

AM03

Notice of administrator's proposals



Companies House

SATURDAY



A27 *A895CBR4* #169
06/07/2019
COMPANIES HOUSE

1 Company details

Company number 0 8 3 7 3 3 7 2

Company name in full Killashee House Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Simon Robert

Surname THOMAS

3 Administrator's address

Building name/number C/o Moorfields Advisory Ltd

Street 88 Wood Street

Post town London

County/Region

Postcode E C 2 V 7 Q F

Country UK

4 Administrator's name ①

Full forename(s) Nicholas

Surname O'Reilly

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ①

Building name/number C/o Moorfields Advisory Ltd

Street 88 Wood Street

Post town London

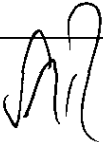
County/Region

Postcode E C 2 V 7 Q F

Country UK

② Other administrator
Use this section to tell us about
another administrator.

AM03
Notice of Administrator's Proposals

6		Statement of proposals	
		<input checked="checked" type="checkbox"/> I attach a copy of the statement of proposals	
7		Sign and date	
Administrator's Signature	<div>Signature</div> <div>X</div> <div></div> <div>X</div>		
Signature date	<div><div><div>d</div><div>0</div><div>3</div></div><div><div>m</div><div>0</div><div>7</div></div><div><div>y</div><div>2</div><div>0</div><div>1</div><div>0</div></div></div>		

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Notice of Administrator's Proposals



Presenter information

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Contact name Agne Sinkeviciute

Company name Moorfields Advisory Ltd

Address 88 Wood Street

Post town London

County/Region

Postcode E C 2 V 7 Q F

Country UK

DX

Telephone 0207 186 1156



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- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

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DX 33050 Cardiff.



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**Administrators' Proposals relating to
Killashee House Ltd – In Administration (“the Company”)**

Issued on: 3 July 2019

Delivered on: 5 July 2019

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Appendices

1. Statutory Information
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7. SIP9 Summary of Time Costs

Abbreviations

The following abbreviations are used in this report:

Creditors' Voluntary Liquidation	CVL
Insolvency Act 1986	IA86
Insolvency Rules 2016	IR16
WIPP Limited	The Secured Lender
Statement of Affairs	SOA
the Administrators' Statement of Proposals	the Proposals
the Joint Administrators	the Administrators
Worsall Grange, Yarm, Low Worsall	the Stud

Nicholas O'Reilly and I are the Joint Administrators ("the Administrators") of the Company and these are our statutory proposals relating to the Company.

1. STATUTORY INFORMATION

Statutory information relating to the Company is attached at Appendix 1.

2. CIRCUMSTANCES LEADING TO THE APPOINTMENT OF THE ADMINISTRATORS

The Company was incorporated on 24 January 2013 by its founding director, Lucy Horner, with its principal business being a boarding facility for broodmares and their offspring.

The Company currently trades from Worsall Grange Farm, Yarm (near Middlesbrough) ("the Stud") and over the years developed into a stud farm, with the Company and its directors having acquired a small number of stallions with which to cover the Company's own commercial mares and those of third parties in return for a nomination fee ranging from approximately £2 - £3k.

At the date of our appointment there was approximately 132 horses in occupation, including stallions, broodmares, yearlings and foals, which were owned by a combination of the Company, its directors and third-parties.

The founding director initially ran the Company, which was loss making from inception. A summary of the Company's accounts for the last three years' is provided in the table below:

	Year Ended 31/01/2018 Statutory £	Year Ended 31/01/2017 Statutory £	Year Ended 31/01/2016 Statutory £
Profit & Loss Account Extracts			
Turnover	197,138	276,643	Unavailable
Cost of Sales	(351,921)	(181,890)	Unavailable
Gross Profit	(154,783)	94,753	
Other Income	-	0	Unavailable
Overheads	(181,081)	(47,748)	Unavailable
(Loss)/Profit before interest and tax	(335,864)	47,005	
Interest Receivable	0	5	Unavailable
Finance Costs	(354)	(355)	Unavailable
Tax on Profit/(Loss)	-	(1)	Unavailable
Net Profit/(Loss)	(336,218)	46,654	Unavailable
Dividends Paid	0	0	Unavailable
Balance Sheet Extracts			
Fixed Assets	153,836	45,465	0
Current Assets	739,824	227,921	47,927
Total Assets	893,660	273,386	47,927
Current Liabilities	(1,268,746)	(309,704)	(135,574)
Net Current Assets/(Liabilities)	(528,922)	(81,783)	(87,647)
Total Assets less Current Liabilities	(375,086)	(36,318)	0
Creditors Due After One Year	(2,125)	(4,675)	0
Net Assets	(377,211)	(40,993)	(87,647)
Represented By			
Called Up Share Capital	1	1	1
Profit & Loss Reserve	(377,212)	(40,994)	(84,648)
Shareholders' Funds	(377,211)	(40,993)	(84,647)

In mid-2018, Kahlil De Burca joined the Company as a second director and sought to expand the business and its commercial offering.

The Company had originally operated under a lease at Worsall Grange but, in May 2018, the Company entered a Facility Agreement ("the Facility") with WIPP Limited ("the Secured Lender") for circa £2.55m to fund the purchase of the land and buildings. In return for acquiring the freehold, the Company granted the Secured Lender security conferring both fixed and floating charges in respect to its assets.

In parallel to the land acquisition in May 2018, the Company was successful in obtaining planning permission to develop the farm with a view to achieving its ambition of becoming one of the most reputable stud farms in the North. The development proposal for which planning was granted included:

- Demolition of existing agricultural storage buildings;
- Replacement of existing 3 bed-dwelling accommodation with new trainer's accommodation;
- Extension and conversion of existing buildings to provide new stabling, storage, and veterinary facilities and yard office;
- Conversion of traditional building to provide grooms accommodation;
- Construction of new building to provide stabling for c. 30 hoses with internal horse walker;
- Construction of stallion barn;
- Construction of all-weather training facilities, including canter track, gallops and turn-out paddock.

The Company engaged a third-party contractor ("the Contractor") to commence works to redevelop the site.

Whilst the Company generated a modest income from covering fees and boarding / livery agreements, such revenue was not sufficient to cover day-to-day trading expenses, such as fees to stable hands, rates and utilities, repairs and maintenance and the upkeep of horses. The Company was therefore not able to generate sufficient funds to defray ordinary trading costs and the incremental costs of redevelopment and, therefore, in November 2018, a statutory demand was issued by the Contractor in respect of unpaid invoices. After productive negotiations between the Contractor and the Company, the statutory demand was set aside on the promise that the Company would secure additional funding and the works would recommence and invoices paid in full.

The Facility with the Secured Lender also fell due for repayment on 18 November 2018. The Company was not able to pay the redemption sum at this date and, therefore, the Secured Lender provided a period of debt forgiveness until February 2019 whilst the directors sought to refinance the loan with another lender. Despite the Company's protracted attempts to refinance, repayment of the Facility was still not forthcoming. The Secured Lender began to monitor the Company's affairs more closely and requested additional financial information, such as trading accounts, forecasts and evidence of refinancing offers.

