

Liquidators' Progress Report for the period 30 July 2015 to 29 July 2016

Bournston Estates Limited
In Liquidation

20 September 2016

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Contents

1	Why this report has been prepared	1
2	Summary information for creditors.	2
3	Progress of the Liquidation	3
4	Estimated outcome for creditors	5
5	What happens next	6

Appendices

Appendix A.	Statutory information
Appendix B	Liquidators' Receipts and Payments Account for the period 30 July 2015 to 29 July 2016 and a Cumulative Account for the period since appointment
Appendix C	Time Analysis and details of time spent during the period
Appendix D	Cumulative Time Analysis for the period since appointment
Appendix E.	Liquidators' fees and disbursements
Appendix F.	Additional information in relation to the Liquidators' fees pursuant to Statement of Insolvency Practice 9

1 Why this report has been prepared

- 1 1 As you will be aware Ryan Grant and Simon Wilson (the **Liquidators**) were appointed Liquidators of Bournston Estates Limited (the **Company**) on 30 July 2013 following a winding up order made on 29 July 2013
- 1 2 In accordance with UK insolvency legislation, Liquidators are required to provide a report to creditors covering the progress of the Liquidation during the 12 months since the date of the Liquidators' appointment, and following every subsequent 12 month period. This report covers the period 30 July 2015 to 29 July 2016 (the **Period**)
- 1 3 This report has been prepared in accordance with rule 4.49B of the Insolvency Rules 1986
- 1 4 Details of the Liquidators' fees and costs incurred are detailed at Appendix C to F
- 1.5 More information relating to the Liquidation process, Liquidators' fees and creditors' rights can be found on AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>). Log-in details to access this information can be found within the covering letter you have received
- 1 6 If you require a hard copy of this report or have any queries in relation to its contents, or the Liquidation generally, please contact Sean Ronald on 0161 838 4507, by email creditorreports@alixpartners.com or in writing to the offices of AlixPartners at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB

2 Summary information for creditors

Dividend distributions

Description	Estimated debt £	Likely level of return £ or pence/£
Secured creditor	674,369	Uncertain
Unsecured creditors	10,567	Uncertain

Notes:

The estimated debt of the secured creditor has been taken from the Company's statement of affairs provided in the preceding Administration, therefore it does not include accrued interest and charges. The secured creditor also holds cross-guarantees from a number of connected companies.

Any potential return is unknown at this stage given the uncertainty regarding the outcome of the associated insolvency processes disclosed in section 3 of this report.

Funds available for distribution and dividend rates are detailed before taking into account the estimated costs of making the distribution. Please note that the amounts due to unsecured creditors will accrue no interest charges after the date of the appointment.

The Company had no employees and as such, no preferential claims have been received or are anticipated.

In respect of unsecured creditors, UK insolvency legislation stipulates that creditors of the same class should be treated equally. Hence the funds available for distribution are split on a pro-rata basis amongst all creditors of each class, regardless of the size of their claims.

3 Progress of the Liquidation

- 3 1 The Liquidators' Receipts and Payments Account for the Period, together with a Cumulative Account for the period since appointment is attached at Appendix B All costs incurred to date have been paid
- 3.2 This report should be read in conjunction with the final Administration report dated 4 July 2014 and the previous Liquidation progress reports dated 12 September 2014 and 8 September 2015
- 3 3 The Company's subsidiaries, Bournston (South Street) Limited (**South Street**), Bournston (Stockton) Limited (**Stockton**) and Bournston (the Point at West Bridgford) Limited (**the Point**) (together the **Subsidiaries**) entered into Administration on 11 June 2012 The Company together with the Subsidiaries will be referred to as the Group.
- 3 4 The costs of the Liquidation have been met by way of a contribution from the Company's secured creditor.

Bournston Developments Limited (BDL)

- 3 5 As previously reported, a loan was due from Bournston Developments Limited (**BDL**) to the Company of £1.6 million. It was expected that BDL would not be able to repay any monies in respect of this as it was placed into Liquidation on 22 April 2013
- 3 6 Information became available that indicated a recovery may be achievable and steps were taken to postpone the dissolution of BDL whilst potential recovery was investigated. This potential recovery relates to a possible surplus that may be available from BDL's subsidiary, Bournston Properties Limited (**BPL**), which is also in Administration. A sale of BPL's main asset was completed in May 2015 and the Administrator of BPL has reported that, based on available information, asset realisations will be sufficient to repay all expenses of the Administration and all unsecured creditors in full (plus statutory interest)
- 3 7 Accordingly, there is expected to be a surplus available to its shareholders, which is currently estimated by the BPL's Administrator to be in the region of £70,000
- 3.8 BDL is a registered shareholder of BPL but we have been made aware that prior to the liquidation of BDL, a transfer of the shareholding may have taken place. As a majority creditor of BDL, the Company has an interest in any surplus that may become available
- 3 9 In order to allow for further investigations to be completed into the share transfer, the Company (as an unsecured creditor of BDL) petitioned for the re-appointment of a Liquidator of BDL. Richard Goodwin of Butcher Woods Limited was appointed as Liquidator of BDL in May 2015
- 3 10 Since the last report, regular liaison has been held with the Liquidator of BDL to understand the current status of the Administration of BPL and action that BDL may be able to take. Following completion of the BPL asset sale in May 2015, the Administrators of BPL have been working to finalise all post asset realisation matters, including reconciling accounts, discharging property related costs and making distributions to the secured chargeholder
- 3 11 The Administrator of BPL has advised he is now working to finalise the costs of the Administration, notably corporation tax and the non-domestic rates, following which steps will be taken to agree and settle the unsecured creditor claims, consider the appropriate exit route from the administration in order to make distributions to the unsecured creditors and, if applicable, the shareholders

- 3.12 It is not expected that the Administrator of BPL will review and agree the final position in respect of the shareholder and subsequent distribution until all other Administration matters are completed. The Liquidators of BDL continue to monitor this position and maintain a regular dialogue with BPL.
- 3.13 The potential outcome to BPL's shareholders has reduced since the last update, the Administrator of BPL has advised this has been due to a reduction in respect of the property realisations plus the increase in professional costs, administration expenses and statutory interest payable on unsecured claims.
- 3.14 The Company has submitted a proof of debt in the Liquidation of BDL, however, any distribution to unsecured creditors will be dependent on the outcome of the BPL Administrators' investigations into which party is deemed to be the correct recipient of the surplus from BPL. This may require an application to court to determine the legal recipient of any surplus.
- 3.15 The investigation work remains ongoing at this time and a further update will be provided in the next report. The Liquidators of the Company will continue to monitor the position to assess the need to keep the Company's Liquidation open.

4 Estimated outcome for creditors

Secured creditor – AIB Group (UK) Plc

- 4.1 The Company granted fixed and floating charges to the secured creditor on 23 December 2010. The secured creditor also has the benefit of cross-guarantees from the Subsidiaries, meaning that the Company is jointly and severally liable for the Subsidiaries' liabilities as well as its own. At the date of appointment the secured creditor was owed £674,369 (excluding interest and accrued charges) from the Company. Both on an entity and group basis the secured creditor will suffer a shortfall.

Preferential creditors

- 4.2 The Company had no employees and consequently there are no preferential creditors.

Unsecured Creditors' Fund

- 4.3 Where there is a floating charge which was created on or after 15 September 2003, the Liquidators are required to create a fund from the Company's net property available for the benefit of unsecured creditors (**Unsecured Creditors' Fund**), commonly known as the 'Prescribed Part'.
- 4.4 As the Company granted a floating charge to the secured creditor after 15 September 2003, the Liquidators are required to create an Unsecured Creditors' Fund. The Liquidators confirm that, based on realisations to date, it is uncertain if funds will be available to create the Unsecured Creditors' Fund.
- 4.5 This position may change should BPL make a distribution to BDL and in turn BDL to the Company. Based on current information, unsecured creditors total approximately £10,567.

