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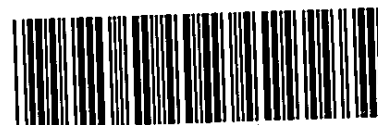
**gibsonHewitt**

chartered accountants  
licensed insolvency practitioners

**Liquidator's 1st Annual  
Progress Report to Creditors**

**Keane Property (Vanners) Limited - In Liquidation  
Guildford County Court 268 of 2013**

WEDNESDAY



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21/01/2015

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COMPANIES HOUSE

Gibson Hewitt Limited t/a **gibsonHewitt**

Registered in England and Wales company number 8904412  
A list of directors is available at registered office

tel 01932 336149 fax 01932 336150  
e-mail [accs@gibsonhewitt.co.uk](mailto:accs@gibsonhewitt.co.uk)  
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west byfleet surrey KT14 6SD

All of the insolvency practitioners of this practice are licensed in the UK by the Institute of Chartered Accountants in England and Wales  
Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities

**Keane Property (Vanners) Limited – In Liquidation  
Liquidator's 1<sup>st</sup> Annual Progress Report**

**CONTENTS**

- 1 Introduction
- 2 Realisation of Assets
- 3 Other issues relating to Vanners Parade
- 4 Investigations
- 5 Creditors
- 6 Liquidator's Remuneration
- 7 Creditors' Rights
- 8 Next Report

**APPENDICES**

- A Receipts and Payments Account from 7 January 2014 to 6 January 2015
- B Time Analysis for the period from 7 January 2014 to 6 January 2015
- C Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9

**Keane Property (Vanners) Limited – In Liquidation  
Liquidator's 1<sup>st</sup> Annual Progress Report**

**TO ALL CREDITORS,**

**1 Introduction**

- 1 1 Keane Property (Vanners) Limited, ("Vanners"), was placed into liquidation on 7 January 2014 by the Guildford County Court under the reference 268 of 2013 on my petition as the Supervisor of the failed Company Voluntary Arrangement, ("CVA") At the same hearing, the Court appointed me, Lynn Gibson of Gibson Hewitt Limited of 5 Park Court, Pyrford Road, West Byfleet, Surrey KT14 6SD as Liquidator of Vanners
- 1 2 The registered office of Vanners was changed to 5 Park Court, Pyrford Road, West Byfleet, Surrey KT14 6SD and its registered number is 7663699.
- 1 3 Vanners was a SPV property development company developing the 1<sup>st</sup> floor of a 2 level block of flats above shops at Vanners Parade, Byfleet, Surrey The business traded under the name Keane Property (Vanners) Limited
- 1 4 Keane Property (Vanners) Uppers Limited, ("Uppers"), was a sister company to Vanners which had been incorporated to develop the 2<sup>nd</sup> floor at Vanners Parade when Vanners entered into a CVA in October 2012 To facilitate this arrangement, Vanners granted Uppers a long lease on the 2<sup>nd</sup> floor of Vanners parade at the same time Uppers was wound up in the High Court of Justice Birmingham District on 2 December 2013. I was appointed Liquidator of Uppers by the Secretary of State on 21 January 2014 due to the relationship between those two companies and the consequential efficiencies arising from them having a common liquidator
- 1 5 A schedule of my receipts and payments for the entire period is attached at Appendix A with a comparative to the Official Receiver's, ("OR's), Estimated Statement of Affairs, ("S of A"), figures
- 1 6 Immediately on appointment we
- Took control of the books and assets of the company, obtaining insurance to protect assets where appropriate,
  - Sought advice from Messrs Marriott & Co, a firm of Chartered Surveyors regulated by RICS, to advise on the estimated values and the best method of disposal of Company's assets to optimise recoveries,
  - Investigated the position as regards planning permission at Vanners Parade.

Keane Property (Vanners) Limited – In Liquidation  
Liquidator's 1<sup>st</sup> Annual Progress Report

**1 Realisation of Assets**

**2 1 Transaction at an Undervalue**

The OR's S of A listed a potential asset of £400,000 being the estimated value of the long lease on the 2<sup>nd</sup> floor when granted by Vanners to Uppers. No cash consideration was paid by Uppers to Vanners for this long lease with the sum of £400,000 being payable from the net profits following the sale of the flats. Since Uppers failed to sell all of the flats prior to its winding-up, it failed to pay this sum. My investigations determined that this is simply an intercompany debt payable to Vanners, however, there is not currently anticipated to be a dividend to unsecured creditors from the liquidation of Uppers and therefore no realisation from this asset is expected.

