

Liquidator's Progress Report**S. 192****Pursuant to sections 92A and 104A of the
Insolvency Act 1986**

To the Registrar of Companies

Company Number

03131133

Name of Company

(a) Insert full name
of company

(a) Cheval Property Finance PLC

(b) Insert full
name(s) and
address(es)

We (b) Malcolm Fillmore and Ms Ranjit Bajon
Atherton Bailey LLP
Arundel House
1 Amberley Court
Whitworth Road
Crawley
West Sussex
RH11 7XL

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

The Progress Report covers the period from 8 February 2013 to 7 February 2014



Signed

Malcolm P Fillmore

Date 10 March 2014

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

BM Advisory
Arundel House
1 Amberley Court
Whitworth Road
Crawley
West Sussex
RH11 7XL

TUESDAY



A17

A33GPTSQ
11/03/2014
COMPANIES HOUSE

#148

CHEVAL PROPERTY FINANCE PLC (In Liquidation) ("The Company")
Former Trading address of company – Merdien House, 69 – 71 Clarendon Road, Watford, WD17 1DS

Liquidators' Progress Report for the period 8 February 2013 to 7 February 2014
(Pursuant to Section 104A of The Insolvency Act 1986 & Rule 4.49C of the Insolvency Rules 1986)

1. Introduction

1.1 On 31 January 2011, Rob Hunt and Karen Dukes, of PWC were appointed Joint Administrators to the Company. The liquidation was the exit route from the Administration and on 8 February 2012, Malcolm Fillmore and Ms Ranjit Bajon were appointed Joint Liquidators of the Company. This is our second report on the progress of this Liquidation.

1.2 The Company was the non trading holding company for six subsidiary companies that operated as lenders of short term bridging finance for the residential and property development markets. The Company provided head office functions for its subsidiaries.

The Company was funded by a loan of £16.8m from Volkomen Financiering BV which was secured by fixed and floating charges. The Company had also granted a second charge to Clydesdale Bank Plc in respect of a loan swap for £25m.

In 2010 PWC were instructed to carry out a business review to assist Volkomen determine its strategy with regards to its lending. In January 2011 Volkomen made formal demand for repayment of its outstanding loan and as a result the Company entered into Administration. An offer of £16.5m was accepted for the assets of the Company from Checked Limited and Flexinet Limited and funded by Volkomen. This was concluded by the Joint Administrators on 2 February 2011.

1.3 Attached as Appendix 1 are certain formal and statutory details which we are required to disclose and which include details relating to our remuneration as Liquidators, further details of which are given in Appendices 2 and 3. Appendix 4 is a summary of our receipts and payments for the period to 7 February 2013 as well as to the date of this report.

2. Assets realised

2.1 The Principal asset at the date of liquidation, as shown in the Joint Administrators final progress report was funds available for distribution to the non preferential creditors under s176A of The Insolvency Act 1986. The Joint Administrators transferred the balance of £341,363 to us on 24 February 2012.

2.2 Since our previous report to creditors we have additionally realised cash at bank totalling £2,835, a bank charges refund of £366 from Natwest Bank and a further £744 held by the Company's solicitor in their client account. We anticipate receiving a small dividend payment from the bankruptcy estate of an individual in the near future.

2.3 Prior to our appointment the major shareholder of the Company had expressed concern over some of the transactions. We carried out a review of these transactions but have not been able to establish any matters which could give rise to recoveries.

2.4 There are, however, some issues arising from the wording of the sale agreement which are being reviewed.

2.5 We are seeking legal advice concerning the claims of some of the creditors which were "held over" when the first dividend was declared and once this has been done we will determine what further action needs to be taken and whether we can take steps to finalise the liquidation.

3. Assets remaining to be realised

3.1 As at the date of this report we are due a dividend payment from the estate of a bankrupt.

4. Creditor claims and forecast Outcome

4.1 Creditor claims estimated in the Directors' estimated Statement of Affairs presented to the Joint Administrators amounted to £5.3m, to date £10.7m claims have been received. Under the terms of the sale agreement the purchasers agreed to discharge the claims of various creditors. Some of these creditors have claimed in the liquidation and we are seeking clarification from the purchasers.

