

# AM10

## Notice of administrator's progress report



Companies House

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24/02/2018

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COMPANIES HOUSE

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### 1 Company details

Company number 0 9 4 1 2 0 3 7  
Company name in full Harrison Homes (Cheshire) Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Simon  
Surname Thomas

### 3 Administrator's address

Building name/number 88 Wood Street  
Street London  
Post town EC2V 7QF  
County/Region  
Postcode  
Country

### 4 Administrator's name ①

Full forename(s) Arron  
Surname Kendall

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 88 Wood Street  
Street London  
Post town EC2V 7QF  
County/Region  
Postcode  
Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

AM10

Notice of administrator's progress report

**6** Period of progress report

|           |   |   |   |   |   |   |   |   |   |   |   |   |
|-----------|---|---|---|---|---|---|---|---|---|---|---|---|
| From date | d | 1 | 0 | m | 0 | 8 | y | 2 | 0 | y | 1 | 7 |
| To date   | d | 0 | 9 | m | 0 | 2 | y | 2 | 0 | y | 1 | 8 |

**7** Progress report

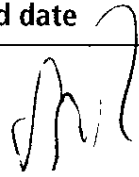
☒ I attach a copy of the progress report

**8** Sign and date

Administrator's  
signature

Signature

X



X

|                |   |   |   |   |   |   |   |   |   |   |   |   |
|----------------|---|---|---|---|---|---|---|---|---|---|---|---|
| Signature date | d | 2 | 2 | m | 0 | 2 | y | 2 | 0 | y | 1 | 8 |
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# AM10

## Notice of administrator's progress report



### 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

Company name

Moorfields

Address

88 Wood Street

London

Post town

EC2V 7QF

County/Region

Postcode

Country

DX

Telephone

0207 186 1144



### 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 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

**Harrison Homes (Cheshire) Limited (In Administration)**

**Joint Administrators' First Progress Report**

**in accordance with**

**Rule 18.6 of the Insolvency Rules 2016**

**22 February 2018**

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#### *Disclaimer:*

*This report has been prepared for the sole purpose of updating creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever*

## **Harrison Homes (Cheshire) Limited – In Administration (“the Company”)**

### **1. Background and Statutory Information**

This is the Joint Administrators' first progress report on the conduct of the Administration from 10 August 2017 to 9 February 2018 in accordance with the requirements of Rule 18.6 of the Insolvency Rules 2016 (“the Rules”).

This report should be read in conjunction with the Joint Administrators' Statement of Proposals (“the Proposals”) circulated to all known creditors on 2 October 2017. The Proposals were approved as circulated in accordance with Rule 3.38 of the rules. There has been no major deviation from the strategy as proposed.

The Company entered administration on 10 August 2017 and Simon Thomas and Arron Kendall, both Licensed Insolvency Practitioners of Moorfields Advisory Limited (“Moorfields”), 88 Wood Street, London EC2V 7QF, were appointed to act as Joint Administrators (“the Administrators”).

To date no fees have been drawn in respect of the Administration. Further information regarding fees is given in section 4.

Based on current information, it is unlikely that there will be a distribution to unsecured creditors.

Statutory information relating to the Company and the Administrators' appointment is attached at Appendix I.

### **2. Progress of the Administration**

The affairs, business and property of the Company are managed by the Administrators who act as agents of the Company and contract without personal liability.

The strategy of the Administration as outlined in the Administrators' Proposals is to review the best disposal strategy for the three sites held within the Company.

On Appointment the Administrators along with Naismiths and the secured creditor (“Amicus”) discussed the viability of building one or all of the sites out. Naismiths carried out a feasibility study of the costs to complete the Astbury site and put together a Joint Contracts Tribunal (“JCT”) agreement with a view to the build being completed with Amicus providing the funding. This process took several months but after a change in circumstances, Amicus decided that they were not prepared to provide the further funding and the Administrators took the decision to market the three sites with immediate effect.

The Administrators are currently holding discussions with interested parties and a disposal strategy will be agreed shortly.

The Administrators' receipts and payments account for the period 10 August 2017 to 9 February 2018 is attached at Appendix II.

At the time of issuing the Administrators' Proposals the Administrators had asked the former director of the Company to prepare a summary of the Company's estimated financial position as at 10 August 2017, which is known as a Statement of Affairs.