**2 2 Freehold land and buildings**

Whilst the long leasehold on the 2<sup>nd</sup> floor of Vanners Parade had been granted to Uppers, Vanners still retained the freehold of the block and surrounding land. My agents valued this asset and identified three distinct elements.

**2 2 1 Parking**

The access road and parking spaces in front of the shops at Vanners Parade has been marketed and a sale has been agreed in principle which is anticipated to complete imminently. I do not currently propose to divulge details of my agent's valuation of this land nor the offers received as to do so might prejudice my ability to remarket the parking area should the afore mentioned sale fail to complete.

**2 2 2 Commercial Unit**

A sale of a long lease on the freestanding commercial unit was concluded on 11 December 2014 for consideration of £30,000. I am delighted to report that this price was in line with my agent's suggested asking price for what was in essence a single skin converted garage. This was a connected party transaction pursuant to Statement of Insolvency Practice 13, ("SIP13") and I can therefore provide the following additional information. The purchaser was Mrs Tracy Lewis, the wife of Barry Lewis who was director of Vanners. Extensive consultations on the price were conducted with Peter Burton who as the secured creditor of Vanners, (see paragraph 5 1 below), will be the beneficiary of the proceeds of this sale.

**2 2 3 Residual Freehold**

A sale of the residual freehold has been agreed in principle, however, that sale will not proceed until the sale detailed in paragraph 2 2 1 above has concluded. I do not currently propose to divulge details of my agent's valuation of this residual freehold nor

Keane Property (Vanners) Limited – In Liquidation  
Liquidator's 1<sup>st</sup> Annual Progress Report

the offers received as to do so might prejudice my ability to remarket the parking area should the afore mentioned sale fail to complete.

**2 3 Book debts**

My investigations of Vanners' accounts identified two claims totalling £86,113 against Barry Lewis, the director of Vanners. The sum of £10,113 relates to an overdrawn director loan account and £76,000 relates to a preference in relation to the granting of security. Mr Lewis is bankrupt and whilst his Trustee in Bankruptcy has informed me that a dividend to creditors is anticipated, any such dividend has not been quantified. The Trustee has yet to agree my claims in the bankruptcy.

**3 Other issues relating to Vanners Parade**

**3 1 Planning**

Following my appointment as Liquidator, I met with the planning officer for Woking Borough Council to establish the position as regards planning permissions at Vanners Parade as a number potential of defects had been brought to my attention. There was an outstanding enforcement notice to remove the porch on the block and the period in which an appeal could be lodged had expired. I subsequently arranged for the porch to be demolished to the satisfaction of the Woking Borough Council.

**3 2 Appointment of managing agents**

A freeholder will typically appoint managing agents to maintain the block and arrange for insurance of the same. These costs are then recharged to the leaseholders of the flats. The director of Vanners had taken steps to appoint a firm of managing agents but had not completed this process. We were advised that purchaser of the residual freehold, (see para 2 2 3 above), might want to appoint their own managing agents and the presence of any other agents in situ might devalue the freehold.

Once we had accepted an offer for the residual freehold subject to contract, we appointed the preferred agents of that proposed purchaser.

**3 3 Insurance**

As the freeholder of the block, Vanners has a legal obligation to maintain insurance cover for the block. A policy was in place on my appointment which expired at the end of June 2014. I then arranged for the purchase of a new policy and have passed the details of the same to the new managing agents so the liquidation can be reimbursed by the leaseholders at Vanners Parade.

Keane Property (Vanners) Limited – In Liquidation  
Liquidator's 1<sup>st</sup> Annual Progress Report

There was a roof fire at Vanners Parade on 5 August 2014. The fire brigade attended and extinguished the fire. I arranged for a roofer to make the roof weatherproof and then, following approval from the insurer, to make good the damage. It is believed that one of the tenants at Vanners Parade was responsible for starting the blaze by the disposal of cigarette ends into the guttering, however, we were unable to recover the excess on the insurance policy from this party.

