

**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 –****in Creditors' Voluntary Liquidation ("the Company")**(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 1986.The progress report covers the period from **27 August 2014 to 26  
August 2015.**

Signed



Date 20.10.15

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

THURSDAY



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**Second progress report  
to members and creditors**

**21 October 2015**

**Company** Solihull Pavilions Limited - in Liquidation

**Registered Number** 06014593

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

**Type of Insolvency** Creditors' Voluntary Liquidation

**Date of Appointment** 27 August 2014

**Appointees** David Christian Chubb and David Matthew Hammond

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

<b>Dividend Prospects</b>	<b>Current estimate p in £</b>	<b>Previous estimate p in £</b>
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”)**

In accordance with Rule 4 49C of the Insolvency Rules 1986 (“IR86”), this is the Liquidators’ second progress report to members and all known creditors covering the period from 27 August 2014 to 26 August 2015. Attached at Appendices 1, 2 and 3 are summaries of the financial information relating to the Liquidation.

### **Asset realisations**

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

	<b>Actual realisations</b>	<b>Estimated to realise per the statement of affairs</b>
	<b>£</b>	<b>£</b>
Freehold property	2,611,929	4,500,000
Cash at bank	646,563	46,292
Trade debtors (rent and insurance)	1,879	927
Prepayments (rates, service charge and insurance)	6,101	7,176
Purchase ledger credits	6,235	4,568
	<b>3,272,706</b>	<b>4,558,962</b>

For clarity and comparison to the statement of affairs which was prepared for the Administration, the realisations above are shown for the combined periods of the Administration and the Liquidation.

During the period covered by this report, freehold property has been realised as follows

<b>Property</b>	<b>Purchasers</b>	<b>Date of sale</b>	<b>Consideration (net)</b>
Unit 3	Mr Bhogal and Mr Ithell	July 2015	£313,605

At the time of our last report there were five units remaining to be sold and in the past year we have continued to market these through our agents GVA Grimley Ltd and KWB

As a result of an ongoing marketing campaign we have secured offers for all five remaining units in line with the levels agreed with the secured creditor

The sale of Unit 3 was completed on 7th July 2015 and out of the net proceeds £292,172 has been remitted to the secured creditor. We are currently awaiting a balance of £7,200 to be received from our solicitors in respect of the sale.

The formalities in respect of the remaining four units are in solicitors’ hands and we hope to be in a position to exchange and complete on all four units by the end of October 2015

In addition to marketing the properties, we have continued the general asset management of the site whereas the day to day estate management continues to be provided by Colliers International



## Other areas of work

In addition to dealing with property related matters, we have also undertaken statutory, regulatory and general administration tasks, including preparing and submitting VAT and corporation tax returns, preparing and distributing the last progress report to 26 August 2014, carrying out internal case reviews and dealing with accounting and treasury matters.

We also continue to submit the statutory returns and financial accounts for Pavilions Solihull Management Limited ("PSML") and deal with any other matters arising in respect of this company such as arranging insurance cover and dealing with the members' register.

## Outcome for creditors

### Secured creditor.

To date distributions under the fixed and floating charge security total £2,382,084.68, of which £1,192,171.68 has been paid in the Liquidation

£692,171.68 of this amount was paid in this period to the secured lender who is now Promontoria (Chestnut) Limited ("Promontoria") following Clydesdale Bank Plc's ("Clydesdale") assignment of its total debt in respect of the Company to Promontoria. For more detail please see "Liquidators' remuneration" below

It is anticipated that Promontoria will suffer a shortfall under its security

### Preferential creditors

The Company has no preferential creditors.

