

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

Cheval Property Finance PLC

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

I (b) Malcolm Fillmore
BM Advisory
Arundel House
1 Amberley Court
Whitworth Road
Crawley RH11 7XL

the liquidator of the company attach a copy of my Progress Report under section
192 of the Insolvency Act 1986

The Progress Report covers the period from 8 February 2015 to 7 February 2016



Signed

Malcolm Fillmore

Date 24 March 2016

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

Malcolm Fillmore
BM Advisory
Arundel House
1 Amberley Court
Whitworth Road
Crawley RH11 7XL

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COMPANIES HOUSE

**CHEVAL PROPERTY FINANCE PLC – IN CREDITORS' VOLUNTARY LIQUIDATION
LIQUIDATOR'S PROGRESS REPORT TO MEMBERS AND CREDITORS DATED 24 MARCH 2016**

STATUTORY INFORMATION

Company name	Cheval Property Finance PLC
Registered office:	Arundel House, 1 Amberley Court, Whitworth Road, Crawley, West Sussex, RH11 7XL
Former registered office	Meridien House, 69 – 71 Clarendon Road, Watford, WD17 1DS
Former trading address	Meridien House, 69 – 71 Clarendon Road, Watford, WD17 1DS
Registered number.	03131133
Liquidator's name	Malcolm Fillmore
Liquidator's address	Arundel House, 1 Amberley Court, Whitworth Road, Crawley RH11 7XL
Liquidators' date of appointment	8 February 2012

Malcolm Fillmore and Ms Ranjit Bajon were appointed Joint Liquidators on 8 February 2012. The Liquidators acted jointly and severally in all matters relating to the Liquidation until 10 December 2014. Ms Ranjit Bajon retired with effect from 10 December 2014 and Mr Fillmore continues as sole liquidator.

This report should be read in conjunction with previous reports dated 12 February 2013 and 10 March 2014 and 11 March 2015. Copies of which are available on request. Further information can also be found at www.creditorinsolvencyguide.co.uk which is designed to provide creditors with a step by step guide to the insolvency process.

CONDUCT OF LIQUIDATION

I was appointed as Liquidator of Cheval Property Finance PLC ("the Company") along with Ms Ranjit Bajon on 8 February 2012.

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

The Company was principally funded by a loan of £16.8m from Volkomen Financiering BV ("Volkomen") 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 relating to one of the subsidiary companies.

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 partners in PWC were appointed Administrators on 31 January 2011. On 2 February 2011, the Administrators concluded a sale of certain assets of the Company to Checked Limited and Flexinet Limited for £16.5m and this transaction was funded by Volkomen.

A creditors' voluntary liquidation was the agreed exit route from the Administration to facilitate an investigation of the circumstances surrounding the insolvency and to distribute the funds subject to the prescribed part.

In March 2014, the Court Funds Office ("CFO") contacted the Company to advise it was still holding £21,891 in

respect of a claim made by the Company against a borrower dating back to 2001. The Liquidators instructed Oliver Bebb Solicitors to assist them and to ascertain if these funds should be released back to the Company. An application was made to the Court which ultimately on 14 January 2015 made an order that the funds should be returned to the Company, although it was not until 8 September 2015 that I finally received £22,016 from the Court Finance Office.

In August 2015, I was contacted by Martin Chesler a director of Checked Limited ("Checked") requesting my assistance in realising a debt due from Tourmaline Properties Limited ("Tourmaline") which he said that Checked had acquired under the sale and purchase agreement of 1 February 2011. Mr Chesler advised that in order to realise this debt, a charge over 1 Letcombe Street Reading ("the Property") owned by Tourmaline remained in the name of the Company and had to be released.

In reviewing the position, I established that this debt was not amongst the assets purchased by Checked. It had not been disclosed by the Joint Administrators in handing over the Company to the Liquidators and neither was it apparent from the books and records made available to the Liquidators.

Checked subsequently agreed that they had, in fact, not acquired this debt and I therefore took over the negotiation of its realisation. The debt owed to the Company by Tourmaline was in respect of a loan note totalling £1.1 million plus interest supported by a second charge. Following the onward sale of the Property, a settlement figure of £342,110 was received from Tourmaline on 30 November 2015.

I have since sought to establish if there are any further undisclosed assets of the Company and have been assured by Checked and from such enquiries as I have been able to make of former officers of the Company that no further assets are known.

As regards the funds now in my possession, I have instructed solicitors to liaise with Volkomen to determine whether they are subject to Volkomen's fixed or floating charge or are available for distribution to the unsecured creditors.

