

The Insolvency Act 1986

## Administrator's progress report

**2.24B**

Name of Company The Property Regeneration Company Limited
--

Company Number 05870006
----------------------------

In the High Court of Justice [full name of court]
---

Court case number (For court use only) 21945 of 2009
---

Insert full name(s) and  
address(es) of the  
administrator(s)

(a)

James Money of BDO LLP, 55 Baker Street, London, W1U 7EU

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

(b) Insert dates

From

(b) 18 May 2013
--------------------

To

(b) 15 December 2013
-------------------------

Signed

Administrator

Dated

13 January 2014

## Contact Details

You 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 55 Baker Street, London, W1U 7EU Tel 020 7486 5888 DX Number DX Exchange
--



A26 15/01/2014 #41  
COMPANIES HOUSE

When you have completed and signed this form please send it to the Registrar of Companies at  
Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

**TO ALL KNOWN CREDITORS**

Our ref JM/SAJ/PM/4016442/2400

13 January 2014

Dear Sirs

**The Property Regeneration Company Limited ('the Company')  
In Administration****Report to creditors on the progress of the Administration pursuant to Rules 2.47 and 2.112 of the  
Insolvency Rules 1986**

We write to provide a report on the progress and conduct of the Administration for the period from 18 May 2013 to 15 December 2013 ('the Period')

The following schedules are attached to this report

- Statutory information
- A summary of the Administrator's 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 Administrator's statutory duty pursuant to Rule 2.47 of the Insolvency Rules 1986

**2 Progress of the Administration**

- 2.1 As previously reported, all construction and redevelopment work has been completed. We are in the process of reviewing a small number of snagging issues which need to be addressed.

**Asset realisations - Sale of Sow Unit**

- 2.2 The sole commercial unit on the site, called the Sow Unit, was sold on 31 July 2013 for £175,000.
- 2.3 The Administrator had been in negotiations with a prospective purchaser for some time. The sale progress was delayed by boundary and rights of way issues that were addressed through the use of surveyors and agents. The associated costs were paid by BDO LLP and are included in the disbursements section below.



- 2.4 The Administrator confirms that there is no prospect of a distribution to unsecured creditors from this final disposal or any previous ones

#### **Management Company**

- 2.5 The Administrator is continuing to liaise with the residents in respect of the transfer of the Management Company, New Barn Farm (Whitchurch) Limited

### **3 Receipts**

- 3.1 The only receipt during the period was from the sale of the Sow Unit

### **4 Payments**

- 4.1 The amount of £508.00 was paid in respect of landscaping services.
- 4.2 Legal and professional costs associated with the sale of the Sow Unit and with the extension of the administration were incurred during the period. These costs include solicitor's fees and disbursements and estate agent fees and total £19,730.68
- 4.3 Insurance which covers the period from 24 September 2011 to the 31 July 2013 has been paid to insurance brokers JLT. The amount paid was £3,530.87
- 4.4 Utilities of £439.75 have been paid. These were specifically in relation to electricity used for the common areas
- 4.5 The Administrator has paid amounts of £4,523 in respect of remedial works
- 4.6 The Bank of Ireland UK ('the Bank'), as secured creditor, has been paid £82,000 in respect of the sale of the Sow Unit
- 4.7 The balance of Officeholders fees and disbursements totalling £13,454.95 has been paid
- 4.8 Bank charges of £431.83 have also been paid during the period

### **5 Creditor claims**

#### **Secured creditor**

- 5.1 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 c£2.6m. As at the date of the Administrators' appointment, additional interest and charges of c£795k had accrued
- 5.2 Since the commencement of the administration the Bank has advanced c£990k of funds to meet the costs of completing the development. Whilst c£3.5m has been distributed back to the Bank from property sales there remains a significant shortfall after interest and charges

#### **Preferential creditors**

- 5.3 There have been no preferential claims made against the Company.