### Unsecured creditors:

As previously reported, 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 been paid in full

## Professional advisers

We have used the professional advisers listed below in the period of this report

Name of Professional Adviser	Nature of Work	Basis of Fee Arrangement
Colliers International	Property agents	Fixed fee
Squire Patton Boggs (UK) LLP	Legal advice	% of realisation
GVA Grimley Ltd	Estate agents	% of realisation
KWB	Commercial property agents	% of realisation
Reed Smith LLP	Legal advice in relation to PSML	Time costs
Mercer & Hole	Accounting services in respect of PSML	Time costs

Our choice was based on our 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. We have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the case



### **Liquidators' remuneration**

As you may recall, the former Administrators' remuneration was approved by Clydesdale as secured creditor on a fixed fee basis which transferred to the Liquidation in accordance with Rule 4.127 of the Insolvency Rules 1986. A total of £63,967.43 has been drawn in the Liquidation under this fee agreement. In addition, a £20,000 fee was paid by Clydesdale directly to the Liquidators as a final payment under the fee agreement with Clydesdale. As this was a direct payment to the Liquidators' firm, it is not reflected in the attached receipts and payments summaries.

With effect from 28 November 2014 Clydesdale sold all amounts owing to it under its security to another lender – Promontoria, an affiliate of Cerberus Global Investors. Following this we agreed a new fee arrangement with Promontoria in respect of the five properties unsold at the time of transfer, which consists of a fixed fee of £100,000 for 2015 plus £6,000 for each property sold.

The fixed fee of £100,000 covers areas of work such as

- Liaising with agents regarding the sales strategy for the unsold properties including other efforts to generate interest from potential purchasers
- Liaising with agents regarding property management issues including dealing with ad hoc issues
- Complying with our statutory duties as Liquidators including
  - Reporting to creditors
  - Tax and VAT compliance
  - Accounting and treasury for funds held
- Liaising with and providing information to Promontoria when they became the Company's secured lender

The £6,000 fee per property covers the work we will undertake specifically relating to the sale of each property from receipt of an offer from a purchaser through to post-completion matters.

### **Liquidators' disbursements**

#### **Category 1 disbursements**

We have incurred disbursements of £10.23 in respect of postage during the period from 27 August 2014 to 26 August 2015. These have not yet been drawn.

#### **Category 2 disbursements**

Our current disbursements policy (which is subject to secured creditor approval) 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 71p per mile (up to 2,000cc) and 93p per mile (over 2,000cc)

All other disbursements are reimbursed at cost.

We have not incurred any costs in respect of photocopying and mileage in the period of this report.



## Statement of expenses

The following expenses have been incurred during the period of the report, irrespective of whether payment has been made. This statement does not include any tax liabilities that may be payable for the period of this report as these will depend on the position at the end of the accounting period.

	Expenses outstanding at 27 August 2014	Total expenses paid in the period from 27 August 2014 to 26 August 2015	Expenses outstanding at 26 August 2015	Total expenses incurred in the period from 27 August 2014 to 26 August 2015
	(£)	(£)	(£)	(£)
Insurance	-	21,573.23	-	21,573.23
Colliers International fees	7,950.25	18,608.64	-	10,658.39
Security	840.00	3,659.69	-	2,819.69
Refuse collection	1,745.39	8,335.35	-	6,589.96
Health and safety	-	450.00	-	450.00
Electricity	1,557.17	4,580.66	1,364.80	4,388.29
Pest control	110.00	220.00	-	110.00
Landscaping	1,050.00	2,787.30	20.80	1,758.10
Gritting, grit bins and bags	3,510.00	5,670.00	-	2,160.00
Electrical repairs	-	1,441.38	-	1,441.38
Heating and air conditioning repairs and maintenance	-	1,500.32	-	1,500.32
External repairs and cleaning	231.38	995.37	-	763.99
Internal repairs	-	110.99	-	110.99
Legal fees and disbursements	7,256.73	5,217.57	4,295.50	2,256.34
Agents' fees	756.60	7,266.13	-	6,509.53
Other property costs	-	2,589.00	-	2,589.00
Office holders fees and disbursements (*)	-	17,500.00	6,000.00	23,500.00
Bank charges	-	30.00	-	30.00
Professional fees including accountants	1,000.00	1,540.00	-	540.00
Corporation tax paid	-	3,261.33	-	3,261.33
Void units costs	-	13,684.42	-	13,684.42
Roadway and parking	-	-	327.48	327.48
<b>Total</b>	<b>26,007.52</b>	<b>121,021.38</b>	<b>12,008.58</b>	<b>107,022.44</b>

