

The Insolvency Act 1986

Administrator's progress report

Name of Company Portford Homes Limited	Company number 01627774
In the High Court of Justice , Leeds District Registry <small>[full name of court]</small>	Court case number 123 of 2013


(a) Insert full name(s) and address(es) of administrator(s)

I/We (a) Paul James Bates and Francis Graham Newton of BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU

administrator(s) of the above company attach a progress report for the period

(b) Insert date	From	to
	(b) 28 January 2013	(b) 27 July 2013

Signed


Joint/administrator(s)

Dated

16.8.2013**Contact details**

You do not have to give any contact information in the box opposite but if you do

BDO LLP, 1 Bridgewater Place, Water Lane,	
Leeds, LS11 5RU	
Our Ref 014829/SB/00177157/A6	Tel 0113 244 3839
DX Number	DX Exchange

If you have completed and signed this form please send it to the Registrar of Companies at
Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff



Portford Homes Limited
(In Administration)

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 28/01/2013 To 27/07/2013 £	From 28/01/2013 To 27/07/2013 £
RECEIPTS			
Freehold Land & Property		90,000.00	90,000 00
Search Fees		372 45	372.45
Leasehold Property	45,000 00	0 00	0 00
Church Fenton - Rental Income		3,750 00	3,750.00
Furniture & Equipment	200.00	0 00	0.00
Motor Vehicles	8,906 00	0 00	0 00
Book debts	8,424 00	0.00	0 00
Interest Gross		5.33	5 33
		<u>94,127 78</u>	<u>94,127.78</u>
PAYMENTS			
Legal Fees		7,456 17	7,456.17
Legal Disbursements		414 99	414 99
Agents' Fees & Disbs		2,350 00	2,350.00
Toyota Hire Purchase		2,905.26	2,905 26
Stationery & Postage		361 70	361.70
VAT Receivable		2,072 27	2,072.27
		<u>15,560 39</u>	<u>15,560 39</u>
BALANCE - 27 July 2013			<u><u>78,567.39</u></u>

TO ALL KNOWN CREDITORS AND MEMBERS**16 August 2013**

Our Ref SB/00183653/A6

Please ask for Steph Budby
Direct Line 0113 290 6129
Email steph.budby@bdo.co.uk

Dear Sirs

Portford Homes Limited - In Administration ("the Company")

It is now six months since our appointment in respect of the Company. In accordance with Rule 2.47 of the Insolvency Rules 1986 we are now reporting the progress made in implementing the approved proposals and achieving the statutory purpose of the Administration

1 Statutory Information

- 1.1 Paul James Bates and Francis Graham Newton of BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU were appointed Joint Administrators of the Company on 28 January 2013.
- 1.2 Paul James Bates and Francis Graham Newton were also appointed Joint Administrators of associated companies Hewlett Civil Engineering Limited ("HCE"), Hewlett Plant Hire Limited ("HPH") and Hewlett Rail Limited ("HR") on 28 January 2013
- 1.3 Under the provisions of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 the Administrators carry out their functions jointly and severally and either Administrator has exclusive power to exercise any function
- 1.4 The Administrators were appointed by The Governor and Company of Bank of Scotland ("the Bank"), pursuant to Paragraph 14 of Schedule B1 to the Insolvency Act 1986. The Administration proceedings are dealt with in the High Court of Justice, Leeds District Registry and the court case no is 123 of 2013.
- 1.5 The Company registered office is situated at BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU and the registered number is 01627774
- 1.6 We enclose, for your information, a summary of our receipts and payments to date, showing a balance in hand of £76,423, together with a copy of our abstract account covering the last six month period



2 Receipts

2.1 Freehold Land at Scarthingwell, North Yorkshire

2.1 1 The two parcels of land owned by the Company were entered into an auction by our agents, Eddisons Commercial Limited ("Eddisons"), on 27 June 2013 at guide prices of £20,000 and £15,000 respectively

2 1 2 Due to multiple buyers submitting competitive bids, the parcels of land sold for total consideration of £90,000 to a sole buyer, not connected to the Company

2 2 Freehold Land at Church Fenton, North Yorkshire

2 2.1 Legal notices were served on 26 May 2013 to the residents who have a leasehold interest in the land, providing them the opportunity to purchase the freehold interest owned by the Company. No offers were received by the residents within the statutory deadlines

2.2 2 The leasehold land will be entered for sale at auction in October 2013, as a statutory notice period of four months must be allowed following the date on which legal notice was served on the residents.

2.2 3 Rental income of £3,750 has been received to date

2 3 Residential Properties at Spenmill Grange, Cleckheaton

2 3 1 The two residential properties were sold in July 2013 for total consideration of £325,000. The Company will receive 12% of the net sale proceeds in due course.