4.2 It was anticipated by the Joint Administrators that Volkomen would suffer a shortfall of approximately £300,000 on their lending. The amount owed to Clydesdale was settled by Volkomen and Clydesdale has released their charge.

4 3 There are no preferential creditors of the Company as all contracts of employment were transferred to Checked Limited on completion of the sale

4 4 The Joint Administrators have transferred the sum of £341,636 which relates to the prescribed part A dividend of 3p in the £ was declared and paid on 20 August 2012 on the agreed claims of creditors Claims totalling £2.8m have been held over subject to further verification

5 Liquidators' Investigations

5 1 We were made aware of concerns raised by the major shareholder regarding transactions entered into by the Company relating to the repayment of a loan by a former director We have reviewed the Company's records and have corresponded with the director Based on the evidence made available, we have not been able to identify any available claims

5 2 The wording of the Sale Agreement of Checked Limited and Flexinet Limited remains under review, since certain anomalies have been noted and the consequences need to be considered

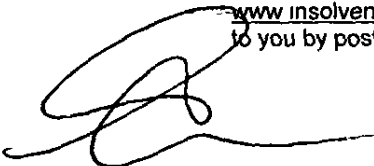
5 3 As required by SIP2, I have invited creditors to provide the liquidators with information they may have on any concern regarding the way in which the company's business has been conducted, or on potential recoveries for the liquidation estate We have also considered the conduct of those who have been directors of the company (whether formally appointed as directors or not) at any time within the three years preceding the date of the resolution to wind-up the company We would advise you that no further investigations or actions are to be continued with, however if there are any matters you have not yet drawn to our attention, please could you do so as soon as possible

6 Liquidators' Costs and Remuneration

6 1 At the creditors' meeting held on 3 April 2012, the basis of the Liquidators' remuneration was agreed to be by reference to the time properly given by the Liquidators and their staff Under the provisions of The Insolvency Act 1986 where the funds transferred to the liquidation relate solely to the prescribed part we are only entitled to draw remuneration when dealing with the matters relating to the prescribed part

The total time costs recorded both since our appointment and for the period of the report are attached as Appendices 2 and 3 respectively and are in the format prescribed by R3 (The Association of Business Recovery Professionals) The creditors also approved including category 2 disbursements

A Creditor's guide to Liquidator's Fees can be located in SIP 9 (Statement of Insolvency Practice) which can be accessed through the website of the Insolvency Practitioners Association, www.insolvency-practitioners.org.uk Alternatively please contact this office for a copy to be sent to you by post



Malcolm Fillmore
Joint Liquidator of Cheval Property Finance Plc
Dated 10 March 2014

CHEVAL PROPERTY FINANCE PLC (In Liquidation)
APPENDIX 1

STATUTORY AND FORMAL INFORMATION AND DISCLOSURES

Company Details:

Registered Office Arundel House, Amberley Court, Whitworth Road, Crawley, RH11 7XL

Registered Number 03131133

Any former name in 12 months prior to Liquidation None

Trading address Mendien House, 69 – 71 Clarendon Road, Watford, WD17 1DS

Liquidation Details:

Malcolm Peter Fillmore and Ms Ranjit Bajon, Arundel House, 1 Amberley Court, Whitworth Road, Crawley RH11 7XL were appointed on 8 February 2012

The appointment was made pursuant to schedule B1 of the Insolvency Act 1986

The Liquidators act jointly and severally in all matters relating to the Liquidation

There have been no changes in the office holders since the date of Liquidation

Liquidators' Remuneration

At the creditors meeting held on 4 April 2012 creditors approved the basis of the Liquidators' remuneration to be by reference to the time properly given by the liquidators and their staff in attending to matters arising in the winding up pursuant to Rule 4.127 of The Insolvency Rules 1986. The hourly rates of staff and partners involved in this case were increased from 1 March 2014. BM Advisory's statement of policy on fees for the period up to 28 February 2014 and from 1 March 2014 is attached

The creditors also approved Category 2 disbursements to be paid to the liquidators at the rate of 25p per letter, 15p per photocopy and 45p per mile plus 5p for additional persons travelling in the same car

Company searches at the rate of £1 per search

Checks in relation to money laundering regulations, at the rate of £1 per enquiry

