-out rates (£) for Restructuring		
Grade	From 01 Oct 2014 £/hr	From 01 Oct 2015 £/hr
Partner	595	595
Director	535	535
Senior Manager	485	485
Manager	405	405
Senior Administrator	280	280
Administrator	205	205
Support	125	125

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the liquidation. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:



Category 1 disbursements These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements 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 the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile
- Use of company car – 60p per mile
- Use of partner's car – 60p per mile

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following disbursements (excluding VAT) from the date of our appointment to 29 January 2016:

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Sundry	20 00		NIL		20 00
Total	20 00		NIL		20 00

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements have been approved in the same manner as our remuneration.

Narrative of work carried out for the period 30 January 2015 to 29 January 2016:

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> ■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences, ■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment, ■ preparing statutory receipts and payments accounts, ■ arranging bonding and complying with statutory requirements, ■ ensuring compliance with all statutory obligations within the relevant timescales
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the liquidation strategy ■ briefing of our staff on the liquidation strategy and matters in relation to various work-streams, ■ regular case management and reviewing of progress, including regular team update meetings and calls, ■ meeting with management to review and update strategy and monitor progress, ■ reviewing and authorising junior staff correspondence and other work, ■ dealing with queries arising during the appointment,

	<ul style="list-style-type: none"> ■ reviewing matters affecting the outcome of the liquidation, ■ allocating and managing staff/case resourcing and budgeting exercises and reviews, ■ complying with internal filing and information recording practices, including documenting strategy decisions
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of Bank of Scotland regarding the progress of the liquidation and case strategy
Cashiering	<ul style="list-style-type: none"> ■ setting up liquidation bank accounts and dealing with the Company's pre-appointment accounts, ■ reconciling post-appointment bank accounts to internal systems, ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments
Tax	<ul style="list-style-type: none"> ■ gathering initial information from the Company's records in relation to the taxation position of the Company, ■ submitting relevant initial notifications to HM Revenue and Customs, ■ reviewing the Company's pre-appointment corporation tax and VAT position, ■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations, ■ working initially on tax returns relating to the periods affected by the liquidation, ■ analysing VAT related transactions, ■ reviewing the Company's duty position to ensure compliance with duty requirements, ■ dealing with post appointment tax compliance
Shareholders	<ul style="list-style-type: none"> ■ providing notification of our appointment, ■ providing copies of statutory reports to the shareholders
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9, ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets
Creditors and claims	<ul style="list-style-type: none"> ■ convening and preparing for the meeting of creditors, ■ creating and updating the list of unsecured creditors, ■ drafting our report
Investigations/ directors	<ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the directors of the effect of the liquidation, ■ liaising with management to produce the statement of affairs and filing this document with the Registrar of Companies, ■ arranging for the redirection of the Company's mail, ■ reviewing the questionnaires submitted by the directors of the Company, ■ reviewing pre-appointment transactions, ■ drafting the statutory report and submitting to the relevant authority

Time costs

SIP 9 –Time costs analysis (30/01/2015 to 29/01/2016)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	3 50	977 50	279 29
Reconciliations (& IPS accounting reviews)	3 90	807 50	207 05
General			
Books and records	2 80	796 50	284 46
Fees and WIP	1 00	485 00	485 00
Statutory and compliance			
Appointment and related formalities	2 03	788 05	388 20
Bonding and bordereau	0 30	37 50	125 00
Checklist & reviews	1 30	302 00	232 31
Reports to debenture holders	15 50	8,292 50	535 00
Strategy documents	4 00	1,937 00	484 25
Tax			
Initial reviews - CT and VAT	1 30	630 50	485 00
Post appointment corporation tax	9 60	3,488 00	363 33
Post appointment VAT	12 20	5,168 00	423 61
Creditors			
Creditors and claims			
Pre-appointment VAT / PAYE / CT	1 00	280 00	280 00
Secured creditors	1 90	880 50	463 42
Statutory reports	4 00	2,140 00	535 00
Investigation			
Directors			
D form drafting and submission	6 50	2,585 00	397 69
Directors' questionnaire / checklist	1 00	279 50	279 50
Investigations			
Review of pre-appt transactions	0 20	97 00	485 00
Realisation of assets			
Asset Realisation			
Cash and investments	1 40	617 50	441 07
Debtors	0 10	12 50	125 00
Other assets	1 30	630 50	485 00
Pre-appointment tax & VAT refunds	116 05	40,193 50	346 35



SIP 9 –Time costs analysis (30/01/2015 to 29/01/2016)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Total in period	190 88	71,426 05	374 19
Brought forward time (appointment date to SIP 9 period start date)	0 00	0 00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	190 88	71,426 05	
Carry forward time (appointment date to SIP 9 period end date)	190 88	71,426 05	

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

All time shown in the above analysis is charged in units of six minutes.



Appendix 5 Glossary

Company	Prestbury Wentworth Limited - in Liquidation
Joint Liquidators/we/our/us	Neil Gostelow and John Milsom
KPMG	KPMG LLP
Secured creditor/bank	Bank of Scotland plc

Any references in this report to Sections, Paragraphs and Rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 respectively



Appendix 6 Notice About this report

This progress report has been prepared by Neil Gostelow and John Milsom, the Joint Liquidators of Prestbury Wentworth Limited (the 'Company'), solely to comply with their statutory duty under the Insolvency Act and Rules 1986 to provide members and creditors with an update on the progress of the liquidation of the estate, and for no other purpose

This report has not been prepared in contemplation of it being used, and is not suitable to be used to inform any decision in relation to the debt of or any financial interest in the Company or any other company in the Group

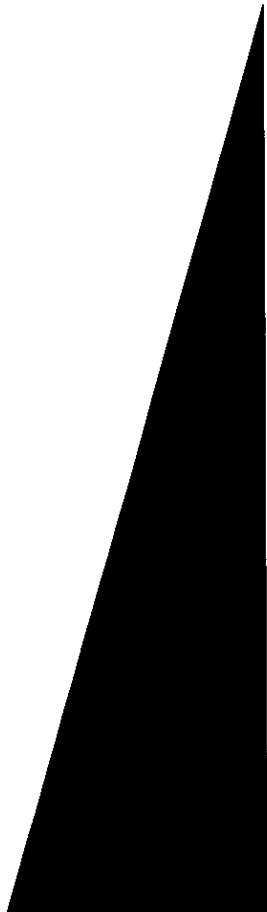
Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Act and Rules 1986 (as amended) does so at their own risk. Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for individual creditors

Neil David Gostelow and John David Thomas Milsom are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales

We are bound by the Insolvency Code of Ethics

The appointments of the Joint Liquidators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the liquidation





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