

Liquidator's Progress Report**Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986****S.192**

To the Registrar of Companies

Company Number

06014593

Name of Company

(a) Insert full name of
company

(a)

Solihull Pavilions Limited(b) Insert full name(s)
and address(es)**We, (b) David Christian Chubb of PricewaterhouseCoopers LLP,
7 More London Riverside, London, SE1 2RT and****David Matthew Hammond of PricewaterhouseCoopers LLP,
Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT,**the liquidators of the Company, attach a copy of our progress report
under section 192 of the Insolvency Act 1986The progress report covers the period from **27 August 2013 to 26
August 2014**

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COMPANIES HOUSE

Signed

Date 24 October 2014

Presenter's name,
address and
reference
(if any)Nadia Mann
PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP
Tel 0113 289 4009



First progress report to members & creditors

24 October 2014

Company Solihull Pavilions Limited - in Creditors' Voluntary Liquidation

Registered Number 06014593

Registered address 7 More London Riverside, London, SE1 2RT

Type of Insolvency Creditors' Voluntary Liquidation

Date of Appointment 27 August 2013

Appointees David Christian Chubb and David Matthew Hammond

Address PricewaterhouseCoopers LLP
Benson House, 33 Wellington Street, Leeds, LS1 4JP

Dividend Prospects	Current estimate p in £	Previous estimate p in £
Preferential	N/A – no preferential creditors	N/A
Unsecured	N/A – paid in full	N/A – paid in full



Solihull Pavilions Limited – in Creditors’ Voluntary Liquidation (“the Company”)

Report to members and creditors

In accordance with Rule 4 49C of the Insolvency Rules 1986 (“IR86”), this is the Liquidators’ first progress report to members and all known creditors. Attached at Appendices A1, A2 and A3 are summaries of the financial information relating to the liquidation.

Appointment of administrators

On 2 March 2012 David Christian Chubb and David Matthew Hammond of PricewaterhouseCoopers LLP were appointed Joint Administrators of the Company by its secured creditor Clydesdale Bank Plc (“the Secured Creditor” or “the Bank”). The Administration was concluded on 27 August 2013, being the date the Company moved into Creditors’ Voluntary Liquidation (“CVL”). David Chubb and Matthew Hammond were appointed Joint Liquidators of the Company (“the Liquidators”).

Asset realisations

To date, the Company’s assets have been realised as follows

	Actual realisations £	Estimated to realise per the statement of affairs £
Freehold property	2,283,416 87	4,500,000 00
Cash at bank	646,562 74	46,292.14
Trade debtors (rent and insurance)	940 32	926 62
Prepayments (rates, service charge and insurance)	5,973 48	7,175.74
Purchase ledger credits	6,235 23	4,567.75
	<u>2,296,565.90</u>	<u>4,512,670.11</u>

For clarity and comparison to the statement of affairs the realisations above are for the combined periods of the administration and CVL.

During the CVL period, freehold property has been realised as follows

Property	Purchaser	Date of sale	Consideration (net)
Phase II land	Associated Independent Stores	August 2014	£550,000
Unit 2	Mr Bhogal	November 2013	<u>£225,889</u>
Total			<u>£775,889</u>

In the past year the Liquidators have continued to market vacant units through the appointed agents GVA Grimley Limited and KWB.

In May 2013 a sale of Unit 2 was agreed to Mr Bhogal based on an exchange of contracts and delayed completion of up to 12 months with the purchaser paying a 25% non-returnable deposit and occupying the property by way of a lease of the premises based on a stepped rental. Exchange of contracts took place on 22 July 2013 with completion on 21 November 2013.

In May 2014 an offer was received for the Phase II land. Following negotiation a sale was achieved in August 2014 to Associated Independent Stores (“AIS”) for use as car parking space at £550,000 plus an overage provision in the event the property is sold on at a profit or developed for another use, running for two years from the date of completion of sale. This sales figure was at a level in excess of previous offers received and was at an acceptable level for the Bank.



Despite regular advertising and other marketing we received only sporadic interest in the vacant units. Freehold offers were received towards the end of the summer on Units 3 and 11 as well as Units 8 and 9 which were being vacated by the tenant on expiry of their lease in August 2014. Unfortunately the offers were not deemed acceptable to the Secured Creditor, and in total five units remain to be realised at this time.