To date this has not been received and we do not expect the director to provide a Statement of Affairs going forward.

In the absence of a Statement of Affairs I have attached to this report an Estimated Outcome Statement at Appendix V.

I would comment specifically as follows:

## **2.1 Realisation of assets**

The Administrators have yet to realise any assets of the Company.

## **2.2 Assets still to be realised**

### The Sites

Due to the financial commitment to complete the development of each of the sites, being Marsh Farm, Cypress House and Oakwood Hall, becoming too uncertain the Administrators are continuing to discuss various disposal strategies with agents.

The Administrators are in the process of holding ongoing discussions with various interested parties.

## **2.3 Sale of assets to a connected party**

In accordance with Statement of Insolvency Practice ("SIP") 13, the Administrators confirm there have been no transactions with connected parties in the period of the Administration or in the two years preceding the Administration Order.

## **2.4 Joint Administrators' Expenses**

The expenses paid by the Administrators in the period of this report are reflected in the receipts and payments account at Appendix II. The following expenses have been incurred by the Administrators' in the period but not paid:

| Type of expense            | Amount still to be paid |
|----------------------------|-------------------------|
| Creditors Online Portal    | £50.00                  |
| Conference call facilities | £9.98                   |
| Rail Fares                 | £243.80                 |
| Bordereau                  | £24.00                  |
| Land Registry Searches     | £64.00                  |
| <b>Total</b>               | <b>£401.78</b>          |

The statement excludes any potential tax liabilities that may be payable as an expense of the Administration in due course because amounts due will depend upon the position at the end of the tax accounting period.

## 2.5 Professional Advisers

The Administrators have used the professional advisers listed below:

| Name of Adviser   | Details of Services  | Time costs | £       | £       | £       |
|-------------------|--|------------|---------|---------|---------|
| Naismiths Limited | Consultancy, advising on the development of the sites                    | Time costs | £10,300 | £10,300 | Nil     |
| Brecher LLP       | Solicitors, providing advice on various areas including site development | Time costs | Nil     | Nil     | Nil     |
| Savills plc       | Property agents assisting in the marketing of the sites                  | Time costs | £18,288 | Nil     | £18,288 |

The incurred costs of Brecher LLP are being recovered from Amicus Finance plc ("the Secured Creditor").

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

## 3. Pre-administration Costs

The pre-administration costs were reported in the Proposals dated 2 October 2017. The Administrators are not seeking to recover any of those costs out of the assets of the Company.

## 4. Joint Administrators' Remuneration

The statutory provisions relating to remuneration are set out in Rule 18.16 of the Rules. 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>. Please refer to the April 2017 version. Please note that we have also provided further details in the practice fee recovery sheet.

Pursuant to Rule 18.18 of the Insolvency Rules 2016 ("the Rules"), and in accordance with Statement of Insolvency Practice 9, the Administrators will be seeking to fix the basis of their remuneration by obtaining the consent of the



Company's secured creditors. The Administrators will be seeking approval on a time costs basis.

Further information in respect of remuneration on a time cost basis is detailed below:

### Time Costs

Some work cannot be identified with enough certainty for the Administrators to seek remuneration on a fixed or percentage basis. For these tasks, they propose to seek approval on a time cost basis. i.e. by reference to time properly spent by the Administrators and members of staff of the practice at our standard charge out rates. When the Administrators seek approval for their fees on a time cost basis they have to provide a fees estimate. That estimate acts as a cap on the Administrators time costs so that they cannot draw fees of more than the total estimated time costs without further approval from those who approved the fees. Attached is a "Fees estimate summary" at Appendix VI that sets out the work that the Administrators intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. It includes a summary of that information in an average or "blended" rate for all of 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 and planning; investigations; realisation of assets; trading; creditors; and case specific matters. The following explains about the areas of work for which the Administrators are seeking approval on a time cost basis, whilst full information about the work that they will undertake on a time cost basis is contained in Appendix VI.

**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 has to 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 also 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, Innovation and Skills 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.

**Creditors:**

**Claims of creditors** - the office holder needs 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 include 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.

**Case specific matters:** This represents the work that is required for matters specific to the case. There is no direct financial benefit from this work but it is required to be undertaken to ensure that all matters are dealt with appropriately.

