

The Insolvency Act 1986

Administrative
Receiver's ReportPursuant to section 48(1) of the Insolvency
Act 1986 and Rule 3.8(3) of the Insolvency
Rules 1986**S.48(1)**

To the Registrar of Companies

For official use

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Company Number

0943032

Name of Company

Insert full name of
company

SAXON DEVELOPMENTS

Limited

We ANTHONY CLIFF SPICER & HENRY ANTHONY SHINNERS
of SMITH & WILLIAMSON LIMITED,
25 MOORGATE, LONDON, EC2R 6AY

administrative receiver(s) of the company attach a copy of my [our] report to
creditors and a copy of the statement of affairs of the company

Signed

Agnes

Dated

21/01/09

Presenter's name,
address and reference
(if any):

FRIDAY



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COMPANIES HOUSE

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Smith & Williamson

Saxon Developments Limited (In Administrative Receivership)

Report of the joint administrative
receivers pursuant to Section 48 of
the Insolvency Act 1986

19 January 2009

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1. Introduction

Anthony Spicer and Henry Shinnars of Smith & Williamson Limited, 25 Moorgate, London EC2R 6AY, were appointed as joint administrative receivers of Saxon Developments Limited ("SDL") on 25 November 2008.

2. Events leading to the appointment of joint administrative receivers

SDL was established in 1968 and specialised in the building and development of residential properties.

Since 1968 a number of associated group ("the Saxon Group") companies have been incorporated to act as the vehicle for various building projects or developments. These companies used SDL as the main contractor on the development.

It was therefore SDL that entered into agreements with sub-contractors, insurers and dealt with council and regulatory matters for the various building projects and developments within the whole Saxon Group.

By 2008 the Saxon Group included a number of limited companies, the majority of which were special purpose vehicles. Some of these companies had completed (but unsold) developments, some had partially completed developments and others had undeveloped land.

Most of the Saxon Group's secured borrowing was obtained from The National Westminster Bank Plc ("Natwest"). A number of the Saxon Group also cross-guaranteed other group company borrowings.

As a result of the recent downturn in property prices, particularly in undeveloped land, experienced throughout 2008, the directors considered that a number of these companies may have become insolvent.

In October 2008 the directors sought professional advice from an insolvency practitioner on the financial position of these companies and the options available to the various directors.

The insolvency practitioner's advice concluded that a number of the group companies were insolvent as a result in the drop in land and property values. These insolvencies in turn rendered other group companies insolvent by virtue of both inter-company debts and the cross-guaranteeing of bank lending.

Upon receiving this advice the directors of the insolvent group companies contacted Smith & Williamson Limited in order to take the necessary steps to instigate formal insolvency proceedings.

Anthony Spicer and Henry Shinnars have subsequently been appointed in the following formal insolvencies.

Company	Type of Insolvency	Date
Saxon Developments Limited	Administrative Receivership	25 November 2008
Saxon Urban (Two) Limited	Administrative Receivership	25 November 2008
Saxon Urban (Three) Limited	Administration	26 November 2008
Edmond Homes Limited	Creditors' voluntary liquidation	23 December 2008

Edmond Properties Limited	Creditors' voluntary liquidation	23 December 2008
Sunguard Homes Limited	Creditors' voluntary liquidation	23 December 2008
Sneinton Space Management Limited	Creditors' voluntary liquidation	23 December 2008
Roxylight Properties Limited	Creditors' voluntary liquidation	23 December 2008
Saxon Urban Limited	Creditors' voluntary liquidation	23 December 2008
Saxon Developments (Midlands) Limited	Creditors' voluntary liquidation	23 December 2008
Roxylight Homes Limited	Creditors' voluntary liquidation	23 December 2008
Doverline Limited	Creditors' voluntary liquidation	23 December 2008
Swan Court Property Limited	Creditors' voluntary liquidation	23 December 2008

3. Statement of affairs

In accordance with Rule 3.3 of the Insolvency Act 1986 the joint administrative receivers served notice on SDL's directors to submit a sworn statement as to SDL's affairs within 21 days of our appointment.

A statement of the SDL's affairs has been submitted by the directors. The other directors have indicated that they agree with its contents.

A summary of this statement of affairs is attached at Appendix A.

Although investigations are ongoing, the joint administrative receivers' initial comments on the statement are below.

SDL's fixtures and fittings and motor vehicles are unlikely to realise the amounts estimated.

Majorshape Limited, the principal debtor has disputed the quantum of the debt owed to SDL. A number of the other debtor balances may also be subject to dispute.

There was no estimate of employee preferential claims. Although no claims have yet been received from the Insolvency Service, the joint administrative receivers anticipate that there will be a preferential claim received in the future. This claim cannot be accurately estimated as it has not been possible to obtain all of the employee records.

4. Receivership strategy

4.1. Sale of property

The main objective has been to secure and start the sale process of SDL's main assets, being its property, land & buildings at Plumtree Almshouses, Reading and Grovebury Road.

DTZ have been appointed to advise the joint administrative receivers and to market and sell these properties.

4.2. Book debts

We have written to SDL's debtors seeking the payment of all outstanding book debts.

4.3. Other assets

SDL's other assets are being collected and sold by Beaumonts, who are professional chattel agents.

4.4. Saxon Urban (Three) Limited

SDL acted as the main contractor on a Canterbury development on behalf of Saxon Urban (Three) Limited. This project has not yet been completed although it is likely that the outstanding work will be completed and, if so, this work may be completed by SDL to ensure continuity and to ensure that Zurich Insurance requirements are met. The final decision is still to be made in this respect. In any event, no net realisations are anticipated within SDL.

4.5. Books and records

SDL acted as the main contractor and administrative entity for much of the group.

The administration team attended at SDL's premises in High Wycombe together with one of the director's and identified and removed all relevant paperwork.

5. Receipts and payments

A receipts and payments account for the receivership to 8 January 2009 is attached as Appendix B.

6. Amounts due to the debenture holder

SDL has granted a legal charge in favour of Natwest over the land & buildings at land & buildings at Plumtree Almshouses, Reading and Grovebury Road.

SDL has also granted cross guarantees to Natwest in respect of Saxon Urban (One) Limited, Saxon Urban (Two) Limited and Saxon Urban (Three) Limited, who have in turn granted fixed and floating charges to Natwest.

The amount due from SDL to Natwest as at 25 November 2008 was £3.2m (excluding any amounts owed under the cross guarantees).

Amounts recoverable by Natwest will depend on the proceeds of sale of the land & buildings at Plumtree Almshouses, Reading and Grovebury Road. It is not anticipated that the proceeds from the sales of these properties will repay Natwest in full.

7. Recovery prospects for preferential creditors

The employees will receive an element of their preferential claim (for any accrued holiday or arrears of wages up to £330 per week) from the Redundancy Payments Service.

The dividend prospects for the balance of the preferential claims will depend upon asset realisations.

8. Recovery prospects for unsecured creditors

The dividend prospects of the unsecured creditors will depend upon asset realisations but at this stage there is very little prospect of a dividend to unsecured creditors.

9. Administrative Receivers' fees and disbursements

For the period ending 31 December 2008 the joint administrative receivers and their staff have accrued time costs totalling £9,675. The joint administrative receivers have not drawn any fees on account of these costs at this time.

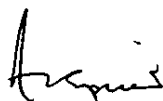
In accordance with Statement of Insolvency Practice 9 ("SIP 9"), we attach a breakdown of our total time costs at Appendix C.

Since 1 January 2003, disbursements incurred by insolvency practitioners are reported to creditors in two categories. Category one disbursements are those directly attributable to the administrative receivership and relate to the reimbursement of expenditure properly, as defined by SIP9.

Category two disbursements relate to any expense recharged to the case by the joint administrative receivers' firm.

No category one disbursements have been accrued in the course of the administrative receivership.

No category two disbursements have been paid during the course of the administrative receivership.



A C Spicer

Joint Administrative Receiver

Appendix A. Director's Statement of Affairs

Rule 3.4

Form 3.2

Statement of Affairs

Statement as to affairs of

Saxon Developments LimitedOn the 25th November 2008 the date of the Administrative Receiver's AppointmentAffidavit

This affidavit must be sworn or affirmed before a Solicitor or Commissioner of Oaths when you have completed the rest of this form.

I Amit Lakhaniof The Gate House, Barkham Road, BarkhamWokingham RG41 4TY

✓ Sworn /affirm that the several pages attached marked 1 - 36 are to the best of my knowledge and belief a full, true and complete statement of the affairs of the above named company as at 25 November 2008 the date of the appointment of the administrative receiver and that the said company carried on business as

Property Developers


Sworn/affirmed at KERSHAW'S
Solicitors
Eagle House
69 The Street
Date 16/12/2008 Old Basing, Basingstoke
Signatures [Signature] Hampshire RG24 7BY

Before me

[Signature]
A Solicitor or Commissioner of Oaths

The Solicitor or Commissioner is particularly requested, before swearing/affirming the affidavit, to make sure that the full name, address and description of the Deponent are stated, and to initial any crossings-out or other alterations in the printed form. A deficiency in the affidavit in any of the above respects will mean that it is refused by the court, and will necessitate its being re-sworn/re-affirmed.

A - Summary of Assets

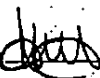
	Book Value £	Estimated to Realise £
Assets		
Assets subject to fixed charge		
Land & Building w/IF	1,815,466	200,000
made up of:		
- Almshouses Nottingham		
- Linslade	59,000	Ø
Shares in Edmonds Group		
due under fixed charge	(2,805,148)	(2,805,148)
Assets subject to floating charge:	(939,682)	(2,605,148)
- Cash at bank and Petty cash	350	350
- Office furniture and equipment	9,910	13,704
- Computers	7,883	
- Fixture and fittings	12,092	Ø
- Motor vehicles	15,715	12,000
- Hire Purchase outstanding	(5,841)	(5,841)
- Other debtors	79,809	79,809
- Roxylight Homes Ltd	1,448,661	Ø
- Roxylight Properties Ltd	1,479,173	Ø
- Zeburn Properties Ltd	36,162	Ø
- Roxylight Group Services Ltd	4,766,606	Ø
- Urban Regeneration UK Ltd.	53,615	Ø
- Saxon Urban (Five) Ltd.	483,063	Ø
- Sneinton Space Management Ltd.	98,016	Ø
- Sneinton Market Development Ltd.	887,263	Ø
- Saxon Developments (Midlands) Ltd.	3,006,132	Ø
- Desborough - Majorshape Ltd	399,038	399,038
Estimated total assets available for preferential creditors		
Signature  Date 16/12/2008		499,060
A Lakhani		

①

A1 – Summary of Liabilities

	Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	£ 499,060
Liabilities	
Preferential creditors:-	
Estimated deficiency/surplus as regards preferential creditors	£ 499,060
Estimated prescribed part of net property where applicable (to carry forward)	£
Estimated total assets available for floating charge holders	£ 499,060
Debts secured by floating charges	£ (2,605,148)
Estimated deficiency/surplus of assets after floating charges	£ (2,106,088)
Estimated prescribed part of net property where applicable (brought down)	£ —
Total assets available to unsecured creditors	£ —
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ (14,815,589)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£ (14,815,589)
Shortfall to floating charge holders (brought down)	£ (2,106,088)
Estimated deficiency/surplus as regards creditors	£ (16,921,677)
Issued and called up capital	£ 100,000
Estimated total deficiency/surplus as regards members	£ (17,021,677)

Signature



A Lakshmi

Date

16/12/2008

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COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
Poxylight Homes Ltd	The Clock House, High Wycombe Bucks HP13 5SR	10,000	£10,000	ordinary
Poxylight Homes Ltd	The Clock House, High Wycombe Bucks HP13 5SR	90,000	£90,000	Deferred ordinary
TOTALS		100,000	£100,000	

Signature A. Lakbani Date 16/12/2008

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Appendix B. Receipts and payments account to 8 January 2009

RECEIPTS	Total (£)
Furniture & Equipment	13,704.80
Book Debts	14.30
NHBC Limited refund	47,454.41
	<hr/> 61,173.51 <hr/>
 PAYMENTS	
	<hr/> 0.00
Balances in Hand	61,173.51
	<hr/> 61,173.51 <hr/>

Appendix C. Breakdown of time costs (SIP9)

Breakdown of time spent by Smith & Williamson Limited employees for the period ended 31 December 2008

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Director	Associate director	Manager	Administrator	Assistants & support staff			
Administration & planning	9.00	0.30	2.85	20.00	3.55	35.70	£7,290.00	£204.20
Realisation of Assets	0.50	0.00	0.45	1.75	0.00	2.70	£551.25	£204.17
Trading	0.00	0.00	0.00	1.50	0.00	1.50	£210.00	£140.00
Creditors	0.00	0.00	3.05	2.75	7.75	13.55	£1,560.00	£115.13
Corporate Tax	0.00	0.20	0.00	0.00	0.00	0.20	£64.00	£320.00
Totals	9.50	0.50	6.35	26.00	11.30	53.65	£9,675.25	£180.34
Pre-appointment	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	