

The Insolvency Act 1986

Administrator's progress report

Name of Company

Portford Homes Limited

Company number

01627774

In the

Leeds District Registry, High Court of Justice

[full name of court]

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

(b)

28 January 2014

to

(b)

9 July 2014

Signed



Joint Administrator(s)

Dated

9.7.2014

Contact details:

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

BDO LLP, 1 Bridgewater Place, Water lane,

Leeds, LS11 5RU

Our Ref 014829/SB/00183653/A6

Tel 0113 244 3839

DX Number

DX Exchange



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17/07/2014

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COMPANIES HOUSE

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

THURSDAY

Portford Homes Limited
(In Administration)

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 28/01/2013 To 09/07/2014 £	From 28/01/2013 To 09/07/2014 £
RECEIPTS			
Freehold Land & Property		129,000.00	129,000.00
Search Fees		372.45	372.45
Leasehold Property	45,000.00	0.00	0.00
Motor Vehicles		11,000.00	11,000.00
Freehold Land & Property		71,000.00	71,000.00
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		270.34	270.34
The Sidings - Late payment costs		5,520.00	5,520.00
Interest on late payment		507.70	507.70
VAT Payable		2,200.00	2,200.00
VAT Control Account		3,163.03	3,163.03
		<u>226,783.52</u>	<u>226,783.52</u>
PAYMENTS			
Administrators' Fees		8,000.00	8,000.00
Legal Fees		7,456.17	7,456.17
Legal Disbursements		414.99	414.99
Agents' Fees & Disbs		3,343.26	3,343.26
Fixed Charge Creditor		108,000.00	108,000.00
Toyota Hire Purchase		4,456.89	4,456.89
The Sidings - Rent and Service Charge Ap		794.18	794.18
Administrators' Fees		30,000.00	30,000.00
Administrators' Disbursements		834.12	834.12
Agents' Fees		5,900.00	5,900.00
Agents' Disbs		79.50	79.50
Legal Fees & Disbs		15,531.50	15,531.50
Legal Fees & Disbs		550.25	550.25
Stationery & Postage		531.50	531.50
Re-direction of Mail		120.00	120.00
Sundry Expenses		120.00	120.00
Insurance		15,147.89	15,147.89
Preferential Creditors		1,660.55	1,660.55
VAT Receivable		14,406.95	14,406.95
		<u>217,347.75</u>	<u>217,347.75</u>
BALANCE - 09 July 2014			<u><u>9,435.77</u></u>



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Bridgewater Place
Water Lane
Leeds
LS11 5RU

Private and Confidential

TO ALL KNOWN CREDITORS

9 July 2014

Our ref KB/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 over seventeen months since our appointment in respect of the Company

Following the Court extending the Administration for a period of six months (to 27 January 2015) and 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 Joint Administrators carry out their functions jointly and severally and either Administrator has exclusive power to exercise any function.
- 1.4 The Joint 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's 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 £9,436, together with a copy of our abstract account covering the period from 28 January 2014 to the date of this report.



2 Receipts

- 2.1 With the exception of nominal bank interest, there have been no further receipts since our previous report dated 31 January 2014

Residential Properties at Spenmill Grange, Cleckheaton

- 2.2 The sale of the two residential properties completed in July 2013 for total consideration of £325,000. The sale proceeds were deposited directly with the Bank.
- 2.3 The 12% of net realisations due to the Company, equating to £39,000, have been retained by the Bank under its fixed charge security. This is reflected in the receipts and payments account attached

Other Land and Buildings

- 2.4 As previously reported, a number of small parcels of land were identified as being owned by the Company following a review of Land Registry records. Our agent, Eddisons Commercial Limited ("Eddisons"), has confirmed these are likely to have no realisable value
- 2.5 Eddisons has also confirmed that the costs that would be incurred in selling the Company's beneficial interest in a residential property in Mirfield, West Yorkshire, are likely to exceed any realisable value.
- 2.6 We anticipate this will be clarified imminently. Should there be no realisable value in these assets, they will be deemed 'bona vacantia' and will pass to the Crown once the Company is ultimately dissolved

3 Costs in the Administration

- 3.1 Squire Sanders (UK) LLP ("Squires") has provided legal advice during the Administration. Squires has been paid £22,988 plus VAT and £965 plus VAT in respect of fees and disbursements respectively.
- 3.2 Eddisons has been paid £9,243 plus VAT and £80 plus VAT in respect of fees and disbursements respectively, incurred in undertaking valuation reports and selling assets

4 Extension and Future of the Administration

- 4.1 The Administrators' proposals were deemed to be 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.
- 4.2 Under the provisions of Schedule B1 to the Insolvency Act 1986, the Administration would have automatically ended on 27 January 2014, being twelve months from commencement.