5 What happens next

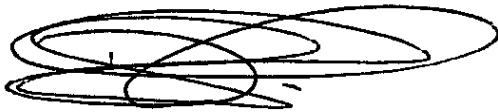
Creditors' rights

- 5 1 Within 21 days of the receipt of the report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors) may request in writing that the Liquidators provide further information about their fees or expenses which have been itemised in this progress report.
- 5 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this progress report, make an application to court on the grounds that the basis fixed for the Liquidators' fees is inappropriate, or that the fees or the expenses incurred by the Liquidators as set out in this progress report are excessive

Next report

- 5 3 The Liquidators are required to provide a progress report within two months of the end of the next year of the Liquidation. If the Liquidation has been completed before then, a final meeting will be called, and a draft report circulated before that meeting

Yours faithfully



Ryan Grant
Liquidator

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Appendix A. Statutory information

Company information

Company name	Bournston Estates Limited
Registered number	05176902
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	Ossington Chambers, 6-8 Castle Gate, Newark, Nottinghamshire, NG24 1AX
Trading address(es)	n/a
Trading name(s)	n/a
Date of winding up petition	29 July 2013
Court details	High Court of Justice, Chancery Division, Birmingham District Registry
Court reference	6406 of 2013

Liquidators' information

Name	Address	IP number	Name of authorising body
Ryan Kevin Grant	c/o AlixPartners, 35 Newall Street, Birmingham, B3 3PU	009637	Insolvency Practitioners Association
Simon Wilson	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	008963	Insolvency Practitioners Association

Other relevant information

Creditors approved in the preceding Administration that any act required or authorised to be done by the Liquidators may be done by all or any one or more of them

Appendix B. Liquidators' Receipts and Payments Account for the period 30 July 2015 to 29 July 2016 and a Cumulative Account for the period since appointment

	Period £	Cumulative £
Floating charge assets		
Receipts		
Contribution to costs	4,363	4,363
Petitioner deposit	-	1,165
Bank interest	15	15
	4,378	5,543
Payments		
Official Receivers' remuneration	-	2,235
Legal fees	4,363	4,363
Corporation tax	3	3
ISA quarterly fees	88	264
	(4,454)	(6,865)
Balance of floating charge assets	(76)	(1,322)
Represented by		
Insolvency Services account		(1,322)

The costs of the Liquidation of the Company are being met by way of a contribution from the Administration of Stockton

Statement of Insolvency Practice 7 states that the headings used in the Receipts and Payments account should follow those used in any prior statement of affairs (SOA) or estimated outcome statement. The SOA was not provided by the Company's directors in the preceding Administration and therefore a comparison cannot be made.

Appendix C. Time Analysis and details of time spent during the period

The Liquidators' time costs for the Period are £3,789 This represents 15 hours at an average rate of £258 per hour

	Employee grade (hours)				Hours incurred	Average rate per hour £	Time cost for the Period £
	Managing director / director	Vice president	Associate / analyst	Junior analyst / support			
Administration (including statutory reporting)							
Statutory duties			0.1	0.3	0.4	140	56.00
Administration and planning	1.3	0.6	1.0	1.5	4.4	275	1,211.50
Reporting to creditors	0.5	0.3	5.4	0.5	6.7	263	1,761.00
Secured creditors		0.1			0.1	360	36.00
Unsecured creditors		0.3	-		0.3	363	109.00
Realisation of assets							
Fixed charge		0.2			0.2	360	72.00
Floating charge		1.0	0.1	1.5	2.6	209	543.00
Total	1.8	2.5	6.6	3.0	14.7	258	3,788.50

Principal areas of activity during the Period are discussed in further detail below.

- **Administration and planning** Implementing and monitoring the case strategy, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here
- **Realisation of assets floating charge** Time has been spent liaising with BPL regarding the potential surplus This has included regular liaison with the BDL Liquidator to discuss the investigation work, reviewing progress reports prepared to understand status of the surplus and understanding the timings of any potential recovery
- **Creditors** Time has been spent preparing statutory reports and dealing with general unsecured creditor correspondence

Appendix D. Cumulative Time Analysis for the period since appointment

	Employee grade (hours)				Hours incurred	Average rate per hour £	Time cost for the period £
	Managing director / Director	Vice president	Associate/analyst	Junior analyst/ support			
Administration (including statutory reporting)							
Statutory duties	0.1	0.3	4.1	0.7	52	213	1110.00
Administration and planning	4.3	2.5	9.6	6.5	22.9	246	5,633.00
Reporting to creditors	2.8	0.9	8.1	1.2	13.0	281	3,650.00
Secured creditors		0.6			0.6	343	206.00
Employees		0.1	0.2		0.3	240	72.00
Unsecured creditors		0.4			0.4	263	145.00
Realisation of assets							
Fixed charge	0.2	0.5	0.3		1.0	335	335.00
Floating charge		10.1	0.1	2.7	12.9	295	3,811.00
Debtors	2.8	-	0.2		3.0	402	1,206.00
Creditors (claims and distribution)							
Unsecured creditors	1.0	0.1		0.3	1.4	344	482.00
Total	11.2	15.5	22.6	11.4	60.7	274	16,650.00

