

AM03

Notice of administrator's proposals



Companies House

WEDNESDAY



A15

A7BVBU0A

08/08/2018

#278

COMPANIES HOUSE

1 Company details

Company number 0 8 9 4 8 6 3 2

Company name in full Baxenden Developments Ltd

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

2 Administrator's name

Full forename(s) Michael

Surname Goldstein

3 Administrator's address

Building name/number Egale 1

Street 80 St Albans Road

Post town Watford

County/Region

Postcode W D 1 7 1 D L

Country

4 Administrator's name

Full forename(s) Avner

Surname Radomsky

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

5 Administrator's address

Building name/number PO Box 797

Street

Post town Borehamwood


County/Region Herts

Postcode W D 6 9 N E

Country

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	Signature x		x
Signature date	d 0 d 7	m 0 m 8	y 2 y 0 y 1 y 8

AM03 Notice of Administrator's Proposals



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Debbie Convery
Company name	Myers Clark Business Recovery
Address	Egale 1
80 St Albans Road	
Post town	Watford
County/Region	
Postcode	W D 1 7 1 D L
Country	
DX	
Telephone	01923 224411



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ 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

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Administrator's Report and Statement of Proposals Pursuant to Paragraph 49 of Schedule B1

**Baxenden Developments Ltd -
In Administration**

3 August 2018

BAXENDEN DEVELOPMENTS LTD - IN ADMINISTRATION

CONTENTS

- 1** Introduction and Background
- 2** Administration Strategy and Objective
- 3** Joint Administrators' Receipts and Payments
- 4** Financial Position
- 5** Proposals
- 6** Exit Routes
- 7** Pre-administration Costs
- 8** Joint Administrators' Remuneration
- 9** Estimated Outcome
- 10** Proposals approval and next report

APPENDICES

- A** Statutory Information
 - B** Receipts and Payments Account for the Period from 19 June 2018 to 3 August 2018
 - C** Summary of the Estimated Financial Position of the Company as at 3 August 2018
 - D** Additional Information in Relation to the Joint Administrators' Fees
 - E** Estimated Outcome Statement as at 3 August 2018
-

BAXENDEN DEVELOPMENTS LTD - IN ADMINISTRATION

1 Introduction and Background

- 1.1 Baxenden Developments Ltd (the Company) was formed by Justin and Michael Stannard (son and father) to develop some land in Baxenden.
- 1.2 Development of the land took place during 2016 and 2017, building 12 new build residential dwellings of 4 bedrooms each.
- 1.3 The practical completion certificate was issued on 26 January 2018, after considerable delays in the build process.
- 1.4 Funding for the project was provided by way of secured advances given by Macro Assembly Limited (Macro), who were granted a fixed and floating charge over the Company's assets on 26 February 2016, having entered into a JCT contract in the same month.
- 1.5 Additional initial funding was provided by way of unsecured loans totalling circa £90,000, given by the Stannard family.
- 1.6 Macro were due full repayment of the sums due to them by 26 May 2018 (statement as at 31 March 2018 shows a balance due of £3,366,935.56).
- 1.7 With no prospect of the properties being sold in the foreseeable future, largely due to a number of missing items of information required by solicitors, and the site being subject to vandalism (lead flashing has been stolen) Macro sought advice and filed a Notice of Appointment to appoint Joint Administrators.
- 1.8 As a result, Michael Goldstein of Myers Clark Business Recovery Limited, Egale 1, 80 St Albans Road, Watford, WD17 1DL, together with Avner Radomsky of A R Insolvency, PO Box 797, Borehamwood, Hertfordshire, WD6 9NE, were appointed Joint Administrators of the Company on 19 June 2018 by Macro under their charge.
- 1.9 Michael Goldstein is an insolvency practitioner licensed in the UK by the ICAEW and Avner Radomsky is an insolvency practitioner licensed in the UK by the IPA.
- 1.10 Information about the way that we will use, and store personal data on insolvency appointments can be found at: www.arinsolvency.com/wp-content/uploads/2018/05/GDPR-Privacy-Notice.pdf. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.11 The Joint Administrators act jointly and severally in the Administration.
- 1.12 The EU Regulation on Insolvency Proceedings 2000 applies to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.
- 1.13 This report incorporates the Joint Administrators' statement of proposals made under paragraph 49 of Schedule B1, which will be treated as delivered to creditors on 8 August 2018.