RECEIPTS AND PAYMENTS ACCOUNT

A receipts & payments account for the period from 8 February 2015 to 7 February 2016 and the whole period of the Liquidation, is attached as **Appendix I** and shows a balance on hand of £428,747.

Estate funds were banked into a designated clients' account at a UK bank and accordingly there is no account held by the Secretary of State to reconcile the attached account.

ASSETS

Funds held by Joint Administrators

The Joint Administrators transferred the balance of £341,363 (being the Prescribed Part) to the Liquidation bank account on 24 February 2012.

Cash balances

I have realised cash at bank of £2,835 from Clydesdale Bank PLC and a bank charges refund of £366 from Natwest Bank. I have received a further £1,448 held by the Company's solicitor in their client account.

I have received the £22,016 from funds held by the Court as referred to above.

Book debts

I recovered £2,500 in respect of bankruptcy petition costs paid by the Company prior to the Administration and a dividend payment from the bankruptcy estate of £1,410.

As discussed above, I have received £342,110 from Tourmaline in respect of monies owed to the Company.

Other debtors

I am continuing to review transactions which might lead to a recovery of inter-group debtor balances

LIABILITIES

Secured creditors

An examination of the Company's mortgage register held by the Registrar of Companies showed that the Company had granted fixed and floating charges to both Clydesdale Bank PLC and Volkomen. It is understood that there is no debt outstanding to Clydesdale. The sale and purchase agreement entered into by the Joint Administrators envisaged a residual secured debt owed to Volkomen of approximately £300,000 but I am seeking to ascertain the correct position.

Preferential creditors

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

Unsecured Creditors – trade and expense creditors

Creditor claims estimated in the Directors' estimated Statement of Affairs presented to the Joint Administrators amounted to £5,300,000, to date £10,782,682 claims have been received. Under the terms of the sale agreement the purchasers agreed to discharge the claims of certain creditors. Some of these creditors have claimed in the liquidation, I am adjudicating on these claims.

Unsecured creditors – Crown creditors

The director's statement of affairs did not list any amounts owed to HMRC and I have received no claims from HMRC.

DIVIDEND PROSPECTS

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 £2,788,350 have been held over subject to further verification.

The future dividend prospects of the unsecured creditors are dependent on the outcome of the review of the Volkomen position.

PRESCRIBED PART

The Prescribed Part Fund is created out of the Company's net floating charge property pursuant to Section 176A of the Act, as long as the floating charge was registered later than 15 September 2003.

As previously advised, the Company gave a floating charge to Volkomen on 7 March 2005 and the prescribed part provisions applied. Based on realisations to date, I estimate that the prescribed part of the net property for unsecured creditors is £373,494. However, these estimates do not take into account the future costs of the liquidation which will reduce the Company's net property.

JOINT LIQUIDATORS' INVESTIGATIONS

Under the insolvency legislation, the Liquidators have a duty to consider the conduct of those persons who have been directors of the Company, shadow directors or de facto directors at any time within three years preceding the liquidation and consider whether any civil proceedings should be taken.

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset

recoveries or conduct matters that justified further investigation, taking into account public interest and the potential recoveries and costs involved I concluded that there were no matters that justified further investigation

Within six months of my appointment as Liquidator, I was required to submit a confidential report to the Secretary of State to include any matters which came to my attention during the course of my work, which may have indicated that the conduct of any past or present director would make them unfit to be concerned with the management of the Company I confirm that my report was submitted

PRE-APPOINTMENT REMUNERATION

The liquidation was the agreed exit route from administration and as such there are no time costs associated with the pre-appointment period.

JOINT LIQUIDATORS' REMUNERATION

At a meeting of creditors on 4 April 2012, it was agreed that the Joint Liquidators be remunerated by reference to time properly spent by them and their staff in attending to matters arising from the Liquidation of the Company.

During this reporting period, a total of 72.40 hours have been spent during the period 8 February 2015 to 7 February 2016 at a cost of £18,658, resulting in an average hourly charge out rate of £257.71 A schedule of my time costs for this reporting period, as well as for the whole period of the Liquidation, is attached as **Appendix II** and **Appendix III**, together with details of my firm's charge out rates, disbursement rates and an explanation of how fees are calculated.

I have drawn remuneration totalling £37,034 in this matter to date.