The expenses paid during the period of this report are shown on the attached Receipts and Payments Account, and are as follows

Printing, Copying & Postage £9.94

Pursuant to Rule 4.49E of The Insolvency Rules 1986, members and creditors are advised that within 21 days of receipt of a progress report you may request the Liquidators to provide further information about the remuneration and expenses set out in the report. Any request must be in writing, and made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of all unsecured creditors (including himself) or the permission of the court upon an application made within the 21 day period

Pursuant to Rule 4.131 of The Insolvency Rules 1986, any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including himself) or the permission of the court, may apply to the court to challenge the liquidator's remuneration and expenses

CHEVAL PROPERTY FINANCE PLC
[IN LIQUIDATION]

JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD 8 FEBRUARY 2012 TO 10 MARCH 2014

As shown in
Directors' S of A

RECEIPTS

Funds transferred from Joint Administrators	£	341,363 28
Cash at Bank		2,835 02
Bank Interest Received Gross		742 31
Bank charges refund		366 80
Funds held by Solicitor		1 448 85
		<u>346 756 26</u>

PAYMENTS

Bonding	£	614 40
Corporation Tax		95 96
Travel & Subsistence		52 33
Company Searches		72 00
Stationery & Postage		191 08
Storage Costs		186 12
Statutory Advertising		183 60
CHAPS Fee		24 00
		<u>1 419 49</u>

DISTRIBUTIONS

Unsecured Distributions, 3p in the £ paid on 20 August 2012	£	238,209 99
£238,209 99 paid to unsecured creditors by virtue of the application of section 176A		

Balance in insolvent estate account as at 10 March 2014 (interest bearing account)	£	<u>107,126 78</u>
---	---	-------------------

Transactions are shown gross of VAT as the company is not VAT registered

A comparison between the statement affairs and actual realisations have not been given as the statement of affairs was prepared by the directors in the administration and all assets were realised in the administration. Creditors should refer to the Joint Administrators' final progress report for a comparison.

FOR THE PERIOD FROM 8 FEBRUARY 2013
TO 7 FEBRUARY 2014

Brought forward	£	103,940 48
		2935.02
		328.07
		366 8
		774
		<u>108,244 35</u>
		614.40
		95.96
		52.33
		72.00
		191.08
		186.12
		183.60
		24.00
		<u>1 117 57</u>

£107,126 78

Atherton Bailey**TIME & CHARGEOUT SUMMARIES**Cheval Property Finance Plc
CVL**HOURS**

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	13 18	0 00	48 88	75 87	137 93	24,931 98	180 75
Investigations	1 37	0 00	14 38	3 07	18 82	4,249 82	225 85
Realisation of Assets	0 00	0 00	4 20	2 57	6 77	1,342 82	198 45
Creditors	2 07	0 00	19 38	15 57	37 02	7,312 54	197 55
Litigation	0 00	0 00	0 88	0 00	0 88	209 35	236 98
Rec & Pay	0 00	0 00	0 00	7 72	7 72	732 00	94 88
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	4,773 01	0 00	20,779 41	13,226 09		38,778 51	
Total Hours	16 62	0 00	87 73	104 78	209 13		
Average Rate	287 24	0 00	236 85	126 23			

Cheval Property Finance PLC - In Liquidation
Joint Liquidators' Time Costs
For the Period
6 August 2013 to 28 February 2014

Classification of Work	Hours by Staff Grade				Grand Total	Total Cost £	Average Hourly Rate £
	Work Analysis	Partner	Manager	Cashier			
Administration and Planning	Admin & Planning	0.10	7.57	0.00	7.67	1,846.30	240.72
	Case Accounting	0.00	0.00	3.50	3.50	315.00	90.00
	Partner Review	0.70	0.00	0.00	0.70	206.50	295.00
Asset Realisation	Asset Realisation	0.00	0.84	0.00	0.84	201.60	240.00
Creditors	Unsecured Creditors	0.00	2.79	0.00	2.79	669.60	240.00
Investigation	Investigatory Work	0.20	0.00	0.00	0.20	59.00	295.00
Grand Total		1.00	11.20	3.50	15.70	3,298.00	210.06

Appendix X