By April 2019, the Secured Lender was increasingly concerned for its exposure and, therefore, took steps to value its security; principally being the Company's freehold land and buildings at the Stud. Since no alternative lending had been sourced by the Company and almost six months had elapsed since the Facility's redemption date, the Secured Lender sought legal advice and it was recommended it took steps to appoint an Administrator under its qualifying floating charge to protect its position and recover the sums due to it.

Accordingly, on 13 May 2019, Nicholas O'Reilly and I were duly appointed as Joint Administrators of the Company and assumed responsibility for the management of the affairs, business and property of the Company. The appointment permits us to undertake any actions required either jointly or alone, and both of us have had an active role in managing the Company's affairs following our appointment. Neither of us, or our staff, had any direct involvement with the Company prior to our appointment.

3. OBJECTIVES OF THE ADMINISTRATION AND THE ADMINISTRATORS' STRATEGY FOR ACHIEVING THEM

As Administrator of the Company I am an officer of the Court and I must perform my duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration, which is to achieve one of the three hierarchical objectives set out in the insolvency legislation, namely to:

- (a) rescue the Company as a going concern; or
- (b) achieve 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); or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

It was considered that, given the level of the Company's indebtedness, it would not be possible to rescue the Company as a going concern (i.e. by way of a sale of its shares or an injection of sufficient working capital).

It was also considered a CVA would not be viable as the Company's trading forecasts indicated that there would not be any surplus income in the short to mid-term to distribute to the Company's historical creditors and, accordingly, the CVA would not offer a better outcome than that achieved by pursuing either objective (b) or objective (c) in an Administration.

Accordingly, we are seeking to achieve objective (b) through either orchestrating a sale of the Company's business and assets as a going concern or, alternatively, an orderly winding down of the business which will enable asset realisations in respect of the equine stock to be maximised.

The Administration offers a moratorium, being protection from the Company's creditors, which has permitted the Company to continue trading whilst we assessed:

- The horses' welfare;
- The cash flow requirements to support ongoing trading;
- The feasibility and timing of a sale of the business as a going concern; and
- The practicalities and associated costs of an orderly wind-down of the business (in the event a going concern sale is not achieved); and
- The optimum strategy for maximising realisations of the equine stock ex situ.

Given the immediate appointment and uncertainty regarding the Company's trading forecasts, we were able to secure a trading loan in the sum of £50k from CTW Northern Limited ("CTW"), being a company funded by the same Trust as the Secured Lender and with common Trustees. This loan was to facilitate ongoing trade whilst a strategy could be formulated to maximise realisations for both the Secured Lender and the general body of unsecured creditors.

Deemed Approval of Proposals

In accordance with Paragraph 52(1)(b) of Schedule B1 IA86, I do not propose to ask creditors to consider the Proposals as there will be insufficient assets to enable a distribution to unsecured creditors to be made other than a possible distribution of the Prescribed Part. If no decision procedure is requisitioned, the Proposals will be deemed approved by the creditors.

To requisition a decision procedure, creditors representing:

- 10% of the total debts of the Company,

must write to me within **8 business days** of the delivery of these proposals.

If the Proposals are deemed approved by the creditors, the Administrators will continue to control the business of the Company to the extent that it has not been transferred.

Based on information presently available, it is anticipated there will not be any surplus realisations available for the unsecured creditors, other than a possible distribution by virtue of the Prescribed Part. Under these circumstances, it is our intention to exit the Administration and dissolve the Company once all matters pertaining to the administration have been completed.

Should there be sufficient funds available for a dividend to be paid to the unsecured creditors, other than by virtue of the Prescribed Part, the Company will move from Administration to Creditors' Voluntary Liquidation. This is presently considered unlikely.

The insolvency legislation has set a 12-month maximum duration for Administrations unless the duration is extended by either the Court or the creditors. If I am unable to complete the Administration of the Company within 12 months then I will either apply to the Court or, alternatively, seek a decision of the requisite body of creditors to extend the duration of the Administration.

4. ACTIONS OF THE ADMINISTRATORS FOLLOWING APPOINTMENT

On appointment

We were contacted at short notice by solicitors acting for the Secured Lender and notified of its intention to appoint an administrator. Immediately upon our appointment, which was made early on 13 May 2019, my staff attended site to notify the Company and its directors and to secure the Company's property and assets. We immediately notified our insurers and ensured the appropriate policies and level of cover were in place.

Given the Company's accounts had demonstrated a high value for the Company's equine stock (book value of circa £687k as at 31 January 2018) and approximately a third of the horses occupying the Stud were owned by third-parties, we engaged a security agent to secure all entry / exit points to the Stud (insofar as possible) and monitor all movements of horses to/from site, which included taking possession of all horse passports (this document is required to be taken with the horse whenever it is transit).

In order to ensure the horses received continuity of care, the services of the directors and their team of stable hands was retained and we arranged for a third-party equine agent to visit the Stud and assess the condition of the horses and confirm whether there were any welfare issues that the Administrators should be aware of. The assessment concluded that both the facilities and the upkeep of the horses was good.

We also obtained a schedule from the Company's directors identifying all horses in occupancy at the Stud, complete with chip numbers and ownership details. We confirmed that of the circa 132 horses in occupation, 37 were owned by the Company, 39 were owned by the directors and 56 were owned by third-parties.

In addition, we discharged our responsibilities with regard to undertaking routine statutory and compliance work, such as filing notice of our appointment in the London Gazette, notifying Companies House and HM Revenue & Customs of our appointment and liaising with the directors in relation to obtaining the relevant information to comply with statutory duties, e.g. securing an electronic copy of the Company's books and records. These are tasks that are required by statute or regulatory guidance or are necessary for the orderly conduct of the proceedings and, whilst they do not produce any direct benefit for creditors, they still have to be carried out.

Trading on

Given the Company was responsible for the upkeep of 132 horses which could not immediately be relocated elsewhere, it was inevitable that we needed to continue to trade the business for

a period of circa four to five weeks whilst the options for either re-selling the business as a going concern or, alternatively, maximising realisations from the sale of the Company's equine stock could be considered.

We retained the services of the Company's directors with a view to assisting with the daily management of the Stud, including securing historical debtor receipts and invoicing future revenues under the livery agreements with third-parties.

As referenced above, given the immediate nature of our appointment and uncertainty regarding trading forecasts, we secured a trading loan from CTW Northern Ltd ("CTW") in the sum of £50,000 (more details on the Company's relationship with CTW can be found in section 5.6 of the Proposals). It was perceived that this would be sufficient to permit a four to five-week trading period whilst the options available to the Administrators for achieving the statutory purpose of the Administration could be assessed.

Sale of business and assets

Once we had determined the ownership of the horses at the Stud, it became apparent that approximately two-thirds belonged to either the Company or its directors and, therefore, given it had not traded at a profit since inception, it was considered the only viable purchaser for the business in situ would be the directors themselves.

Immediately upon our appointment, Mr. De Burca advised that he was continuing his attempts to refinance the current indebtedness to the Secured Lender and would, therefore, be keen to reacquire the business and assets out of administration. Mr. De Burca was encouraged to pursue this course of action and submit an offer, complete with proof of funding, for the administrators' consideration at the earliest opportunity.