A description of the routine work undertaken in the Liquidation to date is as follows

Administration and Planning

- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on IPS
- Review and storage
- Case bordereau.
- Case planning and administration
- Preparing reports to members and creditors

Cashiering

- Maintaining and managing the Liquidator's cashbook and bank account
- Ensuring statutory lodgements and tax lodgement obligations are met

Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining creditor information on IPS.
- Reviewing and adjudicating on proofs of debt received from creditors

Realisation of Assets

- Corresponding with solicitor and Court in respect of funds held at Court
- Liaising with trustee in bankruptcy re petition costs and dividend payments
- Negotiations with Checked in respect of monies owed by Tourmaline
- Instructing solicitors to advise on monies owed by Tourmaline.
- Locating documents and information regarding the debt and reviewing deductions schedules submitted by Tourmaline

A copy of 'A Guide to Liquidators' Fees' can be located on the following website which provides information relating to Liquidators' remuneration www.r3.org.uk/index.cfm?page=1591. A hard copy is available on request

JOINT LIQUIDATORS' DISBURSEMENTS

Creditors approved payment of my Category 2 disbursements at the creditors meeting held on 4 April 2012 and are as detailed in my firm's policy on fees. Category 1 disbursements do not need approval and can be drawn at the Liquidators discretion without authority.

During this reporting period, I have incurred disbursements of £36.23. I have drawn disbursements totalling £36.23 during this reporting period. Details of disbursements already paid are reflected within my Receipts and Payments account.

Below is a break down of disbursements incurred:

	£	
Postage and Printing	24 07	Category 1 & 2
Storage of records	12 16	
Total	36.23	

The following agents or professional advisors were utilised in this Liquidation and details of the payments made to them are reported in my receipts and payments account.

Professional	Nature of work	Fee arrangement
Fletcher Day	Legal advice	Time costs

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

A secured creditor, or unsecured creditor with the permission of the Court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), may request further details of the liquidators' remuneration and expenses, within 21 days of receipt of this report.

A secured creditor, or unsecured creditor with the permission of the Court or with the concurrence of 10% in value of the creditors (including the creditor in question), may apply to Court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report.

COMPLAINTS PROCEDURE

BM Advisory strives to provide a first class service to all of its clients and we are committed to a process of continuous improvement. As such should you have any comments or complaints regarding this matter you should contact me in the first place at the address on the front of this letter.

Should you consider that we have not dealt with your comments appropriately you may request we perform an internal independent review of your complaint. This review would be undertaken by a person within BM Advisory not involved in the assignment and would be co-ordinated by the Complaints Partner, Paul Ashton, who is contactable at this office.

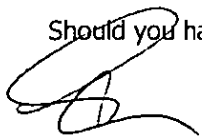
If you do not receive a satisfactory response then you may be able to make a complaint to my regulatory body, via the complaints Gateway operated by the Insolvency Service. The contact details for the Gateway are by email ip.complaints@insolvency.gsi.gov.uk, by phone 0845 602 9848 (call charges apply) or by post: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA. To make an online submission or for further information please visit <https://www.gov.uk/complain-about-insolvency-practitioner>

SUMMARY

I shall report again on the next anniversary of my appointment, or the closure of the Liquidation, whichever is

sooner

Should you have any queries regarding this report, please contact Cindy Field on 01293 410334

A handwritten signature in black ink, appearing to be 'M Fillmore', written over the text 'Should you have any queries regarding this report, please contact Cindy Field on 01293 410334'.

Malcolm Fillmore

Liquidator

24 March 2016

Cheval Property Finance Plc
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 08/02/2015 To 07/02/2016	From 08/02/2012 To 07/02/2016
ASSET REALISATIONS		
Book debts	342,109.98	346,020.45
Bank Charges Refund	NIL	366 80
Funds transferred from Administrator	NIL	341,520.05
Funds held by Solicitor	28.41	1,477.26
Cash at Bank	NIL	2,835 02
Funds held by Court	22,016 24	22,016 24
Bank Interest Gross	231.74	1,213 62
	<u>364,386 37</u>	<u>715,449 44</u>
COST OF REALISATIONS		
Specific Bond	NIL	614 40
Office Holders Fees	37,033.68	37,033.68
Legal Fees (1)	6,434 03	6,434 03
Legal disbursements	NIL	155 00
Corporation Tax	89.44	245 78
VAT	3,264.58	3,264 58
Travel & Subsistence	NIL	52 33
Company Searches	NIL	72.00
Stationery & Postage	24.07	215.15
Storage Costs	12 16	198 28
Statutory Advertising	NIL	183 60
Bank Charges	NIL	24 00
	<u>(46,857 96)</u>	<u>(48,492 83)</u>
UNSECURED CREDITORS		
Trade & Expense Creditors	NIL	238,209.99
	NIL	(238,209.99)
	<u>317,528.41</u>	<u>428,746.62</u>
REPRESENTED BY		
Estate bank account - interest bearing		428,746.62
		<u>428,746.62</u>

Note.

