

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)
James E Money & 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)
2 June 2012

To

(b)
1 December 2012Signed _____
For the Joint Administrators

Dated 19-12-12

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

James Money

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

Tel 020 7065 0000

DX Number

DX Exchange

MONDAY



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TO ALL KNOWN CREDITORS, AS ADDRESSED

Our ref JM/SAJ/PM/4016442/2400

17 December 2012

Dear Sirs



COMPANIES

**The Property Regeneration Company Limited ('the Company')
In Administration**

Report to creditors on the progress of the Administration pursuant to Rule 2.47 of the Insolvency Rules 1986

We write to provide a report on the progress and conduct of the Administration for the period from 2 June 2012 to 1 December 2012 ('the Period')

The following schedules are attached to this report

- Statutory information
- A summary of the Joint Administrators' receipts and payments account for the Period
- An analysis of the time charged to the Administration to date

1 General overview

- 1.1 This report has been produced in order to report on the progress of the Administration in accordance with the Joint Administrators' statutory duty pursuant to Rule 2.47 of the Insolvency Rules 1986

2 Change of Officeholder

- 2.1 Philip Long and Stephen Holgate ('the Joint Administrators') were appointed Joint Administrators of the Company by the Bank of Ireland on 16 December 2009. The appointment was filed in the High Court of Justice – Companies Court and was allocated case number 21945 of 2009.

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2 2 As mentioned in detail in our last report dated 29 June 2012, following the retirement of Stephen Holgate from PKF (UK) LLP, James Money was appointed Joint Administrator by Court Order on 1 June 2012

2 3 This report should be read in conjunction with the Joint Administrators' Proposals and previous progress reports since December 2009. The Joint Administrators do not repeat in this report matters which have previously been disclosed to creditors in previous correspondence

3 Progress of the Administration

3 1 The Joint Administrators' Proposals were sent to all known creditors on 9 February 2010. A creditors' meeting was convened on 24 February 2010, at which the Proposals were approved without modification

3 2 The Administration was initially extended with creditors' consent to 15 June 2011. In order to make sure all the properties were sold and provide a suitable timeframe for completion of snagging issues, a further extension was granted by Court for a period of 2 years to 15 June 2013

4 Asset realisation

Property Development

4 1 All construction and redevelopment work has been completed. However, there are a small number of snagging issues being addressed

4 2 As at 1 December 2012, the only property which remained unsold was the Sow Unit, which is the only commercial unit on the site. The property is under offer and the Joint Administrators are progressing to a sale. Solicitors are currently dealing with conveyancing issues

4 3 As creditors are aware, the Joint Administrators formed a management company, New Barn Farm (Whitchurch) Limited, to maintain the communal areas within the site. The company has been incorporated specifically for this purpose. The transfer of ownership to the proprietors of each unit has been commenced and the Joint Administrators are now liaising with the proprietors in order to conclude the transfer

4 4 The Joint Administrators continue to believe that there will be insufficient monies, even after the sale of the Sow unit, to allow a dividend to unsecured creditors

5 Receipts

5 1 No receipts have been received during the Period

6 Payments

6 1 During the Period, the Joint Administrators have paid Kieron Beattie Landscaping Ltd £1,524 plus VAT for the upkeep of the communal areas

6 2 Also, an amount of £320 was paid to Zone Developments RG40 Limited for additional redecoration works outside of the building contract

6 3 Professional costs, comprising mainly of work undertaken by PG Vossler, have also been paid for the period totalling £10,436.40

7 Creditor claims**Secured creditors**

- 7 1 Bank of Ireland 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. As at the date of the Joint Administrators appointment, additional interest and charges of c£795k had accrued.
- 7 2 As at 1 December 2012, Bank of Ireland has advanced the Joint Administrators a total of £990,425 to meet the ongoing building costs, and have also provided an overdraft facility of £30,000 to cover regular monthly and any unforeseen costs.
- 7 3 The sum of £3,497,872 has been paid to Bank of Ireland 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.

8 Preferential creditors

- 8 1 There are to date no preferential creditors. Whilst the Joint Administrators are aware of one possible employee no claim has been made under ERA 1996.

9 Prescribed Part

- 9 1 Section 176A of the Insolvency Act 1986 requires the Joint 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.
- 9 2 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, the Joint Administrators do not expect funds to be available to be set aside for the prescribed part.

10 Unsecured creditors

- 10 1 There has been no change in the level of unsecured creditors.
- 10 2 Unsecured creditors of the Company are currently estimated to total c£1.2m per the director's statement of affairs. Claims totalling £230,164 have been received to date. The Joint Administrators have not adjudicated the unsecured creditor claims and this process would only be undertaken by a subsequently appointed liquidator for distribution purposes.
- 10 3 It is not anticipated that there will be sufficient realisations to enable a distribution to the unsecured creditors of the Company.