2 4 Other Land and Buildings

2.4.1 Additional small parcels of land and buildings have been identified following a review of Land Registry records. We currently await Eddisons' recommendation with regards to the sale of these assets in order to maximise realisations, albeit we do not anticipate these to be of significant value.

2.5 Motor Vehicle

2.5.1 The Toyota Hilux vehicle was sold to Mr J Duffy, Director of the Company, for £11,000 plus VAT. We currently await transfer of the net sale proceeds (associated finance obligations will be paid in full) from Eddisons

3 The Purpose and Future of the Administration

3.1 The Administrators' proposals were approved by creditors on 4 April 2013 pursuant to Rule 2 33(5) of the Insolvency Rules 1986. Written notification of approval was issued to creditors on 17 April 2013

3.2 Once asset realisations are completed, and provided further investigations are not required into the Company's affairs, we anticipate the Company will move from Administration to Creditors' Voluntary Liquidation pursuant to paragraph 83 of Schedule B1 to the Insolvency Act 1986, should sufficient assets be realised to enable a distribution to unsecured creditors.

- 3 3 The Company may move directly to dissolution, pursuant to paragraph 84 of Schedule B1 to the Insolvency Act 1986, should there be no dividend to unsecured creditors.

4 Prospects for Creditors

4 1 Secured Creditors

- 4.1.1 The Bank has two debentures dated 11 December 2002 and 17 March 2004, that provide fixed and floating charge security over the Company's assets. The Bank holds additional legal charges over specific land and buildings.

- 4 1 2 The debt owed to the Bank is £4.4m. The Bank has a corporate guarantee in place with HCE, HPH, HR and the Company in respect of its lending.

- 4.1.3 The Bank will suffer a significant shortfall under its fixed and floating charge security.

4.2 Preferential Creditors

- 4.2 1 Preferential claims totalling £1,660 have been paid in full in respect of unpaid employee wages and holiday pay claims received to date.

4 3 Non-Preferential Creditors

- 4 3 1 Non-preferential creditor claims received to date total £54,903.

- 4 3 2 It is anticipated that there will be a distribution to non-preferential creditors via the Prescribed Part only, as detailed below.

4 4 Prescribed Part

- 4.4.1 Under the provisions of Section 176A of the Insolvency Act 1986 the Joint Administrators must state the amount of funds available to non-preferential creditors in respect of the Prescribed Part.

- 4.4 2 This provision only applies where a company has granted a floating charge to a creditor after 15 September 2003. Given the Company granted a floating charge to the Bank after this date, the Prescribed Part provision will apply.

- 4.4.3 The Prescribed Part is calculated as a proportion of a company's net property. Based on present information, the Joint Administrators forecast that after allowing for costs, the value of the Company's net property will be c£30,000 resulting in a Prescribed Part of c£9,000.

5 Administrators' Remuneration

- 5.1 The creditors have already approved the Administrators' remuneration on a time cost basis. We have not drawn any remuneration to date.

- 5 2 We attach a schedule which summarises the time costs accrued to date, being 191 hours at an average rate of £197 per hour, and indicates the work undertaken in that respect.

6 Administrators' Disbursements

- 6.1 Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. To date we have incurred disbursements totalling £301 plus VAT which are yet to be drawn, as follows

	£
Statutory Advertising	91
Statutory Bonding	<u>210</u>
Total	301

- 6.2 Some Administrators recharge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require creditor approval, before they can be drawn, and these are known as category 2 disbursements
- 6.3 Mileage has been reclassified from a category 1 disbursement to a category 2 disbursement. We have not incurred any costs in respect of mileage.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency practitioners. In the event that you make a complaint to us but are not satisfied with our response then you should visit <http://www.bis.gov.uk/insolvency/contact-us/IP-Complaints-Gateway> where you will find further information on how you may pursue the complaint.

Please find attached at the end of this report an extract from the Insolvency Rules 1986 setting out the rights of creditors to request further information and/or challenge the remuneration or fees within the Administration

Should you have any queries, please do not hesitate to contact Steph Budby on 0113 290 6129.

