

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

00782749

Name of Company

Midfair Properties Limited

I / We

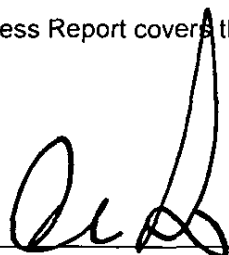
Mark Robert Fry

Kirstie Jane Provan, 32 Cornhill, London, EC3V 3BT

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 21/01/2012 to 20/01/2013

Signed



Date

18/3/13

Begbies Traynor (Central) LLP
32 Cornhill
London
EC3V 3BT

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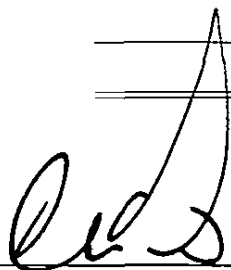
COMPANIES HOUSE

Midfair Properties Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 21/01/2012 To 20/01/2013	From 21/01/2011 To 20/01/2013
	SECURED ASSETS		
1,270,000 00	Freehold Land & Property	NIL	NIL
(21,640,314 00)	2008 & 2018 Stock	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
4,649 69	Book Debts	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(6,532,652 93)	Intercompany Liability	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(26,898,417.24)		NIL	NIL

REPRESENTED BY

NIL



 Mark Robert Fry
 Joint Liquidator

Midfair Properties Limited (In Creditors' Voluntary Liquidation)

Progress report pursuant to Section 104A of the
Insolvency Act 1986 and Rule 4.49C of the
Insolvency Rules 1986

Period: 21 January 2012 to 20 January 2013

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. 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 and members for any purpose other than this report to them, or by any other person for any purpose whatsoever

Contents

- ☐ Interpretation
- ☐ Company information
- ☐ Details of appointment of liquidators
- ☐ Progress during the period
- ☐ Estimated outcome for creditors
- ☐ Remuneration and disbursements
- ☐ Liquidators' expenses
- ☐ Assets that remain to be realised
- ☐ Other relevant information
- ☐ Creditors' rights
- ☐ Conclusion
- ☐ Appendices
 - 1 Liquidators' account of receipts and payments
 - 2 Liquidators' time costs and disbursements
 - 3 Statement of Liquidators' expenses

This report should be read in conjunction with the previous annual report of the Joint Liquidators, dated 21 January 2011 to 20 January 2012

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Midfair Properties Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators pursuant to Section 98 of the Act on 21 January 2011
"the liquidators", "we", "our" and "us"	Mark Robert Fry and Kirstie Jane Provan, both of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	<ul style="list-style-type: none">(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and(ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act
"the E&G Group"	Estates & General Limited – in Liquidation ("EGL") Estates & General Properties – in Liquidation Estates & General Developments – in Liquidation Midfair Properties Limited – in Liquidation Penn House (Bracknell) Limited – in Liquidation Site Improvements Limited – in Liquidation Station House (Nominees) Limited – in Liquidation Station House Bracknell Limited – in Liquidation County & Suburban Holdings Limited – in Liquidation
"the Charging Group"	Estates & General Limited – in Liquidation Estates & General Developments – in Liquidation Midfair Properties Limited – in Liquidation Penn House (Bracknell) Limited – in Liquidation Station House (Nominees) Limited – in Liquidation Station House Bracknell Limited – in Liquidation Site Improvements Limited – in Liquidation

2. COMPANY INFORMATION

Trading name(s)	Midfair Properties Limited
Company registered number	00782749
Company registered office	32 Cornhill, London, EC3V 3BT
Former trading address	5 Wigmore Street, London, W1U 1PB

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	21 January 2011
Date of liquidators' appointment	21 January 2011
Changes in liquidator (if any)	None

4. PROGRESS DURING THE PERIOD

Creditors will recall that the sole asset of the Company is a beneficial interest in property at 9-18 The Parade, Delta Gain, Watford ("the Property")