4 3 Pursuant to Paragraph 76(2)(b) of Schedule B1 to the Insolvency Act 1986, the Bank in its capacity as secured creditor approved an extension of the Administration, for a period of six months until 27 July 2014.

4 4 It was previously anticipated that the Company would move from Administration to Creditors' Voluntary Liquidation pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986. This course of action can only be undertaken if a distribution to unsecured creditors is anticipated.

4 5 Despite previous expectations, insufficient assets have been realised to enable a distribution to unsecured creditors via the Prescribed Part.

4 6 Pursuant to Paragraph 76 of Schedule B1 to the Insolvency Act 1986, an application was made to Court to extend the Administration for a period of six months to 27 January 2015 to enable the following matters to be concluded.

- Property related matters. This includes clarification as to whether there is any realisable value in the Other Land and Buildings detailed in section 2 of this report,
- Seeking confirmation as to whether Mr Duffy (director of the Company) still wishes to acquire the Portford business name, domain name and other intellectual property. The sale of these assets would then be concluded;
- Payment of insurance and other property holding costs;
- Payment of a final distribution to the Bank, under its fixed charge security;
- Payment of professional fees and disbursements; and
- Submission of final tax and VAT returns once all matters in the Administration have been completed.

4 7 The Court subsequently ordered that the Administration be extended to 27 January 2015.

4 8 The Administration will ultimately be exited via dissolution pursuant to Paragraph 84 of Schedule B1 to the Insolvency Act 1986.

5 Prospects for Creditors

Secured Creditors

5.1 The Bank has two debentures dated 11 December 2002 and 17 March 2004, providing fixed and floating charge security over the Company's assets. The Bank also held additional legal charges over specific land and buildings.

5 2 The debt owed to the Bank is £4.4m. The Bank has a corporate guarantee in place with the Company, HCE, HPH and HR in respect of its lending.

5 3 To date, distributions to the Bank total £108,000 in respect of its fixed charge security. The Bank will suffer a significant shortfall under its fixed and floating charge security.

Preferential Creditors

- 5 4 Preferential claims totalling £1,660 have been paid in full in respect of unpaid employee wages and holiday pay claims

Non-Preferential Creditors

- 5 5 Non-preferential creditor claims received to date total £92,313.
- 5 6 There will be no distribution to non-preferential creditors.

6 Administrators' Remuneration

- 6.1 The Bank, in its capacity as secured creditor, has approved the basis of the Joint Administrators' fees. To date we have accrued time costs totalling £78,441. This equates to 385 hours at an average of £204 per hour. Joint Administrators' fees drawn to date total £38,000
- 6 2 We attach a schedule which summarises the time costs accrued to date and indicates the work undertaken

7 Disbursements

- 7 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 drawn disbursements totalling £834 plus VAT, as follows:

	£
Insurance	530
Statutory Bonding	210
Statutory Advertising	91
Land Registry Search	<u>3</u>
Total	834

- 7.2 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. These are known as category 2 disbursements
- 7.3 Vehicle mileage has been reclassified from a category 1 disbursement to a category 2 disbursement. No costs have been incurred 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.

9 July 2014

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

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

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

Portford Homes Limited - In Administration

Summary of Time Charged and Rates Applicable for the Period From 28 January 2013 to 9 July 2014