In addition to marketing the properties, the Liquidators have continued with the general asset management of the site which has included the settlement of a dilapidations claim on Units 8 and 9 following the tenant's lease expiry. Day to day estate management continues to be provided by Colliers International and has included the implementation of a new parking management regime to deal with car parking issues on the estate.

Other areas of work

In addition to dealing with asset realisations, the Liquidators have undertaken work relating to payments and bank reconciliations, arranging distributions to creditors, liaising with property agents, carrying out a regulatory internal case review, submitting the statutory directors' conduct return, submitting VAT and tax returns, as well as internal consultations to discuss case progression.

As you may recall, upon appointment the former Administrators took control of a subsidiary management company, Pavilions Solihull Management Limited. It is envisaged that this company will take over the estate management once the CVL has come to an end. The Liquidators have been dealing with statutory returns in respect of that company.

Outcome for creditors

Secured creditor

Distributions to the Secured Creditor total £1,814,913, of which £500,000 was paid in the CVL. It is anticipated that the Secured Creditor will suffer a shortfall under its security.

Preferential creditors

The company has no preferential creditors.

Unsecured creditors

A first and final distribution to unsecured creditors of £12,176.98 was made in January 2014 by virtue of the prescribed part. The unsecured creditors have now been paid in full.

Investigations

The Liquidators have reviewed the affairs of the Company prior to liquidation and have also considered the points raised by creditors in discharging their duties under the Company Directors' Disqualification Act 1986.

Creditors are reminded that the Liquidators have a statutory obligation to consider the directors' conduct and to submit a return/report to the Insolvency Service. The Liquidators confirm that they have complied with this requirement.

Professional advisers

On this assignment the liquidators have used the professional advisers listed below.



Name of Professional Adviser	Nature of Work	Basis of Fee Arrangement
Squire Sanders (UK) LLP	Legal advice	% of realisation
Reed Smith LLP	Legal advice	Time costs
Squire Patton Boggs (UK) LLP	Legal advice	% of realisation
Colliers International	Property agents	Fixed fee
GVA Grimley Ltd	Estate agents	% of realisation
KWB	Commercial property agents	% of realisation
CAPA UK	Audit & property advisers	% of realisation
Mercer & Hole	Accountants	Time costs

The Liquidators' choice was based upon their perception of the advisers' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. The Liquidators have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the case.

Liquidators' remuneration

You may recall that the former Administrators' remuneration was approved by the Secured Creditor on a fixed fee basis, consisting of a base fee payable upon completion of asset sales and an additional incentive fee based upon total realisations payable at the end of the assignment. In accordance with Rule 4.127 IR86, the remuneration basis agreed in the Administration has continued in the liquidation. As at 26 August 2014, £46,467 was drawn in the liquidation.

It has been the Liquidators' policy to delegate the routine administration of the liquidation to junior staff in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the Liquidators. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Liquidators.

Liquidators' disbursements

Category 1 disbursements

The Liquidators have incurred Category 1 disbursements of £544 during the period 27 August 2013 to 26 August 2014 in respect of travel costs, car parking, courier, research and archiving costs. £485 has been drawn in this respect.

Category 2 disbursements

The Liquidators' current disbursements policy is as follows:

- 1 Photocopying for circulars or any other bulk copying is charged at 5p per sheet,
- 2 Mileage – this is reimbursed at a maximum of 67p per mile (up to 2,000cc) and 80p per mile (over 2,000cc)

All other disbursements are reimbursed at cost. The Liquidators have incurred £32.85 in respect of mileage during the period 27 August 2013 to 26 August 2014 and will seek the Secured Creditor's approval to draw this in due course.

Statement of expenses

The following expenses have been incurred during the period of the report

	Expenses outstanding at 27 August 2013 (*) (£)	Total expenses paid in CVL at 26 August 2014 (£)	Expenses outstanding at 26 August 2014 (£)	Total expenses incurred in CVL to 26 August 2014 (£)
Insurance	23 152 00	32 572 00		9 420 00
Colliers International fees	4 913 00	11 091 00	7 922 25	14 100 25
Advertising	74 00	4 444 90		4 370 90
Security		5 210 53	840 00	6 050 53
Refuse collection	368 00	4 509 18	1 745 39	5 886 57
Health and safety	-	1 092 95	-	1 092 95
Electricity	387 00	4 640 41	1 557 17	5 810 58
Water charges		(36 91)		(36 91)
Pest control	-	220 00	110 00	330 00
Landscaping	-	3 262 40	1 050 00	4 312 40
Gritting grit bins and bags	-	5 770 00	3 510 00	9 280 00
External repairs	1 386 00	2 478 20	1 616 38	2 708 58
Internal repairs	-	3 779 54		3 779 54
Legal fees and disbursements	48 873 00	45 368 04	7 256 73	7 256 73
Agents fees	3 614 00	42 512 67	756 60	39 655 27
Office holders fees and disbursements	-	110 933 23		110 933 23
Bank charges	-	75 00		75 00
Accountants fees	1 600 00	4 375 00	1 000 00	3 775 00
Administrative expenses	28 00		28 00	-
Fixtures and fittings	-	2 487 00		2 487 00
IT costs	-	200 00		200 00
Corporation tax	-	3 273 91		3 273 91
Laundry and cleaning	-	1 087 36		1 087 36
Registrar's fees	-	40 00		40 00
Consultancy fees	-	1 462 94		1 462 94
Storage costs	-	16 19		16 19
Service charge re void units	-	5 368 23		5 368 23
Drainage	-	1 334 00	1 334 00	2 668 00
Total	84,395 00	297,567 76	28,726,52	245,404 24

(*) Brought forward from the Administration

Additional information

If any creditor requires further explanations on any aspect of the Liquidators' progress report, then please telephone or write to Nadia Mann on 0113 289 4009 who will be pleased to deal with such enquiries, however, any request for further information regarding the Liquidators' remuneration or disbursements should be made in writing (Rule 4 49E of Insolvency Rules 1986)

In addition, should any creditor consider the Liquidators' remuneration and disbursements to be excessive or inappropriate, they have the right to challenge the amounts in accordance with Rule 4 131 IR86 Please see the link below for further detail

<http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-liquidators-fees-final.pdf>

**Appendix A1****Solihull Pavilions Limited - in Creditors' Voluntary Liquidation****Funds held by the Liquidators****Summary of financial information as at 26 August 2014****27 August 2013
to 26 August 2014****Fixed charge realisations**

Transfer of funds from Administration	68,250 03
Property sales proceeds	775,888 75
Apportioned insurance receipts	-
Interest	656 89
Service charges	-
Insurance claims and refunds	2,634 79
Rates rebates	-
	<hr/> 847,430 46

Fixed charge costs of realisations/payments

Rent	-
Legal fees and disbursements	17,177 01
Agents' fees	16,353 31
Advertising (non-statutory)	3,110 00
Office holders' fees (fixed)	46,467 43
Office holders' disbursements	1,141 00
Bank charges	45 00
Fixtures and fittings	2,487 00
Marketing	200 00
Insurance	32,572 00
Cleaning	1,087 36
Void service charge	-
Other running costs	-
	<hr/> 120,640 11
Distribution to chargeholder	500,000 00
Fixed charge balance	<hr/> 226,790 35 <hr/>

Floating charge realisations

Transfer of funds from Administration	47,227 00
Interest	23 32
Rent	1,878 60
Council tax rebate	-
Utility refunds	-
Trade debtors (rent and insurance)	-
Prepayments (rates, service charge and insurance)	-
Purchase ledger credits	-
	<hr/> 49,128 92

Floating charge costs of realisations/payments

Bank charges	-
Accountants' fees	4,245 00
Storage costs	-
Consultancy fees	-
Registrar's fees	40 00
Advertising (statutory)	150 74
Corporation tax	3,273 91
	<hr/> 7,709 65
Distribution to unsecured creditors (14 01 14, 100 p in the £)	12,176 98
Floating charge balance	<hr/> 29,242.29 <hr/>
VAT account	106,085 85
Grand total (held on interest bearing accounts)	<hr/> 362,118 49 <hr/>

Solihull Pavilions Limited - in Creditors' Voluntary Liquidation

Funds held in client account with Colliers International ("Colliers")