(\*) The outstanding fee of £6,000 relates to the sale of Unit 3 in the period covered by this report. In addition to a fee of £6,000 for each property sold, the fee agreement with the current secured creditor includes a fixed fee of £100,000 for 2015. This will be drawn when all remaining properties have been sold.

## Additional information

If any creditor requires further explanations on any aspect of this report, please telephone or write to Nadia Mann who will be pleased to deal with such enquiries.

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 4.49E of the Insolvency Rules 1986. Any request must be in writing. Creditors can also challenge the Liquidators' fees and expenses within eight weeks of receiving this report as set out in Rule 4.131. This information can also be found in the guide to fees via the link below.

<http://www.icaew.com/~media/corporate/files/technical/insolvency/creditors%20guides/creditors%20guide%20liquidators%20fees%20final.ashx>

A copy of the above can also be provided by our office upon request.

## Next report

The next report will be circulated in approximately twelve months or at the conclusion of the Liquidation, whichever occurs the soonest.



## Appendix 1

### Funds held by the Liquidators

#### Summary of financial information as at 26 August 2015

	27 August 2013 to 26 August 2014 £	27 August 2014 to 26 August 2015 £	Total 27 August 2013 to 26 August 2015 £
<b>Fixed charge realisations</b>			
Transfer of funds from Administration	68,250 03	-	68,250 03
Property sales proceeds	775,888 75	313 605 00	1,089,493 75
Apportioned insurance receipts	-	-	-
Interest	656 89	669 02	1,325 91
Service charges	-	-	-
Insurance claims and refunds	2 634 79	-	2 634 79
	<u>847,430 46</u>	<u>314,274 02</u>	<u>1,161 704 48</u>
<b>Fixed charge costs of realisations/payments</b>			
Legal fees and disbursements	17 177 01	5 217 57	22 394 58
Agents fees	16,353 31	7,266 13	23,619 44
Other property costs	-	2 589 00	2 589 00
Advertising (non statutory)	3,110 00	-	3,110 00
Office holders' fees (fixed)	46,467 43	17,500 00	63 967 43
Office holders disbursements	1,141 00	-	1 141 00
Bank charges	45 00	30 00	75 00
Fixtures and fittings	2 487 00	-	2 487 00
Marketing	200 00	-	200 00
Insurance	32,572 00	21,573 23	54,145 23
Cleaning	1 087 36	-	1 087 36
	<u>120,640 11</u>	<u>54,175 93</u>	<u>174,816 04</u>
Distribution to chargeholder	500 000 00	417 171 68	917 171 68
<b>Fixed charge balance</b>	<u>226,790 35</u>	<u>(157,073 59)</u>	<u>69,716 76</u>
<b>Floating charge realisations</b>			
Transfer of funds from Administration	47,227 00	-	47 227 00
Transfer of funds from property agents	-	275 000 00	275,000 00
Interest	23 32	7 28	30 60
Rent	1,878 60	-	1,878 60
Council tax rebate	-	-	-
Utility refunds	-	-	-
Trade debtors (rent and insurance)	-	-	-
Prepayments (rates, service charge and insurance)	-	-	-
Purchase ledger credits	-	-	-
	<u>49,128 92</u>	<u>275,007 28</u>	<u>324,136 20</u>
<b>Floating charge costs of realisations/payments</b>			
Bank charges	-	-	-
Accountants' fees	4,245 00	1,000 00	5,245 00
Storage costs	-	-	-
Consultancy fees	-	-	-
Registrar's fees	40 00	40 00	80 00
Advertising (statutory)	150 74	-	150 74
Corporation tax	3 273 91	3 261 33	6,535 24
	<u>7 709 65</u>	<u>4 301 33</u>	<u>12 010 98</u>
Distribution to unsecured creditors under the Prescribed Part (14 01 14 100 p in the £)	12,176 98	-	12 176 98
Distribution to chargeholder	-	275,000 00	275,000 00
<b>Floating charge balance</b>	<u>29,242 29</u>	<u>(4,294 05)</u>	<u>24,948 24</u>
VAT payable / (receivable)	106,085 85	(59 237 38)	46 848 47
<b>Grand total</b>	<u>362,118 49</u>	<u>(220,605 02)</u>	<u>141,513 47</u>
		<b>Funds held as follows</b>	
		Liquidators account	71,592 47
		Solicitors' client account	69 921 00
			<u>141,513 47</u>