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR/ADMINISTRATOR		GRAND TOTALS		AV RT
	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	
B Steps on Appointment											
02 Statutory Documentation			1.50	442.50					18.70	3,186.50	170.40
04 Meet Directors/Options			7.00	1,624.00					1.50	442.50	295.00
07 Attendance at Premises									8.00	1,794.00	224.25
09 Preparation of Proposals									19.50	3,315.00	
12 Setting Up Internal Files									0.50	85.00	170.00
B Steps on Appointment Total			8.50	2,066.50	1.95	360.75	37.75	6,356.75	48.20	8,623.00	183.05
C Planning and Strategy											
07 Strategy Planning	6.00	2,596.00	1.00	289.00			0.50	88.00	7.50	2,961.00	394.80
C Planning and Strategy	6.00	2,596.00	1.00	289.00			0.50	88.00	7.50	2,961.00	394.80
D General Administration											
01 Insurance Matters			1.25	292.00			13.25	2,272.00	14.50	2,564.00	176.83
02 VAT							3.95	612.25	3.95	612.25	155.00
03 Taxation							0.25	43.00	0.25	43.00	172.00
06 Conduct Reports			0.50	106.75			0.20	31.00	0.20	106.75	213.50
07 Receipts/Payments Account							1.75	298.00	0.20	31.00	155.00
13 General Meetings							0.75	129.00	1.75	298.00	170.25
14 General Discussions			1.95	482.75	1.25	229.25	70.25	11,134.30	74.20	12,192.05	172.00
15 General Admin/Correspondence	0.75	345.75	0.25	50.75	1.55	283.65	5.50	942.00	7.30	1,216.40	164.31
18 Maintain Internal Files					2.80	512.90	95.90	15,481.55	103.40	17,252.45	174.85
D General Administration Total	0.75	345.75	3.95	932.25	2.80	512.90	95.90	15,481.55	103.40	17,252.45	164.85
E Assets Realisation/Dealing											
01 Establishing Control			0.50	147.50					0.50	147.50	285.00
02 Evaluation/Reconciliation	3.25	1,205.75							3.25	1,205.75	
03 Asset Tracing	2.00	742.00	1.00	295.00			17.75	3,017.50	3.00	1,031.00	345.67
04 Agent Instruction/Liaison			39.35	9,394.10	1.50	258.90	34.50	9,358.25	99.35	20,772.25	207.14
06 Property Related Matters	3.00	1,383.00					1.00	172.00	1.00	172.00	172.00
07 Debt Collection			12.05	2,843.30			5.25	892.50	13.05	3,029.30	231.44
08 Selling With Other Assets							0.40	118.00	0.40	118.00	170.00
10 Upgrading Matters			0.10	27.10					0.10	27.10	295.00
11 Sale of Furniture/Assets									0.10	118.00	271.00
99 Other Matters											
E Assets Realisation/Dealing Total	8.25	3,330.75	53.40	12,830.00	1.50	258.90	78.60	13,580.25	142.65	30,009.90	210.37
G Employee Matters											
02 Dealing with Employees			1.10	216.70			1.50	255.00	1.50	255.00	170.00
99 Other Matters									1.10	216.70	187.00
G Employee Matters Total			1.10	216.70			1.50	255.00	2.60	471.70	181.42
H Creditor Claims											
04 Non-Preferential Creditors					1.30	209.70	13.00	2,212.00	14.30	2,421.70	169.35
H Creditor Claims Total					1.30	209.70	13.00	2,212.00	14.30	2,421.70	189.35
I Reporting											
01 Statutory Reporting			0.50	101.50	0.50	91.50	9.00	1,548.00	1.00	193.00	193.00
02 Reporting to Appointor	4.00	1,664.00					13.00	2,236.00	13.00	3,212.00	247.08
04 Reporting to Creditors	6.00	2,386.00	14.00	3,316.00	0.10	18.50	13.00	2,236.00	33.10	6,198.50	364.45
05 Reporting to Court	2.25	1,037.25	7.25	1,889.75	0.20	36.60	1.75	301.00	2.75	782.60	304.53
06 Reporting to other Bodies	1.00	461.00					23.75	4,095.00	23.75	4,095.00	277.09
I Reporting Total	13.25	5,744.25	21.75	6,309.25	0.80	146.60	23.75	4,095.00	39.55	15,289.10	244.74
J Distribution and Closure											
01 Closure Planning					0.75	137.25	6.25	1,075.00	6.25	1,075.00	172.00
02 Distributions					0.75	137.25	6.25	1,075.00	0.75	137.25	183.00
J Distribution and Closure					0.75	137.25	6.25	1,075.00	7.00	1,212.25	173.18
Grand Total	28.25	12,010.75	88.70	21,643.70	9.10	1,628.10	258.15	43,160.55	386.20	78,441.10	203.64



Portford Homes Limited - In Administration

In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my 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

GRADE £

Partner1	461
Director	319
Senior Manager	271
Manager	230
Assistant Manager	183
Senior Executive	172
Executive	155
Cashier	155
Trainee	63
Support staff/Secretary	63

The rates charged by BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU are reviewed in December and July each year and are adjusted to take account of inflation and the firm's overheads.

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 Units of time can be as small as 3 minutes BDO LLP records work in respect of insolvency work under the following categories:-

- Pre Appointment
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

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 costs basis a periodic report 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



1) Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.

2) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred

3) Category 2

Insolvency practice additionally provides for the recharge of expenses such as postage, stationery, photocopying charges, telephone, fax and other electronic communications, which cannot be economically recorded in respect of each specific case. Such expenses, which are apportioned to cases, must be approved by the creditors in accordance with the Insolvency Rules 1986, before they can be drawn, and these are known as category 2 disbursements. The current policy of BDO LLP is not to charge for category 2 disbursements.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.