**Prescribed part**

- 5.4 Section 176A of the Insolvency Act 1986 requires the Administrator 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
- 5.5 The floating charge was granted in favour of Bank of Ireland after 15 September 2003 therefore, the prescribed part provisions apply. However, after providing for realisation costs, the Administrator does not expect any funds to be available to be set aside for the prescribed part

**Unsecured creditors**

- 5.6 There has been no change in the level of unsecured creditors
- 5.7 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 Administrator has not adjudicated the unsecured creditor claims and this process would only be undertaken by a subsequently appointed liquidator for distribution purposes
- 5.8 It is not anticipated that there will be sufficient realisations to enable a distribution to the unsecured creditors of the Company

**6 Remuneration and disbursements**

- 6.1 The time costs incurred in the period 18 May 2013 to 15 December 2013 amount to £26,780.80 which represents 99.65 hours at an average hourly rate of £269. Time costs for the entire period of the Administration amount to £205,120.42 which represents 821 hours at an average hourly rate of £250. These time costs are detailed at Appendix 3.
- 6.2 Detailed analysis of the time costs incurred during the period of this progress report and the Administration as a whole are enclosed at Appendix 3. Please note that pursuant to the merger of PKF and BDO, the staff who worked on this matter have, since 1 June 2013, been using a different time recording system. As a result time recorded from this date is displayed separately within appendix 3.
- 6.3 The current charge out rates for the period are summarised as follows

Staff grade	Average rate (£ per hour)
Partner / Director	452
Senior Manager / Manager	370
Supervisor / Senior Administrator	256
Administrator / Support Staff	149

- 6.4 These amounts are derived from PKF/BDO's normal rates for time properly spent by the Administrators and their staff in attending to matters arising in the administration. Where members of staff have been employed on this case they have been so based on their experience and abilities in dealing with a case of this nature. Where appropriate certain staff



As with PKF, BDO's scale rates may increase from time to time to over the period of the assignment

- 6 5 All staff who have worked on this matter, including cashiers and secretarial staff have charged time directly to the assignment and are included in the enclosed analysis. 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
- 6 6 The following disbursements totalling £3,914 00 have been incurred by PKF/BDO during the period of the administration:

	Category 1	Category 2
	£	£
Postage	381 97	
Travel costs	69 00	
Printing and photocopying	53 12	
Sundries	29 52	
HM Land Registry search	8 00	
Companies House search	31 00	
Statutory Advertising	10 19	
Professional costs re boundary and right of way issues	3,331 20	
	<hr/>	
	3,914 00	0 00
	<hr/>	

- 6.7 To date, fees of £65,000 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
- 6 8 Disbursements of £3,914 have been drawn as reflected in the receipts and payments account at Appendix 2.
- 6 9 A creditors' guide to fees, which provides information regarding creditors' rights in relation to insolvency practitioners' fees, can be sent upon request.
- 6.10 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 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 report.
- 6 11 Additionally, creditors who believe that the Administrator's 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

## **7 Conclusion**

- 7.1 The sale of the Sow Unit has been protracted and it was necessary for the Administrator to seek an extension to the Administration in order to complete the sale. The extension was granted by the Court to 17 May 2014. The property was subsequently sold on 31 July 2013. Since the sale the Administrator has been seeking to transfer the ownership of the management company to the owners of the properties on the site. We expect following transfer of the management company to conclude the Administration. If you require more information or have any questions please contact Paolo Malgieri on 020 7893 3788.

Yours faithfully

A handwritten signature in black ink, appearing to be 'JM' followed by a long horizontal stroke.