Yours faithfully
For and on behalf of
Portford Homes Limited



P J Bates
Joint Administrator

F G Newton and P J Bates are authorised by the Insolvency Practitioners Association
The Joint Administrators act as agents of the Company and without personal liability

Enc

Portford Homes Limited
(In Administration)

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 28/01/2013 To 16/08/2013 £	From 28/01/2013 To 16/08/2013 £
RECEIPTS			
Freehold Land & Property		90,000 00	90,000 00
Search Fees		372.45	372 45
Leasehold Property	45,000.00	0 00	0 00
Church Fenton - Rental Income		3,750.00	3,750.00
Furniture & Equipment	200.00	0.00	0.00
Motor Vehicles	8,906.00	0.00	0 00
Book debts	8,424.00	0 00	0 00
Interest Gross		5 33	5 33
		<u>94,127.78</u>	<u>94,127.78</u>
PAYMENTS			
Legal Fees		7,456.17	7,456.17
Legal Disbursements		414 99	414.99
Agents' Fees & Disbs		2,350.00	2,350.00
Toyota Hire Purchase		3,389 47	3,389 47
Stationery & Postage		361.70	361 70
Preferential Creditors		1,660.55	1,660 55
VAT Receivable		2,072.27	2,072.27
		<u>17,705.15</u>	<u>17,705 15</u>
BALANCE - 16 August 2013			<u><u>76,422.63</u></u>

Portford Homes Limited
(In Administration)

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 28/01/2013 To 27/07/2013 £	From 28/01/2013 To 27/07/2013 £
RECEIPTS			
Freehold Land & Property		90,000 00	90,000.00
Search Fees		372 45	372 45
Leasehold Property	45,000.00	0 00	0 00
Church Fenton - Rental Income		3,750.00	3,750 00
Furniture & Equipment	200.00	0.00	0 00
Motor Vehicles	8,906.00	0 00	0.00
Book debts	8,424.00	0 00	0 00
Interest Gross		5 33	5 33
		<u>94,127.78</u>	<u>94,127 78</u>
PAYMENTS			
Legal Fees		7,456 17	7,456 17
Legal Disbursements		414.99	414 99
Agents' Fees & Disbs		2,350.00	2,350.00
Toyota Hire Purchase		2,905 26	2,905 26
Stationery & Postage		361.70	361 70
VAT Receivable		2,072.27	2,072 27
		<u>15,560.39</u>	<u>15,560 39</u>
BALANCE - 27 July 2013			<u><u>78,567.39</u></u>

Portford Homes Limited - in Administration

Summary of Time Charged and Rates Applicable for the Period From 28 January 2013 to 16 August 2013

Description	Partner		Manager		Assistant Manager		Senior/Administrator		Grand total		Avg rate
	Hours	Total (£)	Hours	Total (£)	Hours	Total (£)	Hours	Total (£)	Hours	Total (£)	Total (£)
B. Steps on Appointment	-	-	8 50	2,066 50	1 95	360 75	35 50	6,008 75	45 95	8,436 00	183 59
C. Planning and Strategy	2 00	742 00	0 75	221 25	-	-	-	-	2 75	963 25	350 27
D General Administration	0 75	345 75	1 25	267 25	0 75	137 75	35 90	5,623 65	38 65	6,374 40	164 93
E. Assets Realisation/Dealing	5 25	1,947 75	31 40	7,226 75	1 00	167 40	32 00	5,420 25	69 65	14,762 15	211 95
G Employee Matters	-	-	1 10	216 70	-	-	1 50	255 00	2 60	471 70	181 42
H. Creditor Claims	-	-	-	-	1 30	209 70	12 00	2,040 00	13 30	2,249 70	169 15
I. Reporting	4 00	1,484 00	9 00	2,086 00	0 10	18 50	5 00	860 00	18 10	4,448 50	245 77
	12.00	4,519.50	52 00	12,084.45	5.10	894 10	121 90	20,207 65	191.00	37,705.70	197 41
								Other Disbursements		301 12	
								Billed to date		-	
								Grand Total		<u>38,006 82</u>	

Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Administrators' fees and expenses:-

Rule 2.48A Creditors' request for further information

- (1) If—
- (a) within 21 days of receipt of a progress report under Rule 2.47—
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor, makes a request in writing to the administrator for further information about remuneration or expenses (other than pre administration costs) set out in a statement required by Rule 2.47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)
- (2) The administrator complies with this paragraph by either—
- (a) providing all of the information asked for, or
 - (b) so far as the administrator considers that—
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—
- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),
- and the court may make such order as it thinks just
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2.109(1B) by such further period as the court thinks just

Rule 2.109 Creditors' claim that remuneration is or other expenses are excessive

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that—
- (a) the remuneration charged by the administrator,
 - (b) the basis fixed for the administrator's remuneration under Rule 2.106, or
 - (c) expenses incurred by the administrator,
- is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 2.48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Administrators' fees and expenses (continued):-

Rule 2.109 (continued)

(3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

(a) an order reducing the amount of remuneration which the administrator was entitled to charge,

(b) an order fixing the basis of remuneration at a reduced rate or amount,

(c) an order changing the basis of remuneration,

(d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration,

(e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration