

The Insolvency Act 1986

**Administrator's progress
report****2.24B**Name of Company
The Property Regeneration Company LimitedCompany Number
05870006In the
High Court of Justice
[full name of court]Court case number (For court use only)
21945 of 2009Insert full name(s) and
address(es) of the
administrator(s)We^(a)
Stephen P Holgate & Philip J Long of PKF (UK) LLP, Farringdon Place, 20 Farringdon Road,
London, EC1M 3AP

administrators of the above company attach a progress report for the period

(b) Insert dates

From

(b)
16 June 2011

To

(b)
15 December 2011

Signed

For the Joint Administrators

Dated

11/1/12.

Contact DetailsYou do not have to give any contact information in the box
opposite but if you do, it will help Companies House to
contact you if there is a query on the form. The contact
information that you give will be visible to searchers of the
public record

Stephen P Holgate

Farringdon Place, 20 Farringdon Road, London, EC1M 3AP

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Our ref SPH/SAJ/PM/4016442/2400

9 January 2012

Dear Sir/Madam

**The Property Regeneration Company Limited ('the Company')
In Administration
In the High Court of Justice No 21945 of 2099**

1 INTRODUCTION

- 1 1 The Joint Administrators now present their report on the progress of the administration of the Company
- 1 2 This report should be read in conjunction with previous reports to creditors

2 STATUTORY INFORMATION

- | | | |
|-----|---------------------|---|
| 2.1 | Company number | 5870006 |
| 2.2 | Registered office | Farringdon Place
20 Farringdon Road
London, EC1M 3AP |
| 2.3 | Appointment | P J Long and S P Holgate of PKF (UK) LLP,
Farringdon Place
20 Farringdon Road
London, EC1M 3AP |
| 2.4 | Date of appointment | 16 December 2009 |

Tel 020 7065 0000 | Fax 020 7065 0650

www.pkf.co.uk

PKF (UK) LLP | Farringdon Place | 20 Farringdon Road | London | EC1M 3AP | DX 479 London/Chancery Lane

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2.5	Appointor	The Governor and Company of the Bank of Ireland Head Office, Lower Baggot Street, Dublin 2
2.6	Powers	Any of the functions to be performed by the Administrators may be carried out/exercised by any of them acting alone or by either or all of them severally

3 RECEIPTS AND PAYMENTS ACCOUNT

3 1 We attach a copy of our receipts and payments account up to 15 December 2011 at Appendix A

4 MANAGEMENT AND SALE OF BUSINESS

4 1 The sale of the business as a going concern was not considered appropriate at the time of the Administrators' appointment. It was felt that due to the stage the development had reached it would be more beneficial to build out and to offer each unit for sale on the open market. With the secured creditor, the Bank of Ireland (the "Bank"), providing financial support we have proceeded to complete the development.

5 PROGRESS OF THE ADMINISTRATION AND MATTERS PREVENTING CLOSURE OF THE ADMINISTRATION

5 1 At the time of the Administrators' last report we advised that the development had reached practical completion stage. All construction and redevelopment work has been completed save any snaggings that come to light. With the landscaping being seasonal certain elements also remained to be completed.

5.2 As at 15 December 2011, the only property which remained unsold was the Sow Unit. This property is under offer and a sale is anticipated in the next couple of months.

5 3 The Administrators' formed a management company, New Barn Farm Limited, to maintain the communal areas within the site. The company has been incorporated specifically for this purpose. The ownership of the management company will be transferred to the proprietors of each unit in due course.

5 4 After taking into account the costs associated with the completion of the development and the repayment of the secured borrowing it is not expected that there will be sufficient monies to allow a dividend to any other class of creditor

5 5 Receipts

5 6 Since the date of our last report, the Bank has advanced £43,000 to meet the ongoing building and maintenance costs

5 7 A total of £1 5M has been received, during the period, from the sale of 3 units (The Corner House, Dutch Barn 2 and the Old Dairy)

58 Payments

5 9 A total of £18,450 has been paid directly by the Joint Administrators, from the funds advanced
by the Bank, in respect of legal and professional and contractor costs for the period

5 10 Legal and professional costs have also been deducted at completion of the property sales and total £27.712

- 5 11 Insurance and utility costs for the period total £3,391 and have been paid from the advanced funds
- 5 12 Zurich confirmed that as a result of the works undertaken to extend the Old Dairy, an overage charge of £17,813 would apply. The charge was paid upon completion of the sale.
- 5 13 Since the date of the last report the Bank has received the net sum of £1.47M after legal and professional costs, directly from completion of the sale of the 3 units.
- 5 14 **Extension of the administration period**
- 5 15 The Administration was previously extended with creditors' consent to 15 June 2011.
- 5 16 As part of the development project the warranty insurance held with Zurich Insurance plc ("Zurich") requires the company to remain liable for a period of one year after the final property is sold. Thereafter, Zurich will provide 10 years new homes cover direct to the property owner. If the Company ceases to be in Administration and enters into Liquidation, the cover will terminate and the 10 year cover will not apply.
- 5 17 With the uncertainty of the housing market the Administrators consider that a realistic timeframe for selling all of the units to be 12 months. Therefore, an application was made to the High Court of Justice on 15 April 2011. A two year extension to the Administration period was obtained from the Court on 10 May 2011.
- 6 **CREDITORS**
- 6 1 **Secured creditors**
- 6 2 The Bank has the benefit of a fixed and floating charge over the Company's assets. On 25 September 2009 the Bank issued a formal demand on the Company to repay £2,615,000 plus interest which remained outstanding at the date of our appointment.
- 6 3 As at 15 December 2011 the Bank has advanced the Joint Administrators a total of £990,425 to meet the ongoing building costs.
- 6 4 The sum of £3,497,872 has been paid to the Bank following the sale of 7 units (Dutch Barn 1, Dutch Barn 2, The Byre, The Cowshed, The Tack Room, The Corner House and The Old Piggery), this is net of associated legal and sale costs.
- 6 5 The above receipts and payments are reflected in the attached account.
- 6 6 **Preferential creditors**
- 6 7 There are to date no preferential creditors. Whilst the Administrators are aware of one possible employee no claim has been made under ERA 1996.
- 6 8 **Prescribed part**
- 6 9 Section 176(A) of the Insolvency Act 1986 requires the administrators to set aside a prescribed amount of the Company's 'net property' towards satisfaction of holders of debentures secured by, or holders of any floating charge created by the Company after 15 September 2003.
- 6 10 The floating charge was granted in favour of Bank of Ireland after 15 September 2003 therefore, the prescribed part provisions apply. However, after the provision of realisation costs, we do not expect funds to be available to be set aside for the prescribed part.

6 11 **Unsecured creditors**

6 12 There has been no change with the level of unsecured creditors

6 13 Unsecured creditors of the Company are currently estimated to total £1 2M per the director's statement of affairs Claims totalling £230,163 have been received to date

6 14 It is not anticipated that there will be sufficient realisations to enable a distribution to the unsecured creditors of the Company

7. OTHER MATTERS

7 1 The Joint Administrators have complied with all regulatory and statutory requirements under the Insolvency Act 1986 and the Company Directors Disqualification Act 1986

7 2 There are no other matters to report

8 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

8 1 From the date of our appointment to 15 December 2011 we have incurred time costs of £144,626 44 at an average charge out rate of £257 per hour The time costs are detailed in Appendix B

8 2 These amounts are derived by reference to PKF (UK) LLP's normal rates for time properly given by us and our staff in attending to matters arising in this insolvency Where members of our staff have been employed on this insolvency, they have been so based on their experience and abilities in dealing with a case of this nature Where appropriate, certain staff have dealt with a specific area of the administration due to their specialist skills in that area We should advise you that our rates increase from time to time over the period of the administration of each insolvency, none of which are individually material

8 3 A creditors' guide to fees, which provides information regarding creditors' rights in relation to insolvency practitioners' fees can be obtained by visiting our website The relevant guide can be accessed through www.pkf.co.uk/cr then click on the bottom of the page on the link to 'creditors' guide to fees' A copy of the guide can also be provided upon request by contacting this office

8 4 The following disbursements totalling £586 16 have been incurred by PKF (UK) LLP from the date of appointment to 15 December 2011

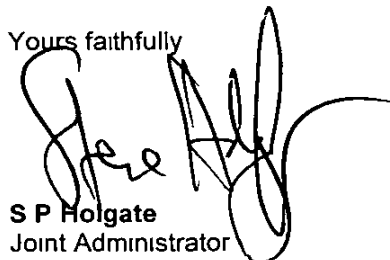
Disbursements	Category 1 £	Category 2 £
Travel	69 00	
Postage	138 13	
Printing & Photocopying	31 92	
Company formation	100 11	
Courier	210 00	
Company search fees	29 00	
Land Registry	8 00	
	<u>586 16</u>	<u>-</u>

8 5 Category 1 disbursements are those which generally comprise external supplies of incidental services specifically identifiable to the client Category 2 disbursements are generally services supplied internally and require the approval of creditors Approval to take Category 2 disbursements was given in the first meeting of creditors on 24 February 2010

- 8 6 On 24 February 2010 creditors approved the basis of the Administrators remuneration on a time cost basis. The Joint Administrators have agreed with the Secured Creditor to cap their fees at £65,000 with the balance of costs to be written off.
- 8 7 Any unsecured creditor with the concurrence of at least 5% in value of the total unsecured creditors (including the value of their own claim) or with the permission of the court, or any secured creditor may make a formal request in writing to the administrator(s) for further information about the remuneration or expenses (other than pre-administration costs) set out in this report. Such a request must be made within 21 days from the date of receipt of this progress report.
- 8 8 Creditors should be aware that if they believe that the Administrators' remuneration is, in the circumstances excessive or inappropriate they may apply to the court under the provisions of Rule 2.109 of the Insolvency Rules 1986. Such application may be made by a secured creditor or any unsecured creditor, the latter requiring the concurrence of 10% of the total unsecured creditors (including their own claim) or the permission of the court.
- 9 COMPLETION OF ADMINISTRATION**
- 9 1 The Joint Administrators will complete the remaining matters of the development and will progress the current proposed offer. Once the final property has been sold the communal areas will be transferred to the management company which will then be operated by the proprietors.
- 9 2 On completion of the matters preventing closure, it is anticipated that the Joint Administrators will exit the administration via dissolution of the Company. It is not anticipated that there will be sufficient realisations to enable the payment of a distribution to any unsecured creditors.