Summary of financial information as at 26 August 2014

**27 August 2013
to 26 August 2014**

Floating charge realisations

Opening funds with Colliers	204,924 00
Rental income	96,870 72
Service charge	30,438 25
Car park rental	3,375 00
Insurance recharge	-
Interest	106 93
	<u>335,714 90</u>

Floating charge costs of realisations/payments

Insurance	-
Colliers International fees	11,091 00
Advertising	580 00
Security	5,210 53
Refuse collection	4,509 18
Health & Safety	1,092 95
Electricity	4,707 88
Water charges (refund)	(50 10)
Pest control	220 00
Landscaping	3,262 40
Gritting, grit bins and bags	5,770 00
External repairs and cleaning	2,478 20
Internal repairs	3,779 54
Void units costs	5,368 23
Drainage	1,334 00
	<u>49,353 81</u>

Fixed charge balance	286,361.09
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VAT account	7,245 14
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Funds held	293,606.23
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Solihull Pavilions Limited - in Creditors' Voluntary Liquidation
Total funds held in the Liquidation
Summary of financial information as at 26 August 2014

	Liquidators' Receipts and Payments	Colliers' Receipts and Payments	Total Receipts and Payments	Directors Statement of Affairs
Fixed charge realisations				
Transfer of funds from Administration	68,250 03	-	68 250 03	
Property sales proceeds	775,888 75	-	775,888 75	4 500 000 00
Apportioned insurance receipts	-	-	-	
VAT receipts	-	-	-	
Interest	656 89	-	656 89	
Service charges	-	-	-	
Insurance claims and refunds	2 634 79	-	2 634 79	
Rates rebates	-	-	-	
	<u>847 430 46</u>	<u>-</u>	<u>847 430 46</u>	
Fixed charge costs of realisations/payments				
Rent	-	-	-	
Legal fees and disbursements	17 177 01	-	17 177 01	
Agents fees	16 353 31	-	16 353 31	
Advertising (non statutory)	3,110 00	-	3 110 00	
Office holders fees (fixed)	46,467 43	-	46,467 43	
Office holders disbursements	1 141 00	-	1 141 00	
Bank charges	45 00	-	45 00	
Fixtures and fittings	2 487 00	-	2 487 00	
Marketing	200 00	-	200 00	
Insurance	32 572 00	-	32,572 00	
Cleaning	1 087 36	-	1,087 36	
Void service charge	-	-	-	
Other running costs	-	-	-	
	<u>120 640 11</u>	<u>-</u>	<u>120 640 11</u>	
Fixed charge balance	726,790 35	-	726,790 35	
Floating charge realisations				
Transfer of funds from Administration	47,227 00	204,924 00	252 151 00	46 292 14
Interest	23 32	106 93	130 25	
Service charges	-	30 438 25	30 438 25	
Rent	1 878 60	100 245 72	102 124 32	
Council tax rebate	-	-	-	
Utility refunds	-	-	-	
Trade debtors (rent and insurance)	-	-	-	926 62
Prepayments (rates service charge and insurance)	-	-	-	7 175 74
Purchase ledger credits	-	-	-	4 567 75
	<u>49 128 92</u>	<u>335,714 90</u>	<u>384,843 82</u>	
Floating charge costs of realisations/payments				
Bank charges	-	-	-	
Agents fees	-	11,091 00	11 091 00	
Accountants fees	4 245 00	-	4 245 00	
Storage costs	-	-	-	
Consultancy fees	-	-	-	
Registrar's fees	40 00	-	40 00	
Advertising (statutory)	150 74	-	150 74	
Advertising (non statutory)	-	580 00	580 00	
Void service charge	-	5 368 23	5 368 23	
Other running costs	-	32 314 58	32 314 58	
Corporation tax	3 273 91	-	3 273 91	
	<u>7 709 65</u>	<u>49 353 81</u>	<u>57 063 46</u>	
Floating charge balance	41,419 27	286,361 09	327,780 36	
VAT account	106 085 85	7 245 14	113 330 99	
Distribution to chargeholder	500 000 00	-	500,000 00	5 208 554 30 (*)
Distribution to unsecured creditors	12 176 98	-	12 176 98	11 376 23

(*) Amount due to secured creditor