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 these tasks in this case will be £115,485 at a "blended" rate of £334.74 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 holder's 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 take into account 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.

The Administrators 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.

Attached at Appendix III is a SIP 9 time and cost analysis which provides details of the activity costs incurred by staff grade by reference to time properly spent by the Administrators in managing the Administration during this period. Time costs for the period from 10 August 2017 to 9 February 2018 are £79,836.00. This represents 240.85 hours at an average hourly rate of £331.48. No time costs have been drawn in the period.

It is the Administrators' policy to delegate the routine administrative tasks to less senior staff in order to maximise the cost effectiveness of the work performed. These staff are supervised by senior staff and the Administrators. Any matter of complexity or significance is dealt with by the senior staff on the team and the Administrators.

Attached at Appendix IV is a schedule detailing activities undertaken together with supporting information in accordance with the Association of Business Recovery Professionals' SIP 9. This also contains additional information in relation to this firm's policy on staffing, disbursements and details of our current charge-out rates by staff grade.

## **5. Joint Administrators' Disbursements**

In accordance with SIP 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. Accordingly, at the aforementioned meeting, creditors passed a resolution authorising the Administrators to recover Category 2 expenses and disbursements. It is our policy, in line with the Statement, to advise of any Category 2 disbursements before they are drawn.

No category 2 disbursements have been drawn in this period.

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 search's per director to comply with Money Laundering Regulations.

The Administrators intend to seek the authority of the Secured Creditor to drawing these disbursements in due course.

The Administrators' have incurred disbursements of £401.78 during the period. These disbursements are yet to be drawn. Disbursements incurred in the period but not yet drawn are detailed in section 2 4

## **6. Prescribed Part**

Under the provisions of Section 176A of the Insolvency Act 1986 the Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the company has granted a floating charge to a creditor after 15 September 2003.

A floating charge was granted in favour of the Secured Creditor on 9 April 2015, the prescribed part would therefore ordinarily apply.

The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs and preferential claims (the 'net property'), to be set aside for unsecured creditors. This equates to:

- 50% of net property up to £10,000
- Plus, 20% of net property in excess of £10,000

Up to a maximum of £600,000.

The Company's net property is the amount of its property subject to any floating charges created by the Company after allowing for costs and claims of preferential creditors.

Based on present information the net property of the Company is uncertain. If the Company's net property is likely to be less than £10,000, the insolvency legislation does not require the prescribed part of the net property to be distributed to creditors if the costs of distributing the prescribed part would be disproportionate to the benefit to creditors. The Administrators are of the view that the costs of distribution

would be disproportionate and so will not be making a distribution of the prescribed part of the net property to unsecured creditors.

At this time, the Joint Administrators do not intend to make an application to the court under section 176A(5) of the Insolvency Act 1986 for an Order not to distribute the prescribed part.

## **7. Estimated Outcome for Creditors**

### Secured Creditor

The Secured Creditor holds a registered charge over the Company. At the date of the Administration the indebtedness was estimated at £10,486,000.

### Preferential Creditors

There are no preferential creditors.

### Unsecured Creditors

The Administrators have received 3 claims totalling £8,731.91.

No defined clarification of creditors' claims has been undertaken. Based on current information, and in accordance with information available at the time of the Administrators' proposals, the Administrators do not anticipate there being sufficient funds to enable a distribution to be paid to the unsecured creditors.

## **8. Investigations**

In accordance with the Company Directors Disqualification Act 1986 I would confirm that the Administrators have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills. As this is a confidential report, the Joint Administrators are not able to disclose the contents.

To complete this report a review of the Company's financial accounts, bank statements and directors' questionnaires was undertaken regarding the period leading up to the Administration to ascertain whether or not there had been any misconduct by the director in the form of any preference payments, transactions at an undervalue or wrongful trading.

If creditors wish to bring any matters they believe to be relevant to the attention of the Administrators, they are invited to do so in writing to Simon Thomas and Arron Kendall at Moorfields, 88 Wood Street, London EC2V 7QF.

## **9. Exit from Administration**

As outlined in the initial report to creditors it is the Administrators' intention to exit the Administration into dissolution.

In the event that all assets of the Company are not realised by the anniversary of the Administration then an extension will be sought. Detail of this will be provided in our next report to creditors.

The Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

## **10. Creditors' Rights**

Within 21 Days of the delivery of this report, a secured creditor, or an unsecured creditor (with concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrators provide further information about his remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Administrators' remuneration, the remuneration charged or the expenses incurred by the Joint Administrators as set out in the progress report are excessive (Rule 18.34).

If you have any queries regarding this report please contact Darren Morrison of this office in the first instance. I will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner.

For and on behalf of  
Harrison Homes (Cheshire) Limited



**S R Thomas**  
**Joint Administrator**

DDI 0207 186 1168  
Fax 0207 186 1177  
Email [dmorrison@moorfieldscr.com](mailto:dmorrison@moorfieldscr.com)

Simon Thomas and Arron Kendall of Moorfields, 88 Wood Street, London, EC2V 7QF were appointed Joint Administrators on 10 August, 2017. The Administrators now manage the affairs, business and property of the Company. The Joint Administrators act as agents only and without personal liability.

**Harrison Homes (Cheshire) Limited**  
**Statutory Information**

**Company Information**

Company Number: 09412037

Registered Office: c/o Moorfields Advisory Limited, 88 Wood Street, London EC2V 7QF

Trading Address: N/A

Principal Activity: Property developer

**Appointment details**

Administrators: Simon Thomas and Arron Kendall (IP numbers 1289 & 1826)

Administrators' address: Moorfields, 88 Wood Street, London EC2V 7QF

Date of appointment: 10 August, 2017

Court: High Court of Justice, Companies Court

Court Reference: 5988/2017

Appointed by: Amicus Finance Plc

Functions: Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Joint Administrators acting jointly or alone

EC Regulations: The Company's registered office is from where the Company carries on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom and as such these proceedings will be the main proceedings as defined in article 3 of the EC regulation.

Extensions: The Joint Administrators have not sought an extension to the period defined by Paragraph 76(1) of Schedule B1 of the Act that provides for the automatic end of the Administration after 12 months from the date of appointment.

**Harrison Homes (Cheshire) Limited (In Administration)**  
**Joint Administrators' Receipts and Payments to 9 February 2018**

|  | Statement<br>of Affairs<br>£ | Period from<br>10/08/2017 -<br>09/02/2018<br>£ |
|--|------------------------------|--|
| <b>RECEIPTS</b>                        |                              |  |
| Bank Interest                          | -                            | 10.29  |
| Secured creditor contribution to costs | -                            | 45,380.00                                      |
| <b>Total</b>                           | -                            | 45,390.29                                      |
| <b>PAYMENTS</b>                        |                              |  |
| Professional Fees                      |                              | 10,300.00                                      |
| Statutory Advertising                  |                              | 84.60  |
| IT Support                             |                              | 896.40   |
| Security                               |                              | 13,313.20                                      |
| Other Site Expenses                    |                              | 7,710.00                                       |
| <b>Total</b>                           |                              | 32,304.20                                      |
| <b>Net Receipts/(Payments)</b>         |                              | <b>13,086.09</b>                               |
| <b>Made up as follows</b>              |                              |  |
| Bank 1 Current                         |                              | 8,788.23                                       |
| VAT Receivable / (Payable)             |                              | 4,297.86                                       |
|  |                              | <b>13,086.09</b>                               |



# Time Entry - Detailed SIP9 Time & Cost Summary

HAR002 - Harrison Homes (Cheshire) Limited  
From 10/08/2017 To: 09/02/2018  
Project Code POST