Appendix E. Liquidators' fees and disbursements

Fees

A copy of 'A Creditors' Guide to Liquidations' can be downloaded from AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>) If you would prefer this to be sent to you in hard copy please contact the Liquidators and they will forward a copy to you

A meeting of creditors on 8 May 2012 resolved that the basis of the Administrators' fees be fixed by reference to the time properly spent by the Administrators and their staff on matters arising in the Administration.

The resolution passed in the Administration is valid and remains in place in the Liquidation of the Company.

To date, no fees for the Liquidation have been drawn, however, Official Receivers' remuneration of £2,235 has been paid

Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case, e.g. postage, case advertising, invoiced travel and external printing, room hire or document storage. Any properly reimbursed expenses incurred by the Liquidators and their staff will also be chargeable.

Category 2 disbursements do require prior approval by creditors before they are paid. If they are incurred, they will be drawn in accordance with the resolution approved by creditors. The Liquidators confirm that the following category 2 disbursements have been approved:

- photocopying: charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying,
- printing: charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour, and
- business mileage for staff travel: charged at the rate of 45 pence per mile

Appendix F. Additional information in relation to the Liquidators' fees pursuant to Statement of Insolvency Practice 9

Policy

Detailed below is AlixPartners' policy in relation to

- staff allocation and the use of sub-contractors,
- professional advisors, and
- disbursements.

Staff allocation and the use of sub-contractors

The Liquidators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The case team will usually consist of a managing director, a vice president, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Liquidators' charge-out rate schedule overleaf provides details of all grades of staff and their experience level.

With regard to support staff, time spent by cashiers in relation to tasks such as recording transactions and dealing with bank accounts is charged but secretarial time is only recovered if a large block of time is incurred, e.g. report compilation and distribution.

The Liquidators have not utilised the services of any sub-contractors in this case.

Professional advisors

On this assignment the Liquidators have used the professional advisor listed below. The Liquidators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
Squire Paton Boggs LLP (legal advice)	Hourly rate and disbursements

The Liquidators' choice was based on their perception of the professional advisor's experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them.

Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case, e.g. postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Administrators and their staff will also be chargeable.

Category 2 disbursements do require prior approval by creditors before they are paid. If they are incurred, they will be drawn in accordance with the resolution approved by creditors. Category 2 disbursements that may be incurred are as follows:

- photocopying, charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying,
- printing charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour, and
- business mileage charge at the rate of 45 pence per mile

Charge-out rates

A schedule of AlixPartners charge-out rates for this assignment effective from 1 February 2016 is detailed below, together with those applicable prior to that date. Time is charged by managing directors and case staff in units of six minutes.

Description	Rates from 1 February 2016 £	Description	Rates pre 1 February 2016 £
Managing director 1	490	Managing director 1	490
Managing director 2	450	Managing director 2	450
Director	430	Director	430
Vice president	370	Vice president	360
Senior associate	295	Senior associate	295
Associate	260	Associate	260
Analyst	240	Analyst	230
Junior analyst	150	Junior analyst	150
Senior treasury associate	170	Senior treasury associate	170
Treasury associate	110	Treasury associate	110
Treasury analyst	85	Treasury analyst	85
Support	85	Support	85

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

05176902

Name of Company

Bournston Estates Limited


I / We
R K Grant
The Zenith Building
26 Spring Gardens
Manchester
M2 1AB

S Wilson
The Zenith Building
26 Spring Gardens
Manchester
M2 1AB

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 30/07/2015 to 29/07/2016

Signed



Date 20 September 2016

AlixPartners
The Zenith Building
26 Spring Gardens
Manchester
M2 1AB

Ref 10296-010/ASIL/MBIR/MTA/SAD