Malcolm Fillmore
Joint Liquidator

Cheval Property Finance PLC - In Liquidation

Joint Liquidators' time costs
For the period

8 February 2015 to 7 February 2016

Classification of Work	Hours by Staff Grade					Grand Total	Total Cost £	Average Hrry Rate £
	Partner	Senior Administrator	Cashier	Administrator 2				
Administration and Planning								
Bill	0.00	0.60	0.40	0.00	1.00	190.00	190.00	
Case Accounting	0.00	0.00	4.50	0.30	4.80	564.00	117.50	
Partner Review	3.50	0.00	0.00	0.00	3.50	1,330.00	380.00	
Strategy and Planning	0.20	22.50	0.20	1.00	23.90	5,654.00	236.57	
Asset Realisation								
Asset Realisation (fixed)	1.50	0.00	0.00	0.00	1.50	570.00	380.00	
Asset Realisation (floating)	0.30	0.00	0.00	0.00	0.30	114.00	380.00	
Asset Realisation (other)	7.50	12.40	0.00	0.00	19.90	5,826.00	292.76	
2. Freehold/Leasehold Property	0.00	0.20	0.00	0.00	0.20	48.00	240.00	
Creditors								
Unsecured Creditors	0.00	2.30	0.00	0.00	2.30	552.00	240.00	
Secured Creditors	0.00	0.80	0.00	0.00	0.80	192.00	240.00	
Investigation								
Investigatory Work	0.20	0.00	0.00	0.00	0.20	76.00	380.00	
Legal and Litigation								
Legal / Litigation (floating)	0.20	0.00	0.00	0.00	0.20	76.00	380.00	
Legal / Litigation (other)	0.60	10.70	0.00	0.00	11.30	2,796.00	247.43	
Statutory Compliance								
Statutory Compliance	0.50	1.60	0.00	0.00	2.10	574.00	273.33	
Statutory Reporting	0.00	0.40	0.00	0.00	0.40	96.00	240.00	
Grand Total	14.50	51.50	5.10	1.30	72.40	18,658.00	257.71	

Cheval Property Finance PLC - In Liquidation

Liquidator's] time costs

For the period

6 August 2013 to 7 February 2016

Classification of Work	Work Analysis	Hours by Staff Grade				Grand Total	Total Cost £	Average Hrly Rate £
		Partner	Senior Administrator	Cashier	Administrator 2			
Administration and Planning	Bill	0 00	0 60	0 40	0 00	1 00	190 00	190 00
	Case Accounting	0 00	0 00	10 90	1 26	12 16	1,347 50	110 81
	Partner Review	6 80	0 00	0 00	0 00	6 80	2,524 50	371 25
	Strategy and Planning	0 40	42 62	0 95	1 22	45 19	11,408 40	252 45
Asset Realisation	Asset Realisation (fixed)	1 50	0 00	0 00	0 00	1 50	570 00	380 00
	Asset Realisation (floating)	0 30	0 00	0 00	0 00	0 30	114 00	380 00
	Asset Realisation (other)	8 30	13 64	0 00	0 00	21 94	6,441 60	293 60
	2. Freehold/Leasehold Property	0 00	0 20	0 00	0 00	0 20	48 00	240 00
Creditors	Unsecured Creditors	0 00	7 19	0 00	0 00	7 19	1,837 60	255 58
	Secured Creditors	0 00	0 80	0 00	0 00	0 80	192 00	240 00
Investigation	Investigatory Work	0 40	0 00	0 00	0 00	0 40	135 00	337 50
Legal and Litigation	Legal / Litigation (other)	0 90	12 90	0 00	0 00	13 80	3,515 00	254 71
	Legal / Litigation (floating)	0 20	0 00	0 00	0 00	0 20	76 00	380 00
Statutory Compliance	Statutory Compliance	0 50	1 60	0 00	0 00	2 10	574 00	273 33
	Statutory Reporting	0 00	0 40	0 00	0 00	0 40	96 00	240 00
Grand Total		19 30	79 95	12 25	2 48	113 98	29,069 60	255 04

Atherton Bailey**TIME & CHARGEOUT SUMMARIES**

Cheval Property Finance Plc

From 8 Feb 2012 to 5 Aug 2013

HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	10 73	0 00	43 72	68 95	123 40	22,163 63	179 61
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 £	4,054 22	0 00	19,591 09	12,364 85		36,010 16	
Total Hours	14 17	0 00	82 57	97 86	194 60		
Average Rate	286 18	0 00	237 28	126 35			