| Classification of Work Function    | Partner      | Manager       | Other Senior Professionals | Assistants & Support Staff | Total Hours   | Time Cost (£)    | Average Hourly Rate (£) |
|------------------------------------|--------------|---------------|----------------------------|----------------------------|---------------|------------------|-------------------------|
| 10 Case Planning                   | 0.00         | 1.50          | 5.70                       | 0.00                       | 7.20          | 1,986.00         | 275.83                  |
| 11 Administrative Set Up           | 0.00         | 0.00          | 0.20                       | 0.00                       | 0.20          | 51.00            | 255.00                  |
| 12 Appointment Notification        | 0.00         | 0.00          | 11.60                      | 0.00                       | 11.60         | 2,858.00         | 255.00                  |
| 13 Maintenance of Records          | 0.00         | 0.00          | 0.10                       | 0.00                       | 0.10          | 25.50            | 255.00                  |
| 14 Statutory Reporting             | 0.00         | 7.10          | 19.30                      | 0.00                       | 26.40         | 7,442.00         | 281.89                  |
| 15 Case Monitoring                 | 0.00         | 18.60         | 9.20                       | 0.00                       | 27.80         | 9,143.00         | 328.88                  |
| 16 IPS Case Set Up                 | 0.00         | 0.00          | 0.70                       | 0.00                       | 0.70          | 178.50           | 255.00                  |
| 17 General Administration          | 0.00         | 0.00          | 3.70                       | 0.00                       | 3.70          | 943.50           | 255.00                  |
| 18 Cashiering                      | 1.00         | 0.25          | 3.30                       | 4.90                       | 9.45          | 2,439.50         | 258.15                  |
| 19 Partner Review                  | 14.00        | 0.00          | 0.00                       | 0.00                       | 14.00         | 7,420.00         | 530.00                  |
| 70 Post appoint VAT and CT returns | 0.00         | 0.00          | 1.90                       | 0.00                       | 1.90          | 484.50           | 255.00                  |
| <b>Admin &amp; Planning</b>        | <b>15.00</b> | <b>27.45</b>  | <b>55.70</b>               | <b>4.90</b>                | <b>103.05</b> | <b>33,071.50</b> | <b>320.93</b>           |
| 30 Freehold / Leasehold Property   | 14.50        | 74.40         | 11.20                      | 0.00                       | 100.10        | 36,971.00        | 369.34                  |
| 35 Sale of Business                | 0.00         | 0.00          | 4.50                       | 0.00                       | 4.50          | 1,147.50         | 255.00                  |
| 36 Identifying, Securing, Insuring | 0.00         | 0.00          | 5.70                       | 0.00                       | 5.70          | 1,453.50         | 255.00                  |
| <b>Asset Realisation</b>           | <b>14.50</b> | <b>74.40</b>  | <b>21.40</b>               | <b>0.00</b>                | <b>110.30</b> | <b>39,572.00</b> | <b>358.77</b>           |
| 72 Legal Matters                   | 0.00         | 0.40          | 0.40                       | 0.00                       | 0.80          | 244.00           | 305.00                  |
| <b>Case Specific Matters</b>       | <b>0.00</b>  | <b>0.40</b>   | <b>0.40</b>                | <b>0.00</b>                | <b>0.80</b>   | <b>244.00</b>    | <b>305.00</b>           |
| 50 Creditor Correspondence         | 0.00         | 0.00          | 1.90                       | 0.00                       | 1.90          | 484.50           | 255.00                  |
| <b>Creditors</b>                   | <b>0.00</b>  | <b>0.00</b>   | <b>1.90</b>                | <b>0.00</b>                | <b>1.90</b>   | <b>484.50</b>    | <b>255.00</b>           |
| 20 SIP2 Review                     | 0.00         | 0.00          | 0.40                       | 0.00                       | 0.40          | 102.00           | 255.00                  |
| 21 CDDA Reports                    | 0.00         | 0.00          | 11.50                      | 0.00                       | 11.50         | 2,832.50         | 255.00                  |
| 22 Antecedent Transactions         | 0.00         | 1.40          | 11.50                      | 0.00                       | 12.90         | 3,429.50         | 265.85                  |
| <b>Investigations</b>              | <b>0.00</b>  | <b>1.40</b>   | <b>23.40</b>               | <b>0.00</b>                | <b>24.80</b>  | <b>6,464.00</b>  | <b>260.85</b>           |
| <b>Total Hours</b>                 | <b>29.50</b> | <b>103.65</b> | <b>102.80</b>              | <b>4.90</b>                | <b>240.85</b> | <b>79,836.00</b> | <b>331.48</b>           |
| <b>Total Fees Claimed</b>          |              |               |                            |                            |               | <b>0.00</b>      |                         |

**Harrison Homes (Cheshire) Limited**

**1. Explanation of office-holders charging and disbursement recovery policies**

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.

This summary outlines the activities undertaken during this matter to date together with details of charge out rates for time costs incurred and the basis of disbursements incurred and recharged.