11 Other matters

- 11 1 The Joint Administrators have complied with all regulatory and statutory requirements under the Insolvency Act 1986 and the Company Directors Disqualification Act 1986.
- 11 2 There are no other matters to report.

12 Remuneration and disbursements

- 12 1 The Joint Administrators' time costs to 1 December 2012 amount to £168,931.78 which represents 678.26 hours at an average hourly rate of £249 and are detailed at Appendix 3.

- 12.2 These amounts are derived by reference to PKF (UK) LLP's normal rates for time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration. Where members of the Joint Administrators staff have been employed on this Administration 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 specific areas of the Administration due to their specialist skills in those areas.
- 12.3 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. The Joint Administrators would advise you that their scale rates increase from time to time over the period of the administration of each insolvency, none of which is individually material.
- 12.4 The current charge out rates for PKF (UK) LLP staff utilised on this assignment are detailed below.

Staff grade	Average rate (£ per hour)
Partner / Director	524 – 404
Senior Manager / Manager	367 – 253
Supervisor / Senior Administrator	222 – 204
Administrator / Support Staff	186 – 54

- 12.5 To date the Joint Administrators have drawn £459.05 against total disbursements of £533.60 which have been incurred from the date of appointment. The disbursements are as follows:

	Category 1	Category 2
	£	£
Postage	381.97	
Travel costs	69.00	
Printing and photocopying	31.92	
Sundries	29.52	
HM Land Registry search	8.00	
Companies House search	3.00	
Statutory Advertising	10.19	
	<u>533.60</u>	<u>0.00</u>

- 12.6 To date, fees of £55,000 have been drawn on a time cost basis with agreement of the secured creditor in accordance with Rule 2.106 of the Insolvency Rules 1986.
- 12.7 A creditors' guide to fees, which provides information regarding creditors' rights in relation to insolvency practitioners' fees, can be obtained by visiting the Joint Administrators' website. The relevant guide can be accessed through www.pkf.co.uk/cgff.

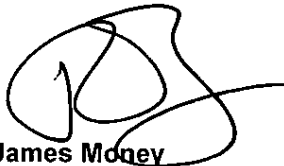
- 12.8 Any unsecured creditor with the concurrence of at least 5% in value of the total unsecured creditors (including the value of their own claim) or with the permission of the Court, or any secured creditor may make a formal request in writing to the Joint Administrators for further information about 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.
- 12.9 Additionally, creditors who believe that the Joint Administrators' remuneration is, in the circumstances, excessive or inappropriate 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.

13 Conclusion

- 13.1 The Court has granted an extension to the Administration to 15 June 2013. The extension was sought in order to satisfy the requirements of the Zurich New Builders Insurance policy which requires the Company to remain outside a liquidation for a period of one year after the final residential property covered under the scheme is sold. After this period, Zurich, as insurer will provide the usual 10 year new homes insurance direct for the benefit of the purchasers of the properties. The last residential property was sold on 31 October 2011 and therefore upon completion of the sale of the Sow unit we will be in a position to conclude the Administration.

We trust the above provides you with sufficient information, but if you require more or have any questions please contact Paolo Malgieri on 020 7065 0737.

Yours faithfully



James Money
Joint Administrator



Accountants &
business advisers

**The Property Regeneration Company Limited
In Administration**

Statutory Information

Court details for the administration:	High Court of Justice – Companies Court, 21945 of 2009
Full name:	The Property Regeneration Company Limited
Trading name:	N/a
Previous names:	N/a
Registered number:	05870006
Registered address:	Farringdon Place, 20 Farringdon Road, London, EC1M 3AP
Company director:	Ms Fiona Cochran
Company secretary:	N/a
Shareholdings held by the directors and secretary:	Total share capital Ordinary Shares – 100 (par Value £1) Holdings WH Trustees Ltd 80 Ordinary Shares Fiona Cochran 20 Ordinary Shares
Date of the administration appointment:	16 December 2009
Administrators' names and addresses:	Eddie Kerr and James Money of PKF (UK) LLP, Farringdon Place, 20 Farringdon Road, London, EC1M 3AP
Appointer's name and address:	The Bank of Ireland, 36 Queen Street, London, EC4R 1HJ
Objective being pursued by the Administrators:	Paragraph 3(1)(b) and (c) of Schedule B1 to the Act "achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration)" and "realising the Company's assets in order to make a distribution to one or more secured or preferential creditors"
Division of the Administrators' responsibilities:	Jointly and severally
Proposed end of the administration:	Creditors Voluntary Liquidation or Dissolution of the Company
Estimated dividend for unsecured creditors:	None
Estimated values of the prescribed part and net property:	Nil
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	No
The European Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000 of 29 May 2000):	Main proceedings England & Wales

**The Property Regeneration Company Limited
(In Administration)**

Summary of Receipts & Payments

RECEIPTS	Statement of Affairs (£)	From 16/12/2009 To 01/06/2012 (£)	From 02/06/2012 To 01/12/2012 (£)	Total (£)
Bank advance for New Barn Farm		990,425 14	0 00	990,425 14
New Barn Farm Buildings	Uncertain	3,626,505 13	0 00	3,626,505 13
Bank Interest Net of Tax		113 43	0 00	113 43
		4,617,043 70	0 00	4,617,043.70
PAYMENTS				
Overage payment on Old Dairy		17,813 21	0 00	17,813 21
Contractors costs		835,893 11	1,844 00	837,737 11
Legal & professional costs		74,057 56	10,436 40	84,493 96
Insurance		32,869 08	0 00	32,869 08
Utilities		5,010 82	221 94	5,232 76
Ransom Payments		25,000 00	0 00	25,000 00
Legal & Professional costs		80,864 16	0 00	80,864 16
Bank of Ireland		3,497,872 95	0 00	3,497,872 95
Office Holders Fees		55,000 00	0 00	55,000 00
Office Holders Expenses		459 05	0 00	459 05
Non-Reclaimable VAT		4,003 48	0 00	4,003 48
Bank Charges		85 68	250 15	335 83
Sundries		227 29	100 00	327 29
		4,629,156 39	12,852 49	4,642,008 88
Net Receipts/(Payments)		(12,112 69)	(12,852 49)	(24,965 18)
MADE UP AS FOLLOWS				
VAT Receivable		82,151 25	2,422 10	84,573.35
Bank 1 - Current		(15,276 72)	(12,205 01)	(27,481 73)
Vat Control Account		(78,987 22)	(3,069 58)	(82,056 80)
		(12,112 69)	(12,852 49)	(24,965 18)

N.B. The bank account currently displays a negative balance in respect of the overdraft facility of £30,000 provided to the Joint Administrators by the Bank of Ireland.

SIP9 Analysis of OfficeHolders Timecosts as at 01/12/2012

Client 4016442 Property Regeneration Company Limite

Tasks	Grade	Partner / Director	Manager	Supervisor / Senior Administrator	Administrator / Assistant	Total
		Amount (£)	Hours	Amount (£)	Hours	Amount (£)
Average Cost per hour		£459.00	£279.00	£197.00	£119.00	£249.00
Partner/Senior Manager Review		4,249.20	9.45	0.00	0.00	4,249.20
Planning & Monitoring		381.00	0.75	4,744.30	24.50	10,967.25
Time Summaries & Billing		0.00	0.00	188.10	0.95	277.10
Cashiering Function Generally		791.40	1.80	2,975.28	15.04	16,987.40
Office Holders Tax Liabilities		101.60	0.20	1,248.50	6.25	10,025.00
Creditors/Liquidation Committee		0.00	0.00	0.00	0.00	302.60
CDDA 1986 Work		0.00	0.00	0.00	0.00	7,031.49
Secured Creditors (reporting/accounting for funds, etc		262.00	0.50	8,893.46	29.69	9,422.76
Non Preferential Creditors		0.00	0.00	2,385.45	11.50	3,989.45
Fixed Asset Realisation		196.50	0.50	58,283.78	203.72	67,094.28
Stock Realisations		0.00	0.00	0.00	0.00	52.00
Post Appointment Trading		0.00	0.00	306.00	1.50	862.50
Insurance & Bonding		0.00	0.00	396.00	2.00	6,496.31
Legal Correspondence/Litigation		0.00	0.00	0.00	0.00	4,839.39
General Administration		0.00	0.00	48.25	0.25	2,571.20
Statutory Compliance (including CRO returns and lodg		762.00	1.50	2,529.40	12.80	15,047.00
Pension Schemes/Liasing with Independent Trustee)		0.00	0.00	0.00	0.00	59.80
Liasing with Agents/Solicitors/Other Professionals		0.00	0.00	1,827.75	8.83	1,827.75
Annual/Periodic Reporting/Meeting (ie S48 or S105)		0.00	0.00	4,130.00	17.68	4,130.00
Secretarial		0.00	0.00	0.00	0.00	1,669.30
ROT Claims		0.00	0.00	0.00	0.00	30.00
		6,743.70	14.70	22,271.93	113.19	10,061.03
			465.96		84.41	168,931.78
						678.26