In parallel, we undertook our own investigations into the value of the Company's assets, which principally included the freehold land and buildings and equine stock. Three estate agents and three bloodstock agents were invited to attend the Stud and provide their own independent assessment as to the value of the respective assets. We also obtained a copy of the land and buildings valuation written for the Secured Lender in April 2019.

An offer was forthcoming from Mr. De Burca to acquire the business and assets in situ, however, this was not deemed to be acceptable to either the Administrators or the Secured Lender as:

- Sufficient proof of funding had not been provided; and
- Agent advice suggested a higher realisation may be achieved following an extensive marketing campaign and private treaty sale of Worsall Grange.

Mr De Burca was invited to submit his best and final offer, complete with proof of funding, by 14 June 2019. Unfortunately, as at the date of this report, an acceptable offer has not been forthcoming and, therefore, we have taken steps to commence an orderly winding down of the business (further detail below). We remain open to any revised offers that may be forthcoming from Mr. De Burca.

Equine welfare and valuations

As referenced above, we immediately arranged for an independent equine agent to assess the welfare of the horses and retained the services of the directors and stable hands to ensure continuity of care. Given the potential value of the horses and third-party ownership, our security agent took possession of all horse passports and implemented controls to monitor all movements on and off the Stud.

The Company's last set of filed accounts suggested that the equine stock may be worth approximately £688k. Three bloodstock agents were engaged to provide independent opinions as to the respective value of each of the 37 horses owned by the Company. Each agent

undertook a review of each horses' pedigree information and two of the three visited site to undertake physical inspections.

The separate advice received from each confirmed that:

- The horses were Thoroughbreds;
- Anticipated value of the horses ranged from approximately £500 to £6k, with the average being circa £1.5k, leading with the exception of Cannock Chase in which the Company holds a 50% share;
- Placing the horses in Thoroughbred public auction events would not provide a net realisation given the associated costs of upkeep to the next available auction date, transport and staff costs and high entry and vaccination fees;
- It was considered the best forum for sale was alternative livestock auctions.

Orderly wind-down

Given it has not been possible to secure a sale of the business as a going concern, on 17 June 2019, we provided notice to the directors, stable hands and third-party horse owners of our intention to conclude trading and have now commenced an orderly wind down of the business.

This has included:

- Advising all third parties to arrange alternative stabling arrangements and collect their horses from the Stud by no later than 25 June 2019;
- Engaging agricultural agents, Kivells, to arrange for the auction of 18 horses owned by the Company;
- The re-stabling of Cannock Chase and commencing a marketing campaign to arrange a sale by private treaty;
- Seeking legal and professional advice with regard to matters pertaining to the transport and sale, or prevention thereof, of the Company's remaining 18 horses.

To date, there remains approximately 80 horses at the Stud which are owned by either third parties or the directors. In accordance with legal advice and the Animal Act 1971, I have detained these horses and served notice on the respective owners that, unless removed by 2 July 2019, the Company, in its capacity as freeholder, will be deemed to own the remaining horses and, accordingly, these can be sold or disposed of as deemed appropriate.

For the avoidance of doubt, it is our preference to facilitate the safe return of each of the horses to its original owner. Insofar as this is not possible, we will endeavour to sell the horses at public auction.

5. FINANCIAL POSITION OF THE COMPANY

I have asked the directors to prepare a summary of the Company's estimated financial position as at 13 May 2019, which is known as a Statement of Affairs ("SOA"). To date this has not been received.

In the absence of a SOA, I have prepared an estimate of the financial position of the Company as at the date of my appointment ("the Statement") from the records of the Company and this is attached at **Appendix 2**, together with a list of names and addresses of all known creditors and the amounts of their debts. My comments on the items disclosed within the Statement follow below:

5.1. Freehold Land & Buildings

The Company's freehold land & buildings comprise circa 172 acres of agricultural land, a three-bedroom farm house and a number of farm and equestrian buildings, all known as Worsall Grange Farm.

The Administrators have consulted with three agents with expertise in the sale of equine and agricultural land and each has provided their own independent appraisal as regard guide price

and anticipated realisation. These details cannot be disclosed at this time as this may prejudice future realisations. For present purposes, we have included a book value and estimated to realise value of £2.25m, being the price paid by the Company in May 2018.

In return for a loan to acquire the freehold, the Company granted security conferring fixed and floating charges to the Secured Lender. Accordingly, any subsequent sale of the land and buildings is subject to the fixed charge. As at 13 May 2019, the estimated outstanding debt due to the Secured Lender was circa £3.5 million excluding any additional default interest and fees that may be accruing.

The Administrators are currently formulating a marketing strategy with regard to the land and buildings. Any subsequent realisations will be payable to the Secured Lender in accordance with its security. It is currently estimated that the Secured Lender will suffer a shortfall in this regard.

5.2. Assets subject to Hire Purchase Agreements

The majority of the Company's plant and equipment, which included a horse walker, horse box, tractor and JCB, were subject to hire purchase finance agreements, principally with Close Brothers. After taking into account the outstanding indebtedness due under the agreements, there will be no equity available to the Administration estate.

5.3. Equine Stock

The last filed accounts at Companies House disclosed a book value of equine stock of £688k as at 31 January 2018.

For the purposes of preparing this statement we have included an estimate of £100,000.

5.4. Book Debts

The Administrators were provided with access to the Company's QuickBooks accounting system and downloaded all outstanding invoices due to the Company as at the date of appointment. The invoices were reconciled to the Company's bank accounts and an up to date schedule of trade debtors prepared which confirmed debts totalling £73,182 remained due to the Company. Following a detailed analysis, it was concluded that £44,051 of the debts were disputed and, accordingly, it was estimated that approximately £29,131 would be realised during the Administration.

5.5. Cash at Bank

The Company held two bank accounts with Barclays Bank plc and HSBC Bank plc. At the date of the Administration, both accounts were overdrawn and, accordingly, there was no cash at bank to be credited to the Administration.

5.6. Investments

The Company holds a 50% shareholding in CTW, being a joint venture with Merepark Holdings Limited. CTW is supported and controlled by the same Trust and Trustee as the Secured Lender and, in conjunction with the Company, had acquired land located in Wilton, Redcar in 2016. The land was formerly used for heavy industry; however, we understand the land was cleared and remediated during 2015 and 2016.

CTW had planned to grant a lease for the development of an Anaerobic Digestion plant on part of the site with the remaining land being used for the development of a large multi-client data centre which would seek additional revenue by way of a Power Purchase Agreement with a nearby power station.

We have made initial enquiries into the potential value of the Company's shareholding and will provide further information in our next report to creditors. The estimated to realise amount in respect of the shares is presently uncertain.

5.7. Furniture & equipment

There may be some residual chattels, such as furniture and equipment at the Stud that is not subject to finance agreements. Once the business has ceased trading, it would be our intention to instruct chattel agents to realise value for said equipment. Given the potential second-hand value of such assets is likely to be negligible, an estimated to realise value of nil has been included in the Statement with a view to being prudent.

5.8. Preferential creditors

The Company had no employees and, accordingly, there are no anticipated preferential claims. The Company's stable hands are considered to be sub-contractors who invoice for their time on a weekly basis.

5.9. Prescribed part

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "Prescribed Part of the net property." A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An Administrator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property;

up to a maximum of £600,000.

The Company granted a floating charge to the Secured Lender on 15 May 2018 and the Prescribed Part provisions will therefore apply.

I cannot confirm the amounts of net property and Prescribed Part to unsecured creditors at this stage, as it will be dependent on the realisations from floating charge assets and the associated costs of realisation. Given the nature of the equine stock, it may be that the benefit of any realisations could be exhausted by the associated costs of sale and, therefore, there may not be a dividend paid to the unsecured creditors by virtue of the Prescribed Part or otherwise.

Please note, the Statement at Appendix 2 confirms the estimated financial position as at the date of our appointment and does not take into the associated costs of the Administration. Such costs will reduce the amount of the Company's net property and, accordingly, the Prescribed Part that may be available to the ordinary unsecured creditors (if any).

6. ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

The Joint Administrators Trading and Receipts & Payments Account can be found at Appendix 3 and Appendix 4 respectively. I comment specifically as follows:

6.1. Trading

A loan of £50,000 was sourced from CTW to facilitate the ongoing trading of the business whilst a strategy was devised for either the sale of the business or, alternatively, a piecemeal sale of the Company's equine stock and other assets. The terms of the loan include the accrual of interest at a competitive rate of 2.5% per annum and a repayment date of 15 November 2019. In addition to the loan, we raised sales invoices to third-party owners at the end of May 2019, totalling £26,897, of which £14,324 has been paid to date. Additional sales invoices for the

month of June 2019 are due to be raised shortly. These are estimated to total approximately £10k plus VAT.

The cash position at the date of this report shows a trading loss of £945, however, additional post appointment sales are yet to be realised. The expenses itemised within the trading account are self-explanatory and necessary for the ongoing upkeep of the Stud and its horses.

6.2. Receipts

Outstanding debtors at the date of our appointment totalled £73,182. After a review of disputed debts or debts with right to set-off, it was estimated that approximately £29,131 would be realised. To date, £20,643 has been collected following our appointment.

6.3. Payments

In addition to expenses paid to facilitate the ongoing trade, the Joint Administrators have paid the following equine agents to provide assistance to the administration generally:

Equine agent	Equine agent's description of services provided	Equine agent's description of services provided	Equine agent's description of services provided	Equine agent's description of services provided	Equine agent's description of services provided
Stud Mgt Advisory Ltd.	Equine welfare and routes to sale	Time cost	848.25	648.25	200.00
Stroud Coleman	Equine valuation	Fixed fee	2,338.30	488.30	1,850.00
James Delahooke LLP	Equine valuation	Fixed fee	500.00	500.00	-
Carolyn Pewter	Equine welfare	Fixed fee	500.00	-	500.00
Total			4,186.55	1,636.55	2,550.00

In addition, statutory advertising costs confirming the appointment of the Administrators in the London Gazette, in the sum of £87 plus VAT, have been paid.

6.4. Other Expenses

In addition to the expenses referenced above, the following expenses have been incurred but not paid:

Equine agent	Equine agent's description of services provided	Equine agent's description of services provided	Equine agent's description of services provided	Equine agent's description of services provided	Equine agent's description of services provided
Goffs UK	Equine valuation	Fixed fee	750.00	-	750.00
Weatherbys	Equine ownership verification	Fixed fee	100.00	-	100.00
MAPS	Security services	Time costs	30,630.30	14,743.80	15,886.50
Marsh	Insurance	Fixed fee	TBC	-	TBC

Moon Beever	Legal advice	Time costs	9,945.75	-	9,945.75
Falcon Chambers	Legal counsel	Time costs	1,400.00	-	1,400.00
Total			42,826.05	14,743.80	28,082.25

In order to achieve the statutory purpose of the administration, we have engaged the following agents who will be due the following commission upon the completion of their engagement:

Kivells	Livestock agent and auctioneer	% of realisations	15% of realisations
Carter Jonas	Estate agent	% of realisations	1.5% of realisations

The choice of professionals and service providers was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money.

Expenses do not have to be approved, but when reporting to any subsequently constituted creditors' committee and / or creditors generally during the course of the Administration, the actual expenses incurred will be compared with the original estimate provided and I will explain any material differences (e.g. where legal costs rise due to escalated recovery action).

7. PROPOSED FUTURE ACTIONS OF THE ADMINISTRATORS TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATION

In order to achieve the objective of the Administration of the Company I propose to:

- Conduct an orderly winding down of the business with a view to maximising realisations in respect of the Company's equine stock whilst safeguarding the welfare of the horses;
- Instruct a specialist equine and agricultural agent with both a local and national presence to market Worsall Grange for sale with vacant possession;
- Maintain an open dialogue with Mr. De Burca with regard to his attempts to acquire the business and / or property from the Administration;
- Collect all outstanding pre-appointment book debts and post-appointment sales;
- Realise all other possible assets;
- Investigate the Company's affairs with a view to identifying any other possible realisations for the benefit of the creditors, e.g. claims against third parties

The Company's financial position means it is likely there will be insufficient assets to enable me to pay a dividend to non-preferential unsecured creditors, although it may be possible to make a distribution of the Prescribed Part of the net property should there be sufficient floating charge asset realisations.

8. ADMINISTRATORS' REMUNERATION AND EXPENSES

8.1 Remuneration

I attach at **Appendix 5** a copy of my practice fee recovery policy. In this case I am seeking to fix the basis of my remuneration on a time cost basis as detailed below. As there will be no distribution to unsecured creditors, other than virtue of the Prescribed Part (subject to the extent of floating charge realisations and the associated costs), the Administrators are required to seek approval for their fees and category 2 disbursements from the Secured Creditor and,

where applicable, the preferential creditors. On account of the Company not having any employees, we are presently not aware of any preferential claims in respect of this matter.

Time costs

Some work cannot be identified with enough certainty for me to seek remuneration on a fixed or percentage basis. For these tasks, I propose to seek approval on a time cost basis. i.e. by reference to time properly spent by me and members of staff of the practice at our standard charge out rates.

When I seek approval for my fees on a time cost basis I have to provide a fee estimate. That estimate acts as a cap on my time costs so that I cannot draw fees of more than the total estimated time costs without further approval from those who approved the fees.

I attach a "Fees estimate summary" at **Appendix 6** that sets out the work that I intend to undertake, the hourly rates I intend to charge for each part of the work, and the time that I think each part of the work will take. It includes a summary of that information in an average or "blended" rate for all the work being carried out within the estimate.

As indicated in the fees estimate the following areas of work will be charged on a time cost basis: administration, investigations, realisation of assets, trading, creditors. The following explains about the areas of work for which I am seeking approval on a time cost basis, whilst full information about the work that I will undertake on a time cost basis is contained in **Appendix 7**.

Case administration:

This represents the work that is involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder and their managers. It does not give direct financial benefit to the creditors but must be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

Investigations:

The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure and in respect of matters such as misfeasance and wrongful trading. The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified, then the office holder will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holder will provide an estimate of that benefit if an increase in fees is necessary.