The activities are summarised as follows:

**1.1. Administration and planning**

The following activities have been undertaken:

- Statutory duties associated with the appointment including the filing of relevant notices;
- Notification of the appointment to creditors, members, employees and other interested parties;
- Setting up of case files
- Reviewing available information to determine the appropriate strategy,
- Setting up and maintaining bank accounts;
- Implementing the strategy for the Administration;
- 6 monthly progress review of the case;
- Completion of statutory returns to the Insolvency Compliance Unit of the Department for Business Innovation and Skills

Staff of different levels were involved in the above activities depending upon the experience required.

**1.2. Realisation of assets**

Appendix II shows the realisations made for the benefit of the creditors. In this case the assets belonging to the Company were as follows;

- Oakwood Hall, Romiley, SK6 4DX
- Cypress House, Wilmslow, SK9 3HN
- Marsh Farm, Astbury, CW12 4HL
- Book debts

The time spent includes the following matters:

- Liaising with interested parties in respect of a sale of the business and assets of the Company;
- Dealing with legal advisors with regards to site development and sale agreements;

- Liaising with agents in respect to site development;
- Corresponding with agents to arrange and maintain security of the sites;
- Corresponding with agents in relation to valuation and realisation of assets;

1.3. Creditors

The time spent includes the following matters:

- Recording and maintaining the list of creditors;
- Recording creditor claims;
- Dealing with specific creditor calls and correspondence;
- Reporting to creditors;
- Dealing with creditor queries;

1.4. Investigations and communications

The time spent includes the following matters:

- Corresponding with Company directors for purposes of conduct report;
- Issuing questionnaires and requests for Statement of Affairs;
- Reviewing Company records and questionnaires and preparing the statutory return in accordance with the requirements of the Department for Business Innovation and Skills.

2.0 Time recording

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:

| <b>GRADE</b>             | <b>£</b> |
|--------------------------|----------|
| Partner                  | 530      |
| Director/ Senior Manager | 450      |
| Manager                  | 355      |
| Assistant Manager        | 300      |

|                      |     |
|----------------------|-----|
| Senior Administrator | 255 |
| Administrator        | 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.

Our rates increased on 1 January 2016. The charge out rates per hour for the period from 1 January 2015 to 31 December 2015 were:

| <b>GRADE</b>             | <b>£</b> |
|--------------------------|----------|
| Partner                  | 515      |
| Director/ Senior Manager | 425      |
| Manager                  | 355      |
| Assistant Manager        | 280      |
| Senior Administrator     | 245      |
| Administrator            | 195-225  |
| Cashier/ Support         | 195      |

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.

For your information, A Creditor's Guide to Administrators' Fees can be obtained at <http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-to-administrators-fees-england-and-wales-apr-10.pdf>

### 3.0 Disbursement recovery

#### **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 may be 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 search's per director to comply with Money Laundering Regulations.

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 V

## HARRISON HOMES (CHESHIRE) LIMITED (IN ADMINISTRATION) ESTIMATED OUTCOME STATEMENT AS AT 9 FEBRUARY 2018

|  | Book Value<br>£'000 | Estimated<br>to Realise<br>£'000 | Notes |
|--|---------------------|----------------------------------|-------|
| <b>Assets Subject to Fixed Charge</b>              |                     |                                  |       |
| Site - Astbury                                     | 2,500               | 2,700                            | 1     |
| Site - Romiley                                     | 1,000               | 500                              | 1     |
| Site - CH  | 1,000               | 1,000                            |       |
|  | <u>4,500</u>        | <u>4,200</u>                     |       |
| <b>Less: Due to Secured Creditor</b>               | <u>(10,486)</u>     | <u>(10,486)</u>                  |       |
| <b>Surplus/(Deficiency) to Secured Creditor</b>    | <u>(5,986)</u>      | <u>(6,286)</u>                   |       |
| <b>Assets Subject to Floating Charge</b>           |                     |                                  |       |
| Book debts   | 679                 | Uncertain                        | 2     |
| -  | -                   | -                                |       |
| <b>Preferential Creditors</b>                      | <u>-</u>            | <u>-</u>                         |       |
|  | 679                 | -                                |       |
| <b>Prescribed Part</b>                             | <u>139</u>          | <u>-</u>                         |       |
|  | 139                 | -                                |       |
| <b>Fixed Charge Surplus/(Deficiency) b/d</b>       | <u>(5,986)</u>      | <u>(6,286)</u>                   |       |
| <b>Surplus/(Shortfall) to Secured Creditor</b>     | <u>(5,847)</u>      | <u>(6,286)</u>                   |       |
| <b>Prescribed Part b/d</b>                         | 139                 | -                                |       |
| <b>Unsecured Creditors</b>                         |                     |                                  |       |
| Trade Creditors/Accruals                           | (108)               | (108)                            | 3     |
| <b>Surplus/(Deficiency) to Unsecured Creditors</b> | <u>30</u>           | <u>(108)</u>                     |       |