Amounts are shown net of VAT

Funds are held on interest bearing accounts



## Appendix 2

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

#### Summary of financial information as at 26 August 2015

	27 August 2013 to 26 August 2014 £	27 August 2014 to 26 August 2015 £	Total 27 August 2013 to 26 August 2015 £
<b>Floating charge realisations</b>			
Opening funds with Colliers	204,924 00	-	204,924 00
Rental income	96,765 83	35,317 62	132,083 45
Service charge	33,001 67	58,179 37	91,181 04
Car park rental	8,146 23	2,475 17	10,621 40
Building report	-	211 78	211 78
Interest collected on service charge and rental receipts	161 42	329 23	490 65
	<u>342,999 15</u>	<u>96,513 17</u>	<u>439,512 32</u>
<b>Floating charge costs of realisations/payments</b>			
Colliers International fees	11,091 00	18,608 64	29,699 64
Advertising	580 00	-	580 00
Security	5,163 28	3,659 69	8,822 97
Refuse collection	4,509 17	8,335 35	12,844 52
Health and safety	4,391 24	450 00	4,841 24
Electricity	4,707 87	4,580 66	9,288 53
Adjustment in respect of water charges	(50 10)	-	(50 10)
Pest control	220 00	220 00	440 00
Landscaping	3,010 00	2,787 30	5,797 30
Gritting, grit bins and bags	5,770 00	5,670 00	11,440 00
Electrical repairs	-	1,441 38	1,441 38
Heating and air conditioning repairs and maintenance	-	1,500 32	1,500 32
External repairs and cleaning	2,730 60	995 37	3,725 97
Internal repairs	481 25	110 99	592 24
Void units costs	5,364 00	13,684 42	19,048 42
Drainage	1,334 00	-	1,334 00
Audit fee	-	500 00	500 00
Transfer of funds to Liquidator	-	275,000 00	275,000 00
	<u>49,302 31</u>	<u>337,544 12</u>	<u>386,846 43</u>
<b>Floating charge balance</b>	<u>293,696.84</u>	<u>(241,030 95)</u>	<u>52,665 89</u>
VAT payable / (receivable)	(90 61)	10,016 48	9,925 87
<b>Funds held</b>	<u>293,606 23</u>	<u>(231,014 47)</u>	<u>62,591.76</u>

Amounts are shown net of VAT

Funds are held on an interest bearing account

After the last report covering the period from 27 August 2013 to 26 August 2014 was posted to creditors, it came to our attention that some of the entries in Colliers' receipts and payments account were not finalised. As a result, some reallocation of costs has been made between different accounts, which explains the slight difference between the closing figures shown in the prior year report and the opening figures in the current report.





## Appendix 3

### Total funds held in the Liquidation

### Summary of financial information as at 26 August 2015

	Liquidators' Receipts and Payments £	Colliers' Receipts and Payments £	Total Receipts and Payments £	Directors Statement of Affairs £
<b>Fixed charge realisations</b>				
Transfer of funds from Administration	68 250 03		68 250 03	
Property sales proceeds	1 089 491 75		1 089 491 75	4,500 000 00
Apportioned insurance receipts			-	
Interest	1,325 91		1 325 91	
Service charges			-	
Insurance claims and refunds	2,614 79		2,614 79	
	<u>1 161 704 48</u>		<u>1 161 704 48</u>	
<b>Fixed charge costs of realisations/payments</b>				
Legal fees and disbursements	22,394 58		22 394 58	
Agents fees	23 619 44		23 619 44	
Other property costs	2 589 00	-	2 589 00	
Advertising (non statutory)	1 110 00	-	1 110 00	
Office holders fees (fixed)	61 987 43	-	61 987 43	
Office holders disbursements	1 141 00	-	1 141 00	
Bank charges	75 00	-	75 00	
Fixtures and fittings	2 487 00	-	2,487 00	
Marketing	200 00	-	200 00	
Insurance	54 145 23	-	54 145 23	
Cleaning	1 087 36	-	1,087 36	
	<u>174 816 04</u>		<u>174 816 04</u>	
Distribution to chargeholder	917 171 68	-	917 171 68	5 208 554 30
<b>Fixed charge balance</b>	<u>69 716 76</u>	<u>-</u>	<u>69 716 76</u>	
<b>Floating charge realisations</b>				
Transfer of funds from Administration	47 427 00	204 924 00	252 351 00	46 492 14
Transfer of funds from property agents	275 000 00		275 000 00	
Interest	10 60	114 574 10	114 604 70	
Rent	1 878 60	10 621 40	12 500 00	
Service charge		91 181 04	91 181 04	
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
Building report		211 78	211 78	
	<u>324 136 20</u>	<u>419 100 54</u>	<u>761 648 54</u>	
<b>Floating charge costs of realisations/payments</b>				
Colliers International fees		29 699 64	29 699 64	
Advertising (non statutory)		580 00	580 00	
Security		8 822 97	8 822 97	
Refuse collection		12 844 52	12 844 52	
Health and safety		4 841 24	4 841 24	
Electricity		9 288 53	9 288 53	
Adjustment in respect of water charges		(50 10)		
Pest control		440 00	440 00	
Landscaping		5 797 30	5 797 30	
Critting, grit bins and bags	-	11 440 00	11 440 00	
Electrical repairs	-	1 441 38	1 441 38	
Heating and air conditioning repairs and maintenance	-	1 500 32	1 500 32	
External repairs and cleaning	-	1 725 97	1,725 97	
Internal repairs	-	592 24	592 24	
Void units costs	-	19 048 42	19 048 42	
Drainage		1,134 00	1 134 00	
Audit fee		500 00	500 00	
Transfer of funds to Liquidator		275 000 00	275 000 00	
Accountants fees	5 245 00		5 245 00	
Registrar's fees	80 00		80 00	
Advertising (statutory)	150 74		150 74	
Corporation tax	6 535 24		6 535 24	
	<u>12 010 98</u>	<u>386 846 43</u>	<u>398 857 41</u>	
Distribution to unsecured creditors under the Prescribed Part (14 01 14 100 p in the £)	12 176 98		12 176 98	11,176 23
Distribution to chargeholder	275 000 00		275 000 00	
<b>Floating charge balance</b>	<u>24 948 24</u>	<u>52,454 11</u>	<u>77,614 11</u>	
VAT payable / (receivable) Ex. tax in VAT control account below	46 848 47	9 925 87	56 774 34	
<b>Gross total (held on interest bearing accounts)</b>	<u>141,511 27</u>	<u>62,179 98</u>	<u>204 105 21</u>	
<b>VAT control account</b>				
VAT payable	217 898 75	47,324 96	265 223 71	
VAT paid	(146,379 51)	(18,123 29)	(164 502 80)	
VAT receivable	(24,670 77)	(10 075 80)	(43,746 57)	
	<u>46 848 47</u>	<u>9 925 87</u>	<u>56 774 34</u>	