2 Administration Strategy and Objective

- 2.1 The Administrator must perform his functions with the purpose of achieving one of the following objectives:
 - *Rescuing the Company as a going concern; or*
 - *Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or*

BAXENDEN DEVELOPMENTS LTD - IN ADMINISTRATION

- *Realising property in order to make a distribution to one or more secured or preferential creditors.*

- 2.2 In this case, the final objective is being pursued – to realise property in order to make a distribution to one or more secured or preferential creditors

Progress Since Appointment

Administration (including statutory compliance and reporting)

- 2.3 Following my appointment, the strategy for the Administration was carefully assessed to ensure that a coherent planned process for the case could be achieved. This work will, where appropriate, have included liaison with solicitors to deal with any legal considerations surrounding the Company's insolvency (such as assessing the validity of any 3rd party security in relation to the assets) and liaising with valuation agents about the most appropriate means of realising the value in the Company's business and assets.
- 2.4 We have also dealt with a number of statutory formalities which are required of us under related legislation. Typically, this includes issuing and filing all appointment notices with creditors and the Registrar of Companies and also advertising our appointment in the London Gazette.
- 2.5 Other statutory duties performed are outlined in further detail in the fees information which can be found at Appendix D. Please note that much of this work will have been performed to comply with statutory requirements and as such may not necessarily add any value to the insolvent estate.

Trading

- 2.6 The Company is now under the control of the Joint Administrators, who have appointed agents to assist with the insuring, securing, maintenance, repair, marketing and sale of the site.

Realisation of assets

- 2.7 We are continuing to work with agents to work towards a sale of the site or individual properties.
- 2.8 The work undertaken by the Joint Administrators and their staff to date in realising the Company's assets has been necessary in order to maximise the likelihood of a return to creditors being made. Where assets remain to be realised, these will be dealt with as the Administration progresses and further updates will be provided to creditors in my progress reports.
- 2.9 Further information on the estimated outcome of the Administration can be found in section 9 below.

3 Administrator's Receipts and Payments

- 3.1 No receipts or payments have been received/made to date.

4 Financial Position

- 4.1 A completed Statement of the Company's Affairs has not yet been received. The Directors have advised that they intend to deliver this to us shortly, despite being chased. Attached at Appendix C is a summary of the Estimated Financial Position of the Company as at 3 August 2018, together with a list of creditors names and addresses along with details of their debts (including details of any security held by them). Creditors should note that the estimated financial position is before the costs of the Administration procedure are considered.

BAXENDEN DEVELOPMENTS LTD - IN ADMINISTRATION

5 Proposals

- 5.1 It is proposed that the Joint Administrators will continue to manage the affairs of the Company in order to achieve the objective of the Administration. In the circumstances it is proposed that:
- 5.2 The Joint Administrators will continue to trade the Company in order to achieve the intended objective(s) outlined above.
- 5.3 If having realised the assets of the Company, the Joint Administrators think that a distribution will be made to the unsecured creditors from the fund created out of the Company's net floating charge property (known as the **Prescribed Part**) by virtue of section 176A(2)(a), this will be distributed by the Joint Administrators in the Administration and the Company will thereafter proceed to dissolution.
- 5.4 If the Joint Administrators think that the Company has no property which might permit a distribution to its creditors, he will file a notice with the Court and the Registrar of Companies for the dissolution of the Company.
- 5.5 See Section 6 below on **Exit Routes** for further information on the exit routes available from Administration.
- 5.6 The Joint Administrator shall do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they consider desirable or expedient to achieve the statutory purpose of the Administration.
- 5.7 If the Joint Administrators considers it necessary to extend the period of the Administration, they will seek the consent of creditors or the approval of the Court to the extension. Creditors may consent to an extension for a period of up to one year and the Court can order that the Joint Administrators' term of office be extended for a specified period determined by it.
- 5.8 The creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Joint Administrators' remuneration and disbursements and any proposed act on the part of the Joint Administrators without the need to report back to creditors generally, to include any decision regarding the most appropriate exit route from the Administration.
- 5.9 The basis of the Joint Administrators' remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by them:
- As a percentage of the value of the assets they have to deal with, or
 - By reference to time properly spent by the Administrators and their staff in managing the Administration, or
 - As a set amount
- 5.10 Where no Creditors' Committee is appointed the remuneration and disbursements of the Joint Administrators shall be fixed by a decision of creditors or where the Joint Administrators thinks that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with insolvency legislation. The Joint Administrators will also seek approval for any unpaid pre-administration costs detailed in this report and his discharge from liability in the same manner.
- 5.11 In this case, the Joint Administrators are seeking to approve the basis of their remuneration as follows:
- As a percentage of the value of the assets with which the Joint Administrators have to deal with

BAXENDEN DEVELOPMENTS LTD - IN ADMINISTRATION

Further details about the proposed fee basis can be found in Section 8 below and Appendix D.