### Notes

- 1 Estimated to realise value achievable after the development of that Site
- 2 Based on current information these debts do not look realisable
- 3 Estimate based on historic information provided by the Director

## FEES ESTIMATE SUMMARY

Case name

Harrison Homes (Cheshire) Limited - in Administration

The office holder is seeking to be remunerated on a time cost basis. We use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform, recording time spent in 6 minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work. This document provides an estimate as to how much time the office holder and his staff will spend undertaking specific tasks within broad categories of work, and the time costs of undertaking such work, which will depend upon the grade, or grades, of staff undertaking the work and the number of hours spent undertaking the work by each grade of staff. The estimated time that will be spent undertaking the work in each category of work has been multiplied by the applicable charge out rate for each member of staff that it is anticipated will undertake work in that category to arrive at the estimated total time costs attributable to that category of work on the case. We have then divided that estimated total by the estimated number of hours to arrive at what is known as a blended hourly charge out rate for that category of work. The sum of all the estimates for the different categories of work is the total estimated time costs to undertake all the necessary work on the case. Again, we have then divided that estimated total by the estimated number of hours to arrive at a blended hourly charge out rate for the case as a whole.

The hourly charge out rates that will be used on this case are:

£

|                                 |        |
|---------------------------------|--------|
| Partner -- appointment taker    | 530 00 |
| Senior Manager                  | 450 00 |
| Manager                         | 355 00 |
| Supervisor/Senior Administrator | 255 00 |
| Case Administrator              | 225 00 |
| Cashier                         | 195 00 |
| Support staff                   | 195 00 |

## ADMINISTRATION (Note 2)

| Description of the tasks to be undertaken in this category of work   | Estimated time to be taken to undertake the work | Estimated value of the time costs to undertake the work £ | Blended charge out rate to undertake the work £ |
|--|--|---|---|
| Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case                        | 10 00  | 4,520 00  |   |
| Setting up physical/electronic case files (as applicable)  | 1 00   | 255 00  |   |
| Setting up the case on the practice's electronic case management system and entering data  | 1 00   | 255 00  |   |
| Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment (as applicable) | 20 00  | 5,975 00  |   |
| Obtaining a specific penalty bond  | 1 00   | 255 00  |   |
| Dealing with all routine correspondence and emails relating to the case  | 32 00  | 8,360 00  |   |
| Opening, maintaining and managing the office holder's estate bank account (delete if not applicable)   | 2 00   | 725 00  |   |
| Creating, maintaining and managing the office holder's cashbook  | 1 00   | 195 00  |   |
| Undertaking regular bank reconciliations of the bank account containing estate funds   | 3 00   | 645 00  |   |
| Reviewing the adequacy of the specific penalty bond on a quarterly basis   | 2 00   | 510 00  |   |
| Undertaking periodic reviews of the progress of the case   | 10 00  | 3,300 00  |   |
| Overseeing and controlling the work done on the case by case administrators  | 28 00  | 12,215 00   |   |
| Preparing, reviewing and issuing annual progress reports to creditors and members (as applicable)  | 11 00  | 3,105 00  |   |
| Filing returns at Companies House and/or Court (as applicable)   | 2 00   | 450 00  |   |
| Preparing and filing VAT returns (delete if not applicable)  | 4 00   | 1,120 00  |   |
| Preparing and filing Corporation Tax returns (delete if not applicable)  | 3 00   | 765 00  |   |
| Seeking closure clearance from HMRC and other relevant parties   | 2 00   | 510 00  |   |
| Preparing, reviewing and issuing final reports to creditors and members (as applicable)  | 13 00  | 4,165 00  |   |
| Filing final returns at Companies House and/or Court (as applicable)   | 2 00   | 450 00  |   |
| <b>Total:</b>  | <b>148 00</b>                                    | <b>£47,775 00</b>   | <b>£322 80</b>                                  |