The office holder is also required by legislation to report to the Department for Business, Energy & Industrial Strategy on the conduct of the directors and the work to enable them to comply with this statutory obligation is of no direct benefit to the creditors, although it may identify potential recovery actions.

Realisation of Assets:

This is the work that needs to be undertaken to protect and then realise the known assets in the case.

Trading:

The office holder has decided to trade the business of the Company in order to preserve the value in the business and / or its assets, which is anticipated to result in higher realisations than may be possible if a disposal of assets took place on an immediate ex situ basis. The particular tasks scheduled in this category of work are required to be undertaken in order to enable the office holder to monitor and control the trading of the business and include statutory functions that are required to be undertaken when running any business.

Creditors:

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

Dividends - the office holder has to undertake certain statutory formalities in order to enable him to pay a dividend to creditors. This includes writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors. Such work would only be undertaken if sufficient assets are realised to enable a distribution to creditors by way of a Prescribed Part.

Secured Creditor – the secured creditor will be apprised of the progress of the Administration as and when it requires.

Fees Estimate Summary ("the Fees Estimate")

More details of the tasks included in these categories are included in the Fees Estimate. I estimate that the total time costs that I will incur in undertaking the above tasks in this case will be £165,127 at a "blended" rate of approximately £352 per hour.

This estimate has been provided to creditors at a relatively early stage in the administration of the case and before the office holder has full knowledge of the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the office holders' current knowledge of the case and their knowledge and experience of acting as office holder in respect of cases of a similar size and apparent complexity. As a result, the estimate does not consider any currently unknown complexities or difficulties that may arise during the administration of the case. If the time costs incurred on the case by the office holder exceed the estimate, or is likely to exceed the estimate, the office holder will provide an explanation as to why that is the case in the next progress report sent to creditors. Since the office holder cannot draw remuneration in excess of this estimate without first obtaining approval to do so, then where the office holder considers it appropriate in the context of the case, they will seek a resolution to increase the fee estimate so that they will then be able to draw additional remuneration over and above this estimate.

I anticipate needing to seek approval to exceed the estimate if this work leads to further areas of investigation, potential further asset recoveries and any associated action, such as arbitration or legal proceedings.

Time costs to date

To date a total of approximately 352 hours have been spent working on the above tasks in the Administration, and total time costs to date are £119,118, representing an average hourly charge out rate of circa £338.

Details of the time units used and current charge-out rates are provided in our practice fee recovery sheet, a copy of which is enclosed at **Appendix 4**. I attach, in respect of the areas of

work where I am seeking to charge fees on a time cost basis, an analysis of time costs incurred to date by reference to grade of staff and work done at **Appendix 7**.

8.2 Disbursements

I am permitted to charge and recover what are known as category 1 and category 2 disbursements. Information about category 2 disbursements is set out in our practice fee recovery policy at **Appendix 4**.

The following category 1 disbursements have been incurred to date but not drawn:

Category 1 Disbursements		
Disbursement	Incurred	Recoverable
Travel	£1,861.25	£1,861.25
Accommodation	£985.00	£985.00
Subsistence	£196.29	£196.29
Bonding	96.00	96.00
Petty Cash	£141.60	£141.60
Land Registry Search	£3.00	£3.00
Total	£3,283.14	£3,283.14

The following category 2 disbursements have been incurred to date but not drawn:

Category 2 Disbursements		
Disbursement	Incurred	Recoverable
Creditor portal	£50.00	£50.00
Total	£50.00	£50.00

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <http://www.icaew.com/en/technical/insolvency/creditors-guides>. There are different versions of these Guidance Notes, and in this case please refer to the April 2017 version. Please note that we have also provided further details in the practice fee recovery sheet.

9. PRE-APPOINTMENT FEES AND EXPENSES

The Administrators incurred time costs of £6,800 prior to their appointment but will not be seeking payment of these time costs.

Legal fees connected with the appointment of the Administrators will be met by the Secured Creditor directly.

10. ADMINISTRATORS' INVESTIGATIONS

I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

11. EC REGULATION ON INSOLVENCY PROCEEDINGS

I consider that the EC regulation on insolvency proceedings apply to the Administration of the Company. I also consider that they are "main" proceedings since the Company's registered office and its trading address are in the United Kingdom.

12. ADMINISTRATORS' PROPOSALS

In order to achieve the objective, set out at section 3 above, Nicholas O'Reilly and I formally propose to creditors that:

- (a) We continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that we:
 - (i) trade the business of the Company while seeking to agree either a sale of the residual business at the time of completion or, alternatively, an orderly wind down of operations to safeguard the horses' welfare;
 - (ii) sell, relocate or dispose of the Company's equine stock as we consider appropriate (including any third-party and director owned horses detained by the Company in accordance with the Animal Act 1971);
 - (iii) sell and / or dispose of the Company's other assets at such time(s) on such terms as we consider appropriate;
 - (iv) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company; and
 - (v) do all such things and generally exercise all their powers as Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals.
- (b) the Administration of the Company will end by filing notice of dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar of Companies three months after the notice is registered.
- (c) Alternatively, the Administration of the Company will end by the Administrators giving notice to the Court, creditors and Registrar of Companies that the objective of the Administration has been achieved.
- (d) The Joint Administrators will seek approval from secured and preferential creditors, if applicable, to be discharged from liability at the end of the Administration.

13. APPROVAL OF PROPOSALS

The financial position of the Company means that it has insufficient assets to enable a dividend to be paid to non-preferential unsecured creditors other than by virtue of the Prescribed Part (subject to the extent of floating charge realisations and the associated costs). As a result, I am prohibited by the insolvency legislation from seeking a decision from the creditors to consider these proposals.

However, creditors whose debts amount to at least 10% of the total debts of the Company can require me to convene a decision process to consider and approve the proposals. Such a request must be made within 8 business days from the date of the delivery of these proposals. If creditors do not require me to convene a decision process within that time period, then these proposals will be deemed to have been approved.

14. FURTHER INFORMATION

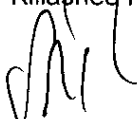
To comply with the Provision of Services Regulations, some general information about Moorfields, including about our complaints policy and Professional Indemnity Insurance, can be found at <http://www.moorfieldscr.com/terms-and-conditions>.

In accordance with the provisions of the General Data Protection Regulations the lawful basis for processing your personal data is in order to comply with my legal obligations set out in the Insolvency Legislation, the purpose of processing the data is to administer the insolvent estate. Your data will be retained by me for 6 years and 3 months following my vacation of office. Further details regarding how we process your personal data can be found in our Privacy policy located here: <https://www.moorfieldscr.com/privacy-policy>.

Finally, as an Insolvency Practitioner, when carrying out all professional work relating to my appointment I would confirm that I am bound by the Insolvency Code of Ethics. I can confirm that no threats to the Fundamental Principles exist.

If creditors or members have any queries regarding the proposals or the conduct of the Administration in general, they should contact Agne Sinkeviciute on 0207 186 1156.

Yours faithfully
For and on behalf of
Killashee House Limited



Simon Thomas
Joint Administrator

Simon Thomas and Nicholas O'Reilly of Moorfields, 88 Wood Street, London, EC2V 7QF were appointed Joint Administrators on 13 May 2019. The Administrators now manage the affairs, business and property of the Company. The Administrators act as agents only and without personal liability.

Appendix 1: Statutory information

Company Information

Company name: **Killashee House Ltd**
Previous name: **N/A**
Trading name: **Worsall Grange Farm**
Company number: **08373372**
Date of incorporation: **24 January 2013**
Trading address: **Worsall Grange Farm Low Worsall Low Worsall North Yorkshire TS15 9PQ**

Current registered office: **c/o Moorfields, 88 Wood Street, London, EC2V 7QF**
Former registered office: **Worsall Grange Farm Low Worsall Low Worsall North Yorkshire TS15 9PQ**

Principal trading activity: **Raising of Horses and Other Equines**

Appointment Details

Administrators: **Simon Thomas and Nicholas O'Reilly**
Administrators' address: **Moorfields, 88 Wood Street, London, EC2V 7QF**
Date of appointment: **13 May 2019**
Court name: **High Court Of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List**

Court reference: **(ChD) CR-2019-003203**
Appointment made by: **Qualifying Floating Charge Holder – WIPP Ltd**
Actions of Administrators: **Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.**

Directors

Name	No. of Shares	Shareholding Percentage
Kahlil De Burka	0	0%
Lucy Victoria Horner	1	100%

Share capital

<u>Authorised</u>	<u>Allotted, called up and fully paid</u>
1 ordinary share of £1 each	1 ordinary share of £1 each

Charges

<u>Person Entitled</u>	<u>Date Created</u>	<u>Nature of Charge</u>
WIPP Ltd	15 May 2018	Debenture (Fixed & Floating Charge)
WIPP Ltd	15 May 2018	Legal Mortgage

Appendix 2
Estimated financial statement as at 13 May 2019

	Notes	Book Value (£)	Est. to Realise (£)
<u>Assets subject to Fixed Charge</u>			
Freehold Land & Property (Worsall Grange)	1	2,250,000	2,250,000
Less: WIPP Ltd (including interest and charges) (est.)	2		(3,500,000)
Shortfall to WIPP Ltd c/fwd			<u>(1,250,000)</u>
<u>Assets subject to Hire Purchase & Finance Agreements</u>			
Property, Plant & Equipment	3	Nil	80,854
Less: Close Brothers Finance			(91,587)
Shortfall to Close Brothers Finance (c/fwd)			<u>(10,733)</u>
<u>Assets subject to Floating Charge</u>			
Stock (i.e. Horses owned by the Company)	4	687,923	100,000
Book Debts	5	73,182	29,131
Investments	6	30	Uncertain
Furniture & Equipment	7	Nil	Uncertain
Cash at Bank and in Hand		Nil	Nil
Estimated total assets available for preferential creditors			<u>129,131</u>
<u>Preferential creditors</u>			
Arrears of Wages & Holiday Pay	8		-
Estimated deficiency /surplus as regards to preferential creditors			<u>129,131</u>
Estimated prescribed part of net property where applicable (to carry forward)	9		(28,826)
Estimated total assets available for floating charge holders			<u>100,305</u>
Debts secured by floating charges - WIPP shortfall b/fwd	10		(1,250,000)
Estimated deficiency/surplus of assets after floating charges			<u>(1,149,695)</u>
Estimated prescribed part of net property where applicable (brought down)			28,826
Surplus of assets after floating charges brought down			-
Total assets available for unsecured creditors			<u>28,826</u>
<u>Unsecured non preferential claims</u>			
Directors' Loans (tbc.)			(1,500,000)
HM Revenue & Customs			(4,400)
Bank overdraft - HSBC / Barclays			(46,976)
Close Brothers (b/fwd)			(10,733)
Unsecured loans			(58,000)
Trade & Expense creditors			(665,651)
			<u>(2,285,759)</u>
Estimated deficiency/surplus as regards non preferential creditors			<u>(2,256,933)</u>
Issued and called up capital			(1)
Estimated total deficiency/surplus as regards members			<u>(2,256,934)</u>

Notes to the estimated financial statement

Notes

- 1 Book value and ETR value represent the disclosed price paid for Worsall Grange in May 2018
- 2 The principal sum advanced by the Secured Lender on 15 May 2018 was £2.55m at . The amount outstanding upon administration is estimated to be c. £3.5m including interest and charges.
- 3 The Company's plant was purchased through finance with Close Brothers. After accounting for the outstanding indebtedness across the accounts, it is estimated there will be no equity to the estate.
- 4 Equine stock book value was taken from the Company's last set of filed accounts for the y/e 31 Jan 2018. ETR value is based on the qualified opinion of three equine agents who reviewed physical condition of the horses and pedigree information.
- 5 Book debts upon appointment totalled £73,182. After discounting disputed debts or debts with a right to set-off, we estimate £29,131 will be realised.
- 6 The Company held a 50% shareholding in CTW Northern Ltd which owns an interest in freehold property. We are undertaking investigations to confirm whether there is any value to this shareholding. ETR value is presently uncertain.
- 7 The Company has other chattels that are not subject to finance agreements. It is anticipated any realisable value in this regard will be negligible.
- 8 The Company does not have any employees and, accordingly, there will be no preferential claims in this matter.
- 9 The Prescribed Part is a portion of the net property which is available to the unsecured creditors; calculated by reference to the provisions within the Insolvency Act 1986
- 10 Any shortfall to the Secured Lender under its fixed charge is secured by way of its floating charge

N.B. The statement excludes costs and expenses of the Administration.

Moorfields
Killashee House Limited
B - Company Creditors

Key	Name	Address	£
CA00	Andrews Bowen Equine Developments Ltd	Singleton Grange, Fleetwood Road, Singleton, FY6 8NE	266,601.21
CA01	Armstrong Richardson	Mount Pleasant Way, Stokesley Business Park, Stokesley, North Yorkshire, TS9 5NZ	18,565.00
CA02	A S Handyman	ashandymanservices@hotmail.com	3,500.00
CA03	A N Irwin Feeds	Stilloga Mills, Eglisli, Dungannon, Co Tyrone, BT70 1LF	3,500.00
CB00	Barclays Bank	Leicester, LE87 2BB	24,729.51
CB01	BBA Insurance Services Ltd	Alton House, 117 High Street, Newmarket, Suffolk, CB8 9WL	1,690.00
CB02	Barnes Thompson Ltd	Sun Lane, Newmarket, Suffolk, CB8 8EW	900.00
CC00	C & C Transport	Mount Pleasant Way, Stokesley Business Park, Stokesley, North Yorkshire, TS9 5NZ	40,000.00
CC01	Close Brothers	Unit D Telford Court, Chester Gates, Dunkirk, Nr. Chester, CH1 6LT	10,733.13
CC02	Centurycomm Ltd	Floor 7 The Podium, Vivo Building, South Bank Tower Estate, 30 Stamford Street, London, SE1 9LS	4,380.00
CC03	C W Tate & Son	Crossfield House Farm, Castlelevington, TS15 9PD	18,000.00
CC04	Justin Casse		15,000.00
CC05	Cheshire & Co		3,000.00
CD00	R J Darby		8,000.00
CE00	European Breeders Fund	Kushington House, 119 High Street, Newmarket, Suffolk, CB8 9AE	3,100.00
CE01	Edwin Taylor & Son	Wallish Walls Farm, Shotley Bridge, County Durham, DH8 9BL	5,000.00
CG00	Goffs UK	c/o Womble Bond Dickinson, St. Ann's Wharf, 112 Quayside, Newcastle upon Tyne, NE1 3DX	12,000.00
CG01	GSC Grays	1 Bailey Court, Colburn Business Park, Richmond, DL9 4QL	1,600.00
CG02	Godolphin Ireland	Kildangan Stud, Monasterevin, Co Kildare, W34 HR98	3,000.00
CH00	HMRC	EIS, Durrington Bridge House, Barrington Road, Worthing, BN12 4SE	4,400.00
CH01	HSBC	1st Floor, Harry Weston Road, Coventry, CV3 2TQ	22,246.00
CH02	Haras De La Rousseliere	La Rousseliere, La Foiret Auvray, 61219 Putanges Le Lac, France	700.00
CH03	Hollins Equest Equine Dentistry	31 Calderdale, Skelton, Saltburn, Cleveland, TS12 2WD	835.00
CH04	Hambleton District Council	Civic Centre, Stone Cross, Northallerton, North Yorkshire, DL6 2UU	6,996.75
CM00	Middleton Forge	Station Industrial Estate, Middleton in Teesdale, Barnard Castle, DL12 0NG	21,000.00
CM01	Jill Musgrave		10,000.00

Moorfields

B - Company Creditors

Address	£
King Street, Willenhall, West Midlands, WV13 1QT	26,999.14
Keenan Lodge, Potto Carr Farm, Trenholme Bar, Northallerton, DL6 3LF	28,708.63
Unit 1 Sam Turners, Darlington Road, Northallerton, North Yorkshire, DL6 2XB	3,000.00
3 Thornfield Business Park, Standard Way, Northallerton, DL6 2XQ	1,716.42
1st Floor, 75 High Holborn, London, WC1V 6LS	12,000.00
Low Lane, High Leven, Yarm, TS15 9JT	20,000.00
Leake Farm, Kirby Sigston, Northallerton, DL6 3TF	11,060.28
The Airfield, Felixkirk, Thirsk, YO7 2DR	592.45
25 Winckley Square, Preston, Lancashire, PR1 3JJ	87,069.37
c/o Marks Recoveries & Legal Services, 190 South Coast Road, Brighton, BN10 8JJ	4,996.00
The Stables, Howe Hills Farm, Mordon, Sedgfield, TS21 2HG	3,000.00
Chilton House, Chamham Lane, Hungerford, Berkshire, RG17 0EY	1,200.00
Millenium House, 49a High Street, Stockton on Tees, TS15 9BH	7,500.00
S Beane Farrier, Trenholme Bar, Northallerton, DL6 3JZ	1,800.00
PO Box 13, Havant, PO9 5JB	2,309.58
2 Esh Plaza, Sir Bobby Robson Way, Great Park, Newcastle upon Tyne, NE13 9BA	1,507.20
Suite 5, Third Floor, Adamson House, 65 Westgate Road, Newcastle Upon Tyne, NE1 1SG	4,512.00
	22,000.00
Sanders Road, Sanders Road, Wellingborough, Northamptonshire, NN8 4BX	6,611.55
Barrington House, 41-45 Yarm Lane, Stockton on Tees, Cleveland, TS18 3EA	3,500,000.00
Security Given: Fixed and floating charge; Date Given: 15/05/2018; Amount: 3500000	
Fleets Farms, East Witton, Leyburn, North Yorkshire, DL8 4SR	3,700.00
11 Standard Way, Northallerton, DL7 8NE	21,671.42
c/o AR Legal Collections Ltd, 159 Brent Street, London, NW4 4DH	6,824.48
The Hollins Stables, East Rounton, Northallerton, North Yorkshire, DL6 2LG	1,000.00

4,289,255.12

Moorfields
Killashee House Limited
B1 - Company Creditors - Employees & Directors

Key	Name	Pref £	Unsec £	Total £
RD00	Mr Kahlil De Burca	0.00	1,500,000.00	1,500,000.00
RH00	Lucy Victoria Horner	0.00	0.01	0.01
2 Entries Totalling		0.00	1,500,000.00	1,500,000.00

Moorfields
Killashee House Limited
B2 - Company Creditors - Consumer Creditors

Key	Name	Address	£
0 Entries Totalling			0.00

Moorfields
Killashee House Limited
C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HH00	Lucy Victoria Horner	Worsall Grange Farm, Low Worsall, North Yorkshire, TS15 9PQ	Ordinary	1.00	1	0.00	0.00
1 Ordinary Entries							
Totalling						1	

**Appendix 3: Joint Administrators'
Trading Account as at 28 June 2019**

	From 13/05/2019 To 28/06/2019
TRADING ACCOUNT	£
<u>Post Appointment Receipts</u>	
Contribution to Costs	50,000.00
Customer Fees	<u>14,324.63</u>
	64,324.63
<u>Trading Expenditure</u>	
Direct Labour	18,765.75
Farrier costs	2,250.00
Feed	10,564.00
Fence Hire	600.00
Field Hire	1,000.00
Fuel	1,814.30
Handyman	1,800.00
Security Costs	14,743.80
Shavings, hay & straw	13,576.81
VET/Chiropractor	<u>155.00</u>
	(65,269.66)
 Trading Surplus / Deficit (b/fwd)	 <u>(945.03)</u>

**Appendix 4: Joint Administrators'
Summary of Receipts & Payments as at 28 June 2019**

S of A	From 13/05/2019 To 28/06/2019
£	£
SUMMARY OF RECEIPTS & PAYMENTS	
<u>Asset Realisations</u>	
Bank Interest Gross	1.65
Book Debts	20,642.64
Trading Surplus / (Deficit) (c/dwn)	(945.03)
	<u>19,699.26</u>
<u>Cost of Realisations</u>	
Equine Agent Fees	1,636.55
Statutory Advertising	87.48
	<u>(1,724.03)</u>
	<u>17,975.23</u>
<u>Represented by:</u>	
Bank 2 IB Current Account	16,468.85
Vat Payable	(2,839.93)
Vat Receivable	4,346.31
	<u>17,975.23</u>

Notes:

Funds are held in an interest-bearing client account; VAT is recoverable

No Statement of Affairs figures are available as the directors have not submitted a Statement of Affairs in this case.

Appendix 5
Moorfields' Statement of Policy on Charging Remuneration
and Disbursements January 2018

In accordance with best practice we provide below details of policies of Moorfields, in respect of fees and disbursements for work in relation to insolvency estates.

The Partners will engage managers and other staff to work on the insolvent estate and statutory compliance diaries. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the estate's bank accounts. Work carried out by all staff is subject to the overall supervision of the Partners.

All time spent by staff working directly on case related matters is charged to a time code established for the case. Each member of staff has a specific hourly rate, which is subject to change over time.