- 5.12 The Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

6 Exit Routes

- 6.1 All Administrations automatically come to an end after the period of one year, unless the Company's creditors agree to extend this period, or the Court orders the Administrator's term of office be extended for a specified period of time.
- 6.2 At the time of drafting these Proposals I believe that an extension to the period of Administration may become necessary, however will confirm the position to creditors in a subsequent progress report in due course.

Based on information currently available, the information on the exit route(s) we believe may be appropriate in this Administration.

Dissolution of the Company

- 6.3 Based on present information, the Joint Administrators think that the Company has insufficient property to permit a distribution to the unsecured creditors and that there may only be a distribution available to the secured and/or preferential creditors of the Company. As a result, once these distributions have been made, a notice will be filed at Court and with the Registrar of Companies with the Joint Administrators' final report, for the dissolution of the Company.
- 6.4 The Joint Administrators' appointment will end following the registration of the notice by the Registrar of Companies.

7 Pre-administration Costs

- 7.1 Pre-administration costs are defined as:

- (i) Fees charged, and
- (ii) Expenses incurred

by the Administrator, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

- 7.2 Below is information on the pre-administration costs incurred in this case, together with details of any amounts which remain unpaid, where applicable.
- 7.3 Pre-appointment fees (net of VAT) charged and expenses incurred by the Joint Administrators is as follows:

Charged by	Brief description of services provided	Total amount charged	Amount paid	Who payments made by	Amount unpaid
Myers Clark / A R Insolvency	Pre-appointment advice, research and strategy planning (fixed fee)	£10,000	£Nil	N/A	£10,000

- 7.4 The payment of unpaid pre-administration costs set out above as an expense of the Administration is subject to the approval of creditors, separately to the approval of the Joint

BAXENDEN DEVELOPMENTS LTD - IN ADMINISTRATION

Administrators' proposals. As the Joint Administrators think that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with insolvency legislation.

8 Joint Administrator's Remuneration

- 8.1 As Joint Administrators, we are required to provide creditors with details of the work we propose to undertake in the Administration and the expenses we consider will be, or are likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which our remuneration will be fixed.
- 8.2 In addition to this, where Joint Administrators seek agreement to the basis of their remuneration by reference to time properly spent by them and their staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided.
- 8.3 In this case, we are not seeking to determine the basis of our remuneration as time properly spent by us and our staff in dealing with the affairs of the Company and we are therefore not required to provide a fees estimate to creditors. Details of the basis or bases we are proposing, together with information about the work we consider will be necessary in this case and the expenses we consider will, or are likely to be, incurred on this case can be found at Appendix D.
- 8.4 Further information on the work done since our appointment to the date of this report, can be found in section 2. Appropriate approval to the basis of our remuneration will be sought as outlined in section 5 of this report.
- 8.5 In circumstances where our initial investigations reveal matters for further detailed investigation or previously unknown assets to be realised, we reserve the right to refer back to creditors to establish how we are to be remunerated for such additional work, which may be proposed on a time cost basis. If such work proves necessary, we will revert to creditors with our fees estimate for approval.
- 8.6 We will provide updates on the expenses we consider will be, or are likely to be, incurred during this case with our progress reports in due course.
- 8.7 A copy of "A Creditors' Guide to Administrators' Fees" is available on request or can be downloaded from www.arinsolvency.com > Technical Resources. If you would prefer this to be sent to you in hard copy please contact Debbie Convery on 01923 224411.

9 Estimated Outcome

- 9.1 An estimate of the outcome of the Administration as at 3 August 2018 is attached as Appendix E. This indicates that there is unlikely to be a return to any of the unsecured creditors.
- 9.2 The Company granted a floating charge to Macro Assembly Limited on 23 February 2016. Accordingly, we are required to create a fund out of the Company's net floating charge property for the benefit of unsecured creditors (known as the **Prescribed Part**).
- 9.3 Based on present information, I estimate the value of the Company's net floating charge property to be £Nil. Arising from this, the value of the unsecured creditors' fund is estimated to be £Nil. Please be aware that the value of this fund is likely to fluctuate during the course of the Administration and further updates will be provided in our progress reports in due course.

BAXENDEN DEVELOPMENTS LTD - IN ADMINISTRATION

10 Proposals approval and next report

- 10.1 As we think that neither of the objectives specified in Paragraph 3(1)(a) and (b) of Schedule B1 can be achieved, we are not required to seek a decision from the unsecured creditors on the approval of our Proposals.
- 10.2 The Joint Administrators are required to provide a progress report within one month of the end of the first six months of the Administration and we will report to you again at this time.

For and on behalf of
Baxenden Developments Ltd



Michael Goldstein
Joint Administrator

Enc

BAXENDEN DEVELOPMENTS LTD - IN ADMINISTRATION

Appendix A

Statutory Information

1 Company information

Company name	Baxenden Developments Ltd
Trading name(s)	Baxenden Developments Ltd
Registered number	08948632
Registered office address	c/o Egale 1, 80 St Albans Road, Watford, WD17 1DL
Former registered office address	89 the Bowls Vicarage Lane Chigwell Essex IG7 6ND
Trading address(s)	The Hangar, Orrell Fold Farm, Moorside Road, Turton, Lancs, BL7 0JZ
Court details	Manchester High Court
Court reference number	2567 of 2018

2 Details of the Company's Directors, Secretary and Shareholdings

	Date appointed	Date resigned	Shares held
Director(s)			
Justin Paul Stannard	19 March 2014	n/a	45
Michael Johnson Stannard	19 March 2014	n/a	45
Vivien Elaine Stannard	26 April 2014	n/a	5
Deana Jane Stannard	30 March 2016	n/a	5

3 Joint Administrators' Details

Name of Administrator	Michael Goldstein
Address	Myers Clark Business Recovery Limited, Egale 1, 80 St Albans Road, Watford, WD17 1DL
Telephone Number	01923 224411
Administrator's IP Number	12532
Authorising Body	ICAEW
Date of Appointment	19 June 2018

Name of Administrator	Avner Radomsky
Address	A R Insolvency, PO Box 797, Borehamwood, Hertfordshire, WD6 9NE
Telephone Number	020 3603 7871
Administrator's IP Number	12290
Authorising Body	IPA
Date of Appointment	19 June 2018

Baxenden Developments Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 03/08/2018

S of A £		£	£
3,000,000.00	SECURED ASSETS Freehold Land & Property	NIL	NIL
(3,366,935.00)	SECURED CREDITORS Macro Assembly Limited	NIL	NIL
(90,000.00)	UNSECURED CREDITORS Directors	NIL	NIL
(100.00)	DISTRIBUTIONS Ordinary Shareholders	NIL	NIL
(457,035.00)			NIL
	REPRESENTED BY		NIL

BAXENDEN DEVELOPMENTS LTD - IN ADMINISTRATION

Appendix C

Summary of the Estimated Financial Position of the Company as at 3 August 2018

Assets subject to Fixed Charge	
Land & property (estimated)	3,000,000.00
	3,000,000.00
Amount due to Secured Charge Holder	(3,366,935.56)
Surplus / (deficit) to Secured Charge Holder	(366,935.56)
Assets Subject to Floating Charge	
None	0
Preferential creditors	0
Surplus / (deficit) due to Secured Charge Holder under fixed charge	(366,935.56)
Unsecured Creditors - estimated	(90,000)
Surplus / (deficit) available for unsecured creditors	(456,935.56)
Ordinary £1 Shares	(100)
Surplus / (deficit) available for shareholders	(457,035.56)

Appendix D

Additional Information in Relation to Administrator's Fees

1 Fee Basis

- 1.1 The Joint Administrators are seeking to agree the basis of their remuneration in this case as a percentage of the value of the assets with which the Joint Administrators have to deal with. Attached to this appendix are details of the work the Joint Administrators propose to undertake and the expenses the Joint Administrators consider will be, or are likely to be, incurred. Information about the work done to date can be found in the body of the Joint Administrators' Report and Statement of Proposals at Section 2.