**4 Investigations**

***Statutory Report Company Directors Disqualification Act***

- 4.1 As you may be aware, in a compulsory liquidation the duty to investigate the company's affairs is the responsibility of the OR. There is no requirement on the liquidator to submit a report or return on the directors' conduct to the department for Business Innovation and Skills, however, where appropriate the liquidator brings matters to the OR's attention.

I can confirm that my investigations gave rise to matters which were reported to the OR. However, I am unable to confirm whether or not the OR submitted a report to the Secretary of State for BIS in relation to the potential disqualification of the director.

***Further Investigations***

- 4.2 Extensive investigations were conducted into the accounts of Vanners to clarify the position as regards the transactions with, inter alia, Uppers, the director, other connected companies and the secured creditors.
- 4.3 The investigations into the dealings with Peter Burton raised questions as regards the validity of his security, (see section 4.1 below). Legal advice was taken and it was eventually established that Mr Burton held valid security over the freehold land and buildings, (see para 2.2 above).

**5 Creditors**

- 5.1 Peter Burton holds a fixed charge over the Company's land and buildings. The indebtedness of Vanners to Mr Burton as at the date of the liquidation has been agreed at £565,945. To date no payments have been made to the secured creditor.
- 5.2 Vanners had no preferential creditors.

Keane Property (Vanners) Limited – In Liquidation  
Liquidator's 1<sup>st</sup> Annual Progress Report

- 5 3 Unsecured creditors in the preceding CVA totalled £838,519 representing 39 creditors' claims To date 8 unsecured claims totalling £44,112 have been received

There is little prospect of a dividend to unsecured creditors and therefore I have not agreed creditors' claims In the event that an unsecured dividend does become possible, I will notify creditors so they will have the opportunity to lodge their claims

**6 Joint Liquidator's Remuneration**

- 6 1 On 13 February 2014, the general body of creditors approved that the basis of the Liquidator's remuneration be fixed by reference the time properly spent by him and his staff in managing the Liquidation
- 6 2 The secured creditor, Peter Burton, has also agreed that the Liquidator should be paid a fixed fee of £25,000 plus disbursements and VAT for realising and distributing the assets falling under his security
- 6 3 A copy of the SIP 9 creditors' guide to liquidators' fees is available upon request or can be downloaded from  
<http://www.icaew.com/en/technical/insolvency/creditors-guides>
- 6 2 My time costs for the period from the date of appointment in relation to general liquidation matters are £18,058 This represents 81 hours at an average rate of £222 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Liquidation To date, no costs have been drawn on account
- 6 3 My time costs for the period from the date of appointment in relation to matters falling under Peter Burton's security are £72,259. This represents 302 hours at an average rate of £239 per hour Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Liquidation To date, no costs have been drawn on account of the agreed £25,000 fixed fee for this element of the liquidation
- 6 4 Attached as Appendix C is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade
- 6 5 The business of Gibson Hewitt LLP was transferred to Gibson Hewitt Limited on 1 June 2014 as part of an internal re-organisation. For work up to and including 1 June 2014

**Keane Property (Vanners) Limited – In Liquidation  
Liquidator's 1<sup>st</sup> Annual Progress Report**

references in the report are to Gibson Hewitt LLP Any reference to work undertaken or firm policies after that date, refer to Gibson Hewitt Limited

**7 Creditors' rights**


7 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report

7 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Liquidator's remuneration, the remuneration charged or the expenses incurred by the Liquidator as set out in this progress report are excessive

**8 Next Report**

8 1 I am required to provide a further report on the progress of the liquidation within two months of the end of the second anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors

Yours faithfully,

  
Lynn Gibson  
Liquidator

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**K080 Keane Property (Vanners) Ltd In Liquidation (In Compulsory Liquidation)**

**APPENDIX A**

Abstract of receipts and payments for the period from 7 January 2014 to 6 January 2015

		Statement of affairs £	Fixed charge £	Main account £	TOTAL £
<b>RECEIPTS</b>					
	Transaction at an Undervalue	400,000	-	-	-
102	Property Leasehold	-	30,000 00	-	30,000 00
201	Debtors -pre	-	-	784 95	784 95
400	Cash Taken Over	-	-	0 04	0 04
401	Rent / Rates Income	-	-	1 15	1 15
405	Cash at bank	-	-	79 38	79 38
	Vat on Outputs	-	-	-	-
		400,000 00	30,000 00	865 52	30,865 52
<b>PAYMENTS</b>					
1000	OR's Debit Balance C/fwd	-	-	1,070 00	1,070 00
1201	Legal Fees	-	16,142 00	-	16,142 00
1202	Valuers fees	-	2,632 00	-	2,632 00
1321	Insurance - General	-	2,978 71	-	2,978 71
1853	ISA Cheque Fee	-	3 30	-	3 30
1855	ISA Quarterly Service Chgs	-	-	88 00	88 00
	Vat Suffered and paid	-	3,747 00	-	3,747 00
		-	25,503 01	1,158 00	26 661 01
<b>Net Balance</b>			4,496 99	(292 48)	4,204 51
<b>Analysis of sums held</b>					
			£		
(Fixed Charge)	Interest earning account	Insolvency Services Account	4,496 99		
(Main account)	Interest earning account	Insolvency Services Account	(292 48)		
	<b>Total funds held</b>		4 204 51		
	<b>Vat Recoverable / &lt;Payable&gt;</b>		3,747 00		
	<b>Net Funds</b>		7,951 51		

Time and Chargeout Summaries for General Liquidation matters

Classification of work function	Partner		Manager		Other Senior Professional		Assistants and Support Staff		Total Hours		Time Cost		Average Hourly Rate	
Case Monitoring	-	-	-	-	-	-	2	47	2	47	214 17	-	-	86 83
Cr mtg preparation and attendance	1	17	1	50	-	-	1	-	3	67	860 00	-	-	234 55
Crs mtg convene	-	-	-	-	-	-	-	17	-	17	15 83	-	-	94 98
Initial meetings and matters	3	17	1	-	-	-	-	-	4	17	1 375 00	-	-	330 00
Liaison with debtor / director	-	-	-	17	-	-	-	-	-	17	39 17	-	-	235 02
Partner Reviews	1	25	-	67	-	-	1	25	3	17	721 67	-	-	227 90
Admin setup	-	-	-	33	-	-	-	75	1	8	149 58	-	-	138 07
Bonding	-	-	-	-	-	-	-	50	-	50	43 34	-	-	86 68
Cash bk other	-	-	-	-	-	-	4	67	4	67	396 69	-	-	85 01
Court appt hearing	-	50	2	-	-	-	-	-	2	50	650 00	-	-	260 00
Filing and scanning	-	-	1	-	-	-	6	8	7	8	771 24	-	-	108 88
Monitoring meetings with director / debtor	-	-	-	-	-	-	1	-	1	-	87 50	-	-	87 50
Reports other	-	-	-	-	-	-	1	17	1	17	105 21	-	-	90 18
Travel time	-	-	-	-	-	-	-	50	-	50	43 75	-	-	87 50
Case planning	-	-	2	33	-	-	-	-	2	33	548 33	-	-	235 00
Admin maintenance of records	-	-	-	33	83	-	-	33	1	50	211 67	-	-	141 11
Research - Initial matters	-	-	-	-	-	-	-	42	-	42	36 46	-	-	87 50
vat returns and claims	-	-	-	25	-	-	-	58	-	83	109 79	-	-	131 75
Administration & Planning	6	8	9	58	-	83	20	88	37	38	6,379 40	-	-	170 65
Dform returns and investigation	1	-	1	80	-	-	-	-	2	80	783 00	-	-	279 64
Investigation reports	-	-	1	17	-	-	1	50	2	67	416 67	-	-	156 25
Investigation field work	7	8	18	25	-	-	-	-	25	33	6,838 75	-	-	269 95
Investigations	7	8	18	25	-	-	-	-	25	33	8,038 42	-	-	317 31
asset debtors	3	-	3	83	-	-	-	50	7	33	2,028 32	-	-	276 59
asset solicitor	-	-	-	50	-	-	-	-	-	50	117 50	-	-	235 00
asset identifying	-	-	-	75	-	-	-	-	-	75	176 25	-	-	235 00
asset other	-	-	-	-	-	-	1	92	1	92	169 59	-	-	88 48
Realisation of Assets	3	-	5	8	-	-	2	42	10	50	2,491 66	-	-	237 30
Unsec crs agreeing claim	-	-	-	50	-	-	-	58	1	8	165 42	-	-	152 70
tax issues and returns	-	-	-	33	-	-	-	50	-	83	125 83	-	-	151 00
Unsec crs comes	-	-	1	25	3	75	1	8	6	8	857 29	-	-	140 92
Creditors	-	-	2	8	3	75	2	17	8	-	1,148 54	-	-	143 57
Total Hours	16	17	35	4	58	25	47	81	22	-	18,058 02	-	-	222 34