**James Money**  
Administrator



**The Property Regeneration Company Limited  
In Administration**

**Statutory Information**

<b>Court details for the administration:</b>	High Court of Justice - Companies Court, 21945 of 2009
<b>Full name:</b>	The Property Regeneration Company Limited
<b>Trading name:</b>	N/a
<b>Previous names:</b>	N/a
<b>Registered number:</b>	05870006
<b>Registered address:</b>	55 Baker Street, London W1U 7EU
<b>Company director:</b>	Ms Fiona Cochran
<b>Company secretary:</b>	N/a
<b>Shareholdings held by the directors and secretary:</b>	Total share capital Ordinary Shares - 100 (par Value £1) Holdings: WH Trustees Ltd 80 Ordinary Shares Fiona Cochran 20 Ordinary Shares
<b>Date of the administration appointment:</b>	16 December 2009
<b>Administrators' names and addresses:</b>	James Money of BDO LLP, 55 Baker Street, London W1U 7EU
<b>Appointer's name and address:</b>	The Bank of Ireland, 36 Queen Street, London, EC4R 1HJ
<b>Objective being pursued by the Administrators:</b>	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"
<b>Division of the Administrators' responsibilities:</b>	Not applicable
<b>Proposed end of the administration:</b>	Creditors Voluntary Liquidation or Dissolution of the Company
<b>Estimated dividend for unsecured creditors:</b>	None
<b>Estimated values of the prescribed part and net property:</b>	Nil
<b>Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:</b>	No
<b>The European Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000 of 29 May 2000):</b>	Main proceedings England & Wales

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

**Summary of Receipts & Payments**

RECEIPTS	Statement of Affairs (£)	From 16/12/2009 To 17/05/2013 (£)	From 18/05/2013 To 15/12/2013 (£)	Total (£)
Bank advance for New Barn Farm		990,425 14	0 00	990,425 14
New Barn Farm Buildings	Uncertain	3,626,505 13	175,000 00	3,801,505 13
Bank Interest Net of Tax		113 43	4 22	117 65
		<b>4,617,043 70</b>	<b>175,004 22</b>	<b>4,792,047 92</b>

**PAYMENTS**

Overage payment on Old Dairy		17,813 21	0 00	17,813 21
Contractors costs		839,261 11	508 00	839,769 11
Legal & professional costs		165,358 12	19,730 68	185,088 80
Insurance		32,869 08	3,530 87	36,399 95
Utilities		5,426 94	439 75	5,866 69
Ransom Payments		25,000 00	0 00	25,000 00
Bank of Ireland		3,497,872 95	82,000 00	3,579,872 95
Office Holders Fees		55,000 00	10,000 00	65,000 00
Office Holders Expenses		459 05	3,454 95	3,914 00
Remedial works		0 00	4523 00	4523 00
Non-Reclaimable VAT		6,067 98	264 45	6,332 43
Bank Charges		808 25	431 83	1,240 08
Sundries		327 29	0 00	327 29
		<b>4,646,263.98</b>	<b>124,883 53</b>	<b>4,771,147 51</b>
<b>Net Receipts/(Payments)</b>		<b>(29,220 28)</b>	<b>50,120 69</b>	<b>20,900 41</b>

**MADE UP AS FOLLOWS**

<b>Bank 1 - Current</b>	<b>(29,982 54)</b>	<b>50,882 95</b>	<b>20,900 41</b>
	<b>(29,220.28)</b>	<b>50,120 69</b>	<b>20,900 41</b>

James Money  
Administrator



SIP9 Analysis of OfficeHolders Timecosts from 18/5/13 to 15/12/2013

Client: 4016442 Property Regeneration Company Limite

Tasks	Grade		Partner / Director		Manager		Supervisor / Senior Administrator		Administrator / Assistant		Total	
	Average Cost per hour		Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours
Planning & Monitoring		0.00	0.00	0.00	599.85	1.55	589.50	2.25	0.00	0.00	1,189.35	3.80
Cashiering Function Generally		0.00	0.00	0.00	0.00	0.00	0.00	0.00	99.45	0.45	99.45	0.45
Fixed Asset Realisation		0.00	0.00	0.00	3,057.30	7.90	9,694.00	37.00	0.00	0.00	12,751.30	44.90
General Administration		316.10	0.70	0.00	1,242.00	4.10	4,501.45	18.30	1,558.85	10.70	7,618.40	33.80
Creditor Claims		0.00	0.00	0.00	0.00	0.00	65.50	0.25	0.00	0.00	65.50	0.25
Statutory Compliance		0.00	0.00	0.00	2,670.30	6.90	2,386.50	9.55	0.00	0.00	5,056.80	16.45
		316.10	0.70		7,569.45	20.45	17,236.95	67.35	1,658.30	11.16	26,780.80	99.65