2 Expenses

- 2.1 Below is a table which outlines the expenses that we consider at this stage will be, or are likely to be, incurred in dealing with the Company's affairs. We will provide an update to creditors in my future progress reports.

Expense	Provide	Basis of fee arrangement	Cost to date / Estimated Costs
Statutory advertising	Courts Advertising	Set cost per advert	77.10
National Newspaper	Courts Advertising	Set cost per advert	445.00
Joint Administrators' bonds	Marsh/AUA	Scale based on asset level	80.00

3 Staff Allocation and the Use of Sub-Contractors

- 3.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 3.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Where the basis of the Joint Administrators' remuneration is being proposed on a time cost basis, details of our current charge-out rates can be found below.
- 3.3 We are not proposing to utilise the services of any sub-contractors in this case.

4 Joint Administrators' Disbursements

- 4.1 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement 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. Any Category 1 disbursements we anticipate being incurred in this case are included in the table of expenses above.

BAXENDEN DEVELOPMENTS LTD - IN ADMINISTRATION

- 4.2 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. We would confirm that this firm does not seek to charge any Category 2 disbursements.

BAXENDEN DEVELOPMENTS LTD - IN ADMINISTRATION**Appendix E****Estimated Outcome Statement as at 3 August 2018**

Assets subject to Fixed Charge	
Land & property (estimated)	3,000,000.00
	3,000,000.00
Less:	
Cost of Administration (estimated)	(30,000.00)
Available to Secured Charge Holder	2,970,000.00
Amount due to Secured Charge Holder	(3,366,935.56)
Surplus / (deficit) to Secured Charge Holder	(396,935.56)
Assets Subject to Floating Charge	
None	0
Preferential creditors	0
Surplus / (deficit) due to Secured Charge Holder under fixed charge	(366,935.56)
Unsecured Creditors - estimated	(90,000)
Surplus / (deficit) available for unsecured creditors	(486,935.56)

Proof of Debt Form

Baxenden Developments Ltd - In Administration

1	Creditor Name (If a company, please also state company registration number)	
2	Address of creditor for correspondence	
3	Email address for creditor	
4	Total amount of claim, including VAT and outstanding uncapitalised interest <i>Note: Any trade or other discounts (except discount for immediate or early settlement) which would have been available to the company but for the insolvency proceedings should be deducted from the above claim where relevant. Where any payment is made in relation to the claim or set-off applied after date of winding-up, this should be deducted</i>	£
5	If the amount in 4 above includes outstanding uncapitalised interest, please state the amount	£
6	Details of any documents by reference to which the debt can be substantiated (please attach copies)	
7	Particulars of how and when the debt was incurred by the Company	
8	Particulars of any security held, the value of the security, and the date it was given	Value = £ Date given / /
9	Particulars of any reservation of title claimed, in respect of goods supplied to which the claim relates	
10	Signature of creditor or person authorised to act on his behalf	
11	Name in BLOCK CAPITALS	
12	Position with or in relation to creditor Address of person signing (if different from 2 above)	

Creditor Questionnaire
Investigation into the Affairs of
Baxenden Developments Ltd – In Administration (the Company)

Creditor's Name and Address	
Estimated value of your claim	£
If the estimated claim exceeds the credit limit, on what basis or terms was the additional credit allowed?	
Please provide details of any comfort, security or assurance given to you by the Company to allow the continuance of credit	
When did you first become aware of difficulties in getting payment from the Company and what was the evidence of this? (eg, extended credit, lump sum payments, dishonoured cheques)	

/Cont...

<p>Please provide details (including dates) of any Writs, summons, decrees or other legal action you took to recover your debt from the Company</p>	
<p>Please provide details of any cheques which were dishonoured, including dates and amounts</p>	
<p>Are there any particular matters you feel should be reviewed or are you aware of any potential recoveries for the estate which I should investigate as Administrator? If so, please provide brief details</p>	

Date: _____

Signature: _____

Print name: _____

Position: _____

Myers Clark Business Recovery Limited
Baxenden Developments Ltd
B - Company Creditors

Key	Name	Address	£
CM00	Macro Assembly Limited	54 Clarendon Road, Watford, WD17 1DU	3,366,935.56
CS00	Mr Stannard	The Hangar, Orrell Fold Farm, Moorside Road, Turton, Lancs BL7 0JZ	90,000.00
2 Entries Totalling			3,456,935.56