Time and Chargeout Summaries for Peter Burton Security

Classification of work function	Partner		Manager		Other Senior Professional		Assistants and Support Staff		Total Hours		Time Cost	Average Hourly Rate
Attend at premise / site visits	-	-	-	-	-	-	-	67	-	67	58 33	87 50
Administration & Planning	-	-	-	-	-	-	-	67	-	67	58 33	87 50
Trading & management of operations	-	-	1	17	-	-	-	-	1	17	274 16	234 99
<b>Trading</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>17</b>	<b>274 16</b>	<b>234 99</b>
asset securing	1	67	9	58	-	-	1	-	12	25	2 939 58	239 97
asset agents	-	-	7	83	-	-	-	-	7	83	1,840 82	235 00
asset insurance	1	75	9	92	-	-	-	-	11	67	2,960 43	253 75
asset property	16	75	94	75	2	17	9	42	123	8	29,436 70	239 16
<b>Realisation of Assets</b>	<b>20</b>	<b>17</b>	<b>122</b>	<b>8</b>	<b>2</b>	<b>17</b>	<b>10</b>	<b>42</b>	<b>154</b>	<b>83</b>	<b>37,177 53</b>	<b>240 11</b>
sec crs	15	33	18	12	-	-	-	-	33	45	9 777 42	292 30
sec crs assess change	3	50	13	67	-	-	-	-	17	17	4,471 67	260 49
Creditors	18	83	13	78	-	-	-	-	50	62	14,249 09	281 51
legal sols liaison	4	50	3	50	-	-	-	-	8	-	2,442 50	305 31
Legal / Other	4	50	3	50	-	-	-	-	8	-	2,442 50	305 31
<b>Total Hours</b>	<b>39</b>	<b>-</b>	<b>137</b>	<b>3</b>	<b>2</b>	<b>17</b>	<b>11</b>	<b>8</b>	<b>215</b>	<b>28</b>	<b>54,201 61</b>	<b>251 80</b>
<b>Total Hours for case</b>	<b>60</b>	<b>17</b>	<b>172</b>	<b>53</b>	<b>6</b>	<b>75</b>	<b>38</b>	<b>5</b>	<b>301</b>	<b>97</b>	<b>72,259 63</b>	<b>239 30</b>

**Keane Property (Vanners) Limited – In Liquidation  
Liquidator's 1<sup>st</sup> Annual Progress Report**

**ADDITIONAL INFORMATION RELATING TO LIQUIDATOR'S FEES  
PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)**

**Appendix C**

**Policy**

Detailed below is Gibson Hewitt Limited's policy in relation to

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

**Staff allocation and the use of subcontractors**

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team will usually consist of a Partner, Manager, Administrator and Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case.

We have not utilised the services of any subcontractors in this case.

**Professional advisors**

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

<b>Name of Professional Advisor</b>	<b>Basis of Fee Arrangement</b>
Clyde & Co (legal advice)	Hourly rate & disbursements
Morrison Solicitors (Conveyancing)	Hourly rate & disbursements
Insolvency Risk Services (insurance)	Hourly rate & disbursements

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

**Disbursements**

Category 1 and 2 disbursements were incurred by the Joint Liquidators as set out in the Statements of Insolvency Practice (SIP9) and detailed at <http://www.icaew.com/en/technical/insolvency/creditors-guides>

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursements to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements require approval from creditors. These disbursements can include costs incurred which incorporate an element of overhead recovery. On this case the following costs have been incurred. Approval was provided by creditors at the meeting held on 13 February 2014.

**Category 2 disbursements**

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**Charge – out rate**

A schedule of Gibson Hewitt Limited's charge-out rate was issued to creditors at the time the basis of the Joint Liquidators' remuneration was approved. Time was billed in 6 minute intervals until 30/09/2013 and in 1 minute intervals thereafter. Gibson Hewitt Limited's charge-out rates were amended to the following with effect from 1 April 2013.

<b>Staff Grade</b>	<b>Charge out rate per hour (£)</b>
Partner	360
Manager	235
Other Senior Professional	100 -130
Assistants and Support	75 - 99