Secretarial Expense 3426.95

Grand Total 30,207.75

# SIP9 Analysis of OfficeHolders Timecosts from 16/12/2009 to 15/12/2013

Client: 4016442 Property Regeneration Company Limited

Tasks	Average Cost per hour		Manager		Supervisor / Senior Administrator		Administrator / Assistant		Total	
	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours
Partner/Senior Manager Review	4,249 20	9 45	0 00	0 00	0 00	0 00	0 00	0 00	4,249 20	9 45
Planning & Monitoring	381 00	0 75	6,306 35	22 89	7,468 30	37 00	0 00	0 00	14,155 65	60 64
Time Summaries & Billing	0 00	0 00	89 00	0 25	188 10	0 95	0 00	0 00	277 10	1 20
Cashiering Function Generally	948 60	2 10	7,377 69	25 58	2,975 28	15 04	6,134 72	49 22	17,436 29	91 94
Office Holders Tax Liabilities	101 60	0 20	7,062 90	21 87	1,248 50	6 25	1,612 00	10 30	10,026 00	38 62
Creditors/Liquidation Committee	0 00	0 00	302 60	0 85	0 00	0 00	0 00	0 00	302 60	0 85
CDDA 1986 Work	0 00	0 00	7,031 49	26 13	0 00	0 00	0 00	0 00	7,031 49	26 13
Secured Creditors (reporting/accounting for funds, etc)	262 00	0 50	9,719 21	31 94	267 30	1 35	0 00	0 00	10,248 51	33 79
Non Preferential Creditors	0 00	0 00	2,385 45	11 50	1,647 50	8 40	22 00	0 25	4,054 95	20 15
Fixed Asset Realisation	196 50	0 50	62,103 08	213 62	19,933 40	88 30	664 40	5 10	82,897 38	307 52
Stock Realisations	0 00	0 00	0 00	0 00	0 00	0 00	52 00	1 00	52 00	1 00
Post Appointment Trading	0 00	0 00	556 50	2 75	306 00	1 50	0 00	0 00	862 50	4 25
Insurance & Bonding	0 00	0 00	6,100 31	23 77	461 50	2 25	0 00	0 00	6,561 81	26 02
Legal Correspondence/Litigation	0 00	0 00	4,839 39	17 20	0 00	0 00	0 00	0 00	4,839 39	17 20
General Administration	316 10	0 70	3,662 45	12 90	6,412 20	26 10	1,661 35	11 95	12,052 10	51 65
Statutory Compliance	762 00	1 50	15,513 10	52 80	5,042 40	24 55	885 60	5 90	22,203 10	84 75
Pension Schemes/Liasing with Independent Trustee	0 00	0 00	59 80	0 20	0 00	0 00	0 00	0 00	59 80	0 20
Liasing with Agents/Solicitors/Other Professionals	0 00	0 00	1,827 75	8 83	0 00	0 00	0 00	0 00	1,827 75	8 83
Annual/Periodic Reporting/Meeting (ie S48 or S105)	0 00	0 00	4,130 00	17 68	0 00	0 00	0 00	0 00	4,130 00	17 68
Secretarial	0 00	0 00	0 00	0 00	0 00	0 00	1,823 80	19 45	1,823 80	19 45
ROT Claims	0 00	0 00	30 00	0 15	0 00	0 00	0 00	0 00	30 00	0 15
	7,217 00	15 70	139,097 07	490 91	45,950 48	211 69	12,855 87	103 17	205,120 42	821 47