The current charge out rates per hour of staff within the firm who may be involved in working on the insolvency follows: this in no way implies that staff at all such grades will work on the case.

GRADE	£
Partner	545
Director/ Senior Manager	450
Manager	380
Assistant Manager	300
Senior Associate	255
Associate	225
Cashier/ Support	195

The rates charged by Moorfields are reviewed periodically in January & July each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time in units of 6 minutes.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time cost basis the time invoiced will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors, the report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

Approved remuneration will be drawn at such times that sufficient funds are available.

OTHER COSTS

In accordance with Statement of Insolvency Practice No. 9, where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.

Category 1 Disbursements

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling, postage, photocopying (if external provider), statutory advertising and other expenses made on behalf of the assignment.

Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

Category 2 Disbursements

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Moorfields for the provision of services which include an element of recharged overhead, for example, room hire or document storage. Statement of Insolvency Practice No. 9 provides that such disbursements are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn.

The following Category 2 disbursements are currently charged by this firm

- Stationery and postage charge for sending out circulars – 5 pence per sheet plus postage at cost.
- A set-up charge of £50 per case for online creditor reporting where applicable
- Mileage allowances are paid at HM Revenue & Customs approved rates. For personnel using their own vehicles, these are currently 45 pence per mile for the first 10,000 miles and 25 pence per mile thereafter.
- A charge of £10 for identification searches per director to comply with Money Laundering Regulations.
- A charge of £100 for FAME investigation searches.

It should be noted that disbursements costs might increase from time to time, however, increases would only be in line with inflation or increases from our supplier.

Appendix 7: Summary of time costs to 23 June 2019

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
11 : Administrative Set Up	0.00	0.00	0.00	1.00	0.00	300.00	300.00
12 : Appointment Notification	0.00	0.00	0.50	2.60	0.00	810.00	261.29
14 : Statutory Reporting	0.00	0.20	0.20	9.50	0.00	2,512.50	259.02
15 : Case Monitoring	0.00	0.00	0.20	8.90	0.00	2,425.50	272.53
16 : IPS Case Set Up	0.00	0.00	0.10	0.00	0.00	45.00	450.00
17 : General Administration	0.00	0.00	12.70	0.00	0.00	3,238.50	255.00
18 : Cashiering	0.00	0.00	4.20	8.40	0.00	2,787.00	221.19
19 : Partner Review	0.75	0.00	0.00	0.00	0.75	408.75	545.00
10 : Case Planning	7.00	6.90	15.00	0.00	28.90	10,745.00	371.80
1003 : Travel	0.00	0.00	6.00	0.00	6.00	1,530.00	255.00
70 : Post appoint VAT and CT returns	0.00	0.00	0.40	0.00	0.40	110.00	275.00
Admin & Planning	7.75	7.70	60.30	8.40	84.15	24,912.25	296.05
71 : Other Assets	0.00	1.80	0.00	0.00	1.80	684.00	380.00
1061 : Sale of Share	0.50	1.50	0.00	0.00	2.00	947.50	473.75
30 : Freehold / Leasehold Property	0.50	2.40	10.20	0.00	13.10	4,099.50	312.94
31 : Plant and Machinery	0.60	0.20	0.20	0.00	1.00	472.00	472.00
32 : Motor Vehicles	0.00	0.10	0.00	0.00	0.10	45.00	450.00
34 : Debtors	0.00	1.00	6.70	0.00	7.70	2,174.50	282.40
35 : Sale of Business	0.30	4.40	0.00	0.00	4.70	2,143.50	456.06
36 : Identifying, Securing, Insuring	9.00	0.00	7.00	0.00	16.00	6,780.00	423.75
38 : Asset related legal matters	0.40	0.00	0.40	0.00	0.80	328.00	410.00
39 : Stock	0.30	18.10	11.60	0.00	30.00	11,266.50	375.55
Asset Realisation	11.60	29.50	36.10	0.00	77.20	28,940.50	374.88
72 : Legal Matters	0.00	0.30	0.00	0.00	0.30	135.00	450.00
Case Specific Matters	0.00	0.30	0.00	0.00	0.30	135.00	450.00
50 : Creditor Correspondence	0.00	0.00	1.90	0.00	1.90	500.50	263.42
51 : Unsecured creditor claims	0.20	0.20	1.70	0.00	2.10	632.50	301.19
52 : Secured creditor claims/Reporting	2.00	2.70	0.00	0.00	4.70	2,305.00	490.43
Creditors	2.20	2.90	3.60	0.00	8.70	3,438.00	395.17
20 : SIP2 Review	0.00	0.00	2.00	0.00	2.00	510.00	255.00
Investigations	0.00	0.00	2.00	0.00	2.00	510.00	255.00
40 : Management of Operations	32.00	11.00	130.20	0.00	173.20	57,995.00	334.84
41 : Accounting for Trading	0.00	3.70	0.00	0.00	3.70	1,665.00	450.00
42 : On going employee issues	0.00	0.20	0.00	0.00	0.20	90.00	450.00
43 : Planning Trading	0.40	2.50	0.00	0.00	2.90	1,343.00	463.10
Trading	32.40	17.40	130.20	0.00	180.00	61,093.00	339.41
Total Hours	53.95	57.80	232.20	8.40	352.35	119,028.75	337.81
Total Fees Claimed	0.00						

Appendix 8: Details of work to be undertaken in the Administration

Work for which the Administrator is seeking to be remunerated on a time costs basis

Case administration

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up physical/electronic case files (as applicable).
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment (as applicable).
- Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).
- Preparing, reviewing and issuing proposals to the creditors and members.
- Filing the proposals at Companies House.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing 6-month progress reports to creditors and members.
- Filing progress reports at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.
- Seeking closure clearance from HMRC and other relevant parties.
- Preparing, reviewing and issuing final reports to creditors and members.
- Filing final reports at Companies House.

Investigations

- Recovering the books and records for the case.
- Listing the books and records recovered.
- Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act.
- Conducting an initial investigation in accordance with SIP2 with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.
- Reviewing books and records to identify any transactions or actions the office holder may take against the directors and/or third parties to recover funds for the benefit of creditors.

Realisation of assets

- Arranging suitable insurance over assets.
- Regularly monitoring the suitability and appropriateness of the insurance cover in place.
- Corresponding with debtors and attempting to collect outstanding book debts.
- Instructing agents to value known assets.
- Liaising with agents to realise known assets.
- Instructing agents to assist with the welfare of the horses.
- Instructing solicitors to assist in the realisation of assets.
- Obtaining details from mortgagees about debts secured over the Company's freehold/leasehold property.
- Instructing solicitors to assist in the realisation of the freehold/leasehold property.

- Liaising with the secured creditors over the realisation of the assets subject to a mortgagee or other charge.

Trading

- Obtaining appropriate information about the business and preparing trading cash flow forecasts.
- Setting up suitable systems and controls in respect of purchases and sales for the business.
- Liaising with directors and staff.
- Monitoring and controlling the day to day trading of the business.

Creditors

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Issuing a notice of intended dividend and placing an appropriate gazette notice.
- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.
- Calculating and paying a dividend to creditors and issuing the notice of declaration of dividend.
- Report to the secured creditor