Should you have any queries please do not hesitate to contact Paolo Malgieri of this office

Yours faithfully



S P Holgate
Joint Administrator

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Appendix A

The Property Regeneration Company Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 16/06/2011 To 15/12/2011	From 16/12/2009 To 15/12/2011
	GENERAL FIXED CHARGE		
	Bank advance for New Barn Farm	43,000 00	990,425 14
	Contractors costs	(4,995 00)	(815,293 29)
	Legal & professional costs	(13,455 10)	(67,093 36)
	Insurance	(1,806 81)	(32,869 08)
	Utilities	(1,584 64)	(5,927 72)
	Ransom Payments	-	(25,000 00)
		<u>21,158 45</u>	<u>44,241 69</u>
	PROPERTY & LAND		
Uncertain	New Barn Farm Buildings	1,517,650 88	3,626,505 13
	Legal & Professional costs	(27,712 00)	(80,864 16)
	Overage payment on Old Dairy	(17,813 21)	(17,813 21)
	Bank of Ireland	<u>(1,466,667 67)</u>	<u>(3,497,872 95)</u>
		5,458 00	29,954 81
	ASSET REALISATIONS		
	Bank Interest Net of Tax	<u>20 18</u>	<u>107 95</u>
		20 18	107 95
	COST OF REALISATIONS		
	Office Holders Fees	35,000 00	55,000 00
	Office Holders Expenses	459 05	459 05
	Non-Reclaimable VAT	1,720 00	4,003 48
	Sundries	<u>227 29</u>	<u>227 29</u>
		(37,406 34)	(59,689 82)
	PREFERENTIAL CREDITORS		
(34,376 00)	Inland Revenue	<u>-</u>	<u>-</u>
		-	-
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	<u>-</u>	<u>-</u>
		-	-
<u>(34,476 00)</u>		<u><u>(10,769.71)</u></u>	<u><u>14,614 63</u></u>

SLIP9 Analysis of OfficeHolders Timecosts as at 15/12/2011

Client: 4016442 Property Regeneration Company Limite

Tasks	Grade	Partner / Director	Manager	Supervisor / Senior Administrator	Administrator / Assistant	Total
	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours
Average Cost per hour	£451.00		£275.00		£107.00	£257.00
Partner/Senior Manager Review	4,249.20	9.45	935.40	3.55	121.50	0.75
Planning & Monitoring	381.00	0.75	5,592.75	20.99	2,273.80	12.25
Time Summaries & Billing	0.00	0.00	89.00	0.25	148.50	0.75
Cashiering Function Generally	275.40	0.80	6,708.89	23.53	1,838.25	9.55
Office Holders Tax Liabilities	0.00	0.00	6,689.10	20.82	803.00	4.00
Creditors/Liquidation Committee	0.00	0.00	302.60	0.85	0.00	0.00
CDDA 1986 Work	0.00	0.00	7,031.49	26.13	0.00	0.00
Secured Creditors (reporting/accounting for funds, etc	0.00	0.00	7,663.26	26.29	89.10	0.45
Non Preferential Creditors	0.00	0.00	2,385.45	11.50	817.90	4.30
Fixed Asset Realisation	196.50	0.50	55,601.73	196.37	3,289.40	17.05
Stock Realisations	0.00	0.00	0.00	0.00	0.00	0.00
Post Appointment Trading	0.00	0.00	556.50	2.75	0.00	0.00
Insurance & Bonding	0.00	0.00	5,868.91	23.12	297.00	1.50
Legal Correspondence/Litigation	0.00	0.00	3,859.49	14.50	0.00	0.00
General Administration	0.00	0.00	2,278.05	8.40	48.25	0.25
Statutory Compliance (including CRO returns and lodg	762.00	1.50	12,035.20	43.65	222.70	1.15
Pension Schemes/Liasing with Independent Trustee)	0.00	0.00	59.80	0.20	0.00	0.00
Liasing with Agents/Solicitors/Other Professionals	0.00	0.00	1,827.75	8.83	0.00	0.00
Annual/Periodic Reporting/Meeting (ie S48 or S105)	0.00	0.00	4,130.00	17.68	0.00	0.00
Secretarial	0.00	0.00	0.00	0.00	1,470.45	16.10
ROT Claims	0.00	0.00	30.00	0.15	0.00	0.00
	5,864.10	13.00	123,645.37	449.56	9,949.40	52.00
					5,167.57	48.12
					144,826.44	562.68