## INVESTIGATIONS (Note 3)

| Description of the tasks to be undertaken in this category of work   | Estimated time to be taken to undertake the work | Estimated value of the time costs to undertake the work £ | Blended charge out rate to undertake the work £ |
|--|--|---|---|
| Recovering the books and records for the case  | 5 00   | 1,275 00  |   |
| Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act (delete if not applicable)  | 3 00   | 1,140 00  |   |
| Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc | 9 00   | 2,670 00  |   |
| Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors                                | 13 00  | 3,690 00  |   |
| <b>Total:</b>  | <b>30 00</b>                                     | <b>£8,775 00</b>  | <b>£292 50</b>                                  |

#### REALISATION OF ASSETS (Note 4)

| Description of the tasks to be undertaken in this category of work  | Estimated time to be taken to undertake the work | Estimated value of the time costs to undertake the work £ | Blended charge out rate to undertake the work £ |
|---|--|---|---|
| Arranging suitable insurance over assets  | 3 00   | 865 00  |   |
| Regularly monitoring the suitability and appropriateness of the insurance cover in place                      | 2 00   | 610 00  |   |
| Liaising with the bank regarding the closure of the account   | 2 00   | 510 00  |   |
| Instructing agents to value known assets  | 4 00   | 1,220 00  |   |
| Liaising with agents to realise known assets  | 82 00  | 28,835 00   |   |
| Instructing solicitors to assist in the realisation of assets   | 3 00   | 1,140 00  |   |
| Instructing solicitors to assist in the realisation of the freehold/leasehold property (where applicable)     | 1 00   | 355 00  |   |
| Liaising with the secured creditors over the realisation of the assets subject to a mortgagee or other charge | 17 00  | 7,260 00  |   |
| Liaising with interested parties  | 18 00  | 5,865 00  |   |
| Review of SPA, correspondence with solicitors, completion statement and answering queries                     | 6 00   | 2,305 00  |   |
| <b>Total:</b>   | <b>138 00</b>                                    | <b>£48,965 00</b>   | <b>£354 82</b>                                  |

#### CREDITORS (Note 5)

| Description of the tasks to be undertaken in this category of work                              | Estimated time to be taken to undertake the work | Estimated value of the time costs to undertake the work £ | Blended charge out rate to undertake the work £ |
|---|--|---|---|
| Dealing with creditor correspondence, emails and telephone conversations regarding their claims | 10 00  | 2,750 00  |   |
| Maintaining up to date creditor information on the case management system                       | 2 00   | 510 00  |   |
| Secured creditor reporting  | 13 00  | 5,490 00  |   |
| Review of secured creditor debt   | 2 00   | 710 00  |   |
| <b>Total:</b>   | <b>27 00</b>                                     | <b>£9,460 00</b>  | <b>£350 37</b>                                  |

#### CASE SPECIFIC MATTERS (note 6)

| Description of the tasks to be undertaken in this category of work | Estimated time to be taken to undertake the work | Estimated value of the time costs to undertake the work £ | Blended charge out rate to undertake the work £ |
|--|--|---|---|
| Legal matters relating to the appointment of Administrators        | 2 00   | 510 00  |   |
| <b>Total:</b>  | <b>2 00</b>                                      | <b>£510 00</b>  | <b>£255 00</b>                                  |



**GRAND TOTAL FOR ALL CATEGORIES OF WORK**

345 00

£115,485 00

£334 74

Explanatory Note This estimate has been provided to creditors at an 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 holder's 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 take into account 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.

Note 2 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. It does not give direct financial benefit to the creditors, but has to 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.

Note 3 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. 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 estimated time required to be spent to do so and the time costs of doing so are included in the estimate. The office holder is unable to quantify the benefit to creditors of these investigations at present but will include such information in their statutory report to creditors once the position is clear. The office holder is also required by legislation to report to the Department for Business, Innovation and Skills on the conduct of the directors and the work to enable them to comply with this statutory obligations is of no direct benefit to the creditors, although it may identify potential recovery actions.

Note 4 Realisation of Assets - This is the work that needs to be undertaken to realise the known assets in the case. If this work is undertaken, the office holder anticipates that the assets will realise the estimated to realise amounts provided to creditors.

Note 5 Creditors Claims of creditors - the office holder needs 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 include 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.