Attached at Appendix 1 is our abstract of receipts and payments for the period from 21 January 2012 to 20 January 2013, which shows that there have been no receipts or payments in the liquidation during the reporting period

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the directors' Estimated Statement of Assets and Liabilities included within the report presented to the meeting of creditors and later sent to creditors

Secured creditors

Currently the Charging Group has in issue the following debenture stock

- £3,000,000 12 4% First Mortgage Debenture Stocks 2008 ("the 2008 Stock")
- £16,854,700 11 25% First Mortgage Debenture Stock 2018 ("the 2018 Stock", together the "Stock")

The Stock was constituted by a trust deed dated 21 December 1983 (as supplemented by a number of supplemental trust deeds) (the "Trust Deed") Capita IRG Trustees Limited were appointed security trustee pursuant to the seventh supplemental trust deed of 13 June 2003 (the "Trustee")

The Trust Deed purports to create a fixed and floating charge over the assets of the Charging Group. We understand that the requisite entries have been made at the land registry in relation to the various freehold properties owned by the E&G Group

By various supplemental trust deeds, each member of the Charging Group is a party to the Trust Deed. As a result each company in the Charging Group is jointly and severally liable for the debt owed to the Stockholders. We understand that the 2008 stock and the 2018 stock ranks *par passu*.

We are advised that other than the fourth and sixth supplemental trust deeds, which are pre-Enterprise Act, all of the floating charges created by the subsequent supplemental trust deeds in respect of the Companies should be treated as post Enterprise Act. Accordingly, EGL is the only one of the Companies that holds a pre-Enterprise Act floating charge.

As at the date of our appointment the Stockholders were owed a total of £21,640,314 as regards the 2008 and 2018 debenture stock, including accrued interest on the 2018 stock.

Louise Mary Brittain and Nicholas Guy Edwards, both of Deloitte LLP were appointed as Joint Administrative Receivers of Estates & General Limited – in Liquidation on 8 February 2011. They were also appointed as Joint Fixed Charge Receivers over the Company, Penn House (Bracknell) Limited, Site Improvements Limited, Station House Bracknell Limited and Station House (Nominees) Limited, all in Liquidation, on 8 March 2011, and over Estates & General Developments Limited (in Liquidation) on 11 March 2011.

The anticipated return to secured creditors of the E&G Group will be subject to realisations in the aforementioned Receiverships and Administrative Receivership.

Preferential creditors

There are no known preferential claims.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property,
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000.

A liquidator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

At this stage, the Joint Liquidators are not in a position to estimate the Company's net property and prescribed part, as defined in Section 176A(6) of the Act, due to the uncertainty of the timing and quantum of potential realisations in the liquidation.

Unsecured creditors

Unsecured creditors listed on the director's statement of affairs totalled c£6.5m all of which is owed liability to EGL. Based on realisations to date and estimated realisations, it is unlikely that there will be sufficient funds to enable a distribution to unsecured creditors of the Company.

6. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report.

Our time costs for the period from 21 January 2012 to 20 January 2013 amount to £2,511 which represents 10.5 hours at an average rate of £239.14 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 2:

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 21 January 2012 to 20 January 2013
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

As at the date of this report, the Joint Liquidators have not drawn any remuneration.

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

8. ASSETS THAT REMAIN TO BE REALISED

As far as the Joint Liquidators are aware, the Company itself has no assets that remain to be realised other than the Property which is being dealt with by the Receivers. The liquidation remains open at the Receivers' request.

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors' conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated prior to the meeting of creditors convened pursuant to Section 98 of the Act, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. We can confirm that we have discharged our duties in these respects.

Investigations carried out to date

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect. Investigations are ongoing in this regard and in order to not jeopardise any potential recovery, the details of these investigations remain confidential.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report.

Right to make an application to court

Pursuant to Rule 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

It is intended that the liquidation of the Company will remain open until such time as the Receivers sell the Property (subject to the costs of the liquidation being funded) and the Joint Liquidators' investigations into the conduct of the E&G Group are complete.

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner.



Mark Fry
Joint Liquidator

Dated 18/3/13

ACCOUNT OF RECEIPTS AND PAYMENTS

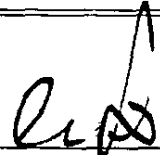
Period 21 January 2012 to 20 January 2013

Midfair Properties Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

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4,649 69	Book Debts	NIL	NIL
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	DISTRIBUTIONS		
(100 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
		NIL	NIL
(26,898,417.24)		NIL	NIL

REPRESENTED BY

NIL



Mark Robert Fry
Joint Liquidator

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred, and
- d Table of time spent and charge-out value for the period from 21 January 2012 to 20 January 2013

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £150 per meeting,
- Car mileage is charged at the rate of 45 pence per mile, and
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the London office as at the date of this report are as follows

Grade of staff	Standard 1 May 2011 – until further notice London
Partner	495
Director	395
Senior Manager	365
Manager	315
Assistant Manager	270
Senior Administrator	235
Administrator	185
Trainee Administrator	160
Support	160

Prior to 1 May 2011, the following rates applied

Grade of staff	Charge-out Rate (£ per hour)
Partner 1	495
Partner 2	395
Director	375
Senior Manager	350
Manager	300
Assistant Manager	250
Senior Administrator	220
Administrator	180
Trainee Administrator	150
Support	150

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	Midfair Properties Limited
CASE TYPE	CREDITORS' VOLUNTARY LIQUIDATION
OFFICE HOLDERS	Mark Robert Fry AND Kirstie Jane Provan
DATE OF APPOINTMENT	21 January 2011

1 CASE OVERVIEW

1 1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case.

1 2 Complexity of the case

As you will note from the main body of the report, there are no assets to realise in the liquidation. The liquidation of the Company will remain open until investigations within the group have been completed.

1 3 The office holders' effectiveness

The Joint Liquidators await the outcome of the liquidation of other companies within the group and the conclusion of the Property.

1 4 Nature and value of property dealt with by the office holders

The Company has no assets to realise.

1 5 Anticipated return to creditors

At this juncture of the liquidation, the Joint Liquidators do not anticipate that there will be sufficient funds available to enable a distribution to unsecured creditors.

The Joint Liquidators understand that there are no preferential creditors.

1 6 Time costs analysis

An analysis of time costs incurred between 21 January 2012 and 20 January 2013 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type.

The time costs analysis provides details of work undertaken by the Liquidators and their staff following their appointment only.

1 7 The views of the creditors

The creditors of the Company have been kept apprised of progress within the liquidation. Creditors may contact the Joint Liquidators if they wish to discuss matters arising in the liquidation.

1.7 Approval of fees, expenses and disbursements

The Joint Liquidators' remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act by reference to the time properly given by them (as liquidators) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation and they are authorised to draw disbursements, including disbursements for

services provided by their firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with their firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act

1 11 Staffing and management

Appropriately experienced staff have, and will continue to undertake the various tasks arising in the liquidation. It is the policy of Begbies Traynor that all grades of staff charge time which solely relates to the case. The analysis below seeks to give some indication of the various tasks undertaken by the Joint Liquidators and their staff but is not intended to be, nor should be viewed as, an exhaustive list

3. SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

3 1 Since the date of the Joint Liquidators' last report, the following work has been carried out

- Compilation of information for, and preparation of, the Joint Liquidators' annual report to creditors
- Adherence with best practice procedure in terms of regular file reviews and compliance upkeep
- Seeking updates from the Receivers

Time costs analysis for the period from 21/01/2012 to 20/01/2013

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Time costs analysis for the period from 21 January 2011 to 20 January 2013

[illegible]

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
-	-	-	-	-
-	-	-	-	-