

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 2014 to 7 February 2015



Signed

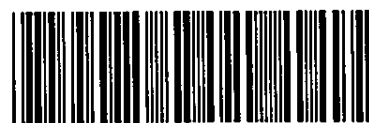
Malcolm Fillmore

Date 11 March 2015

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

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

THURSDAY



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12/03/2015

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COMPANIES HOUSE

**CHEVAL PROPERTY FINANCE PLC – IN CREDITORS' VOLUNTARY LIQUIDATION
LIQUIDATOR'S PROGRESS REPORT TO MEMBERS AND CREDITORS DATED 11 MARCH 2015**

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. 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 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 £16.8 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.

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 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 now be released back to the Company. A full search of the Company's computer records and client files was undertaken but only minimal information could be found. Our solicitors contacted the CFO but due to the age of the case the Court file had seemingly been lost or destroyed. Ultimately our solicitor advised us that we needed to issue an application to the Court to seek an order that the funds held by the CFO should properly be paid to the Company. The hearing was set for 14 January 2015, when the Court made the order. The funds have not yet been received but are expected shortly.

RECEIPTS AND PAYMENTS ACCOUNT

A receipts & payments account for the period from 8 February 2014 to 7 February 2015 and the whole period of the Liquidation, is attached as **Appendix I** and shows a balance on hand of £111,218.

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 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 anticipate receiving the funds currently held in Court of £21,891 in the near future.

Book debts

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

Other debtors

I am continuing to review whether there is sufficient evidence available 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 Clydesdale Bank PLC (Clydesdale") and Volkomen Financiering BV ("Volkomen"). Under the terms of the sale agreement with the Joint Administrators Volkomen settled the amount owed to Clydesdale. The Joint Administrators anticipated that Volkomen would suffer a shortfall under its charge of approximately £300,000 on its lending.

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 various creditors. Some of these creditors have claimed in the liquidation, I am in the process of 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.

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 will apply. Based on realisations to date and future estimated realisations, the net property of the Company is £373,494 and 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 25.71 hours have been spent during the period 8 February 2014 to 7

February 2015 at a cost of £7,145 25, resulting in an average hourly charge out rate of £277 91. 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 not drawn any remuneration 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.

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 £12.70 and I have not drawn any expenses in this matter. Details of disbursements already paid are reflected within my Receipts and Payments account.

Below is a break down of disbursements incurred:

	£	
Postage and Printing	12.70	Category 1 & 2
Total	<u>12.70</u>	

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

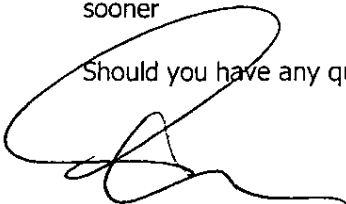
Should you consider that we have not dealt with your comments appropriately you may request we perform an internal independent review of your complaint. This review would be undertaken by a person within BM Advisory not involved in the assignment and would be co-ordinated by the Complaints Partner, Paul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



Malcolm Fillmore

Liquidator

11 March 2015

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

Statement of Affairs	From 08/02/2014 To 07/02/2015	From 08/02/2012 To 07/02/2015
ASSET REALISATIONS		
Book debts	3,910 47	3,910 47
Bank Charges Refund	NIL	366 80
Funds transferred from Administrator	156 77	341,520 05
Funds held by Solicitor	NIL	1,448 85
Cash at Bank	NIL	2,835 02
Bank Interest Gross	239.57	981 88
	<u>4,306 81</u>	<u>351,063 07</u>
COST OF REALISATIONS		
Specific Bond	NIL	614 40
Legal disbursements	155 00	155 00
Corporation Tax	60 38	156.34
Travel & Subsistence	NIL	52 33
Company Searches	NIL	72 00
Stationery & Postage	NIL	191 08
Storage Costs	NIL	186 12
Statutory Advertising	NIL	183 60
Bank Charges	NIL	24 00
	<u>(215 38)</u>	<u>(1,634 87)</u>
UNSECURED CREDITORS		
Trade & Expense Creditors	NIL	238,209.99
	NIL	<u>(238,209 99)</u>
	<u>4,091.43</u>	<u>111,218.21</u>
REPRESENTED BY		
Estate bank account - interest bearing		111,218 21
		<u>111,218.21</u>

Note:

Malcolm Fillmore
Joint Liquidator

Cheval property Finance PLC In Liquidation
Joint Liquidators Time Costs
For the Period
8 February 2014 to 7 February 2015

Classification of Work	Work Analysis	Hours by Staff Grade					Grand Total	Total Cost £	Average Hiry Rate £
		Partner	Senior Administrator	Cashier	Administrator 1	Administrator 2			
Administration and Planning	Admin & Planning	0 10	12 50	0 75	0 15	0 22	13 72	3,932 10	286 60
	Case Accounting	0 00	0 00	2 90	0 00	0 27	3 17	375 35	118 41
	Partner Review	2 60	0 00	0 00	0 00	0 00	2 60	988 00	380 00
Asset Realisation	Asset Realisation	0 80	0 82	0 00	0 00	0 00	1 62	514 80	317 78
Creditors	Unsecured Creditors	0 00	2 10	0 00	0 00	0 00	2 10	616 00	293 33
Legal and Litigation	Legal / Litigation	0 30	2 20	0 00	0 00	0 00	2 50	719 00	287 60
Grand Total		3 80	17 62	3 65	0 15	0 49	25 71	7,145 25	277 92

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
8 February 2012 to 7 February 2015

Classification of Work	Work Analysis	Hours by Staff Grade					Grand Total	Total Cost £	Average Hry Rate £
		Partner	Administrator	Cashier	Administrator 1	Administrator 2			
Administration and Planning	Admin & Planning	0.20	19.97	0.75	0.15	0.22	21.29	5,754.40	270.29
	Case Accounting	0.00	0.00	6.40	0.00	0.96	7.36	783.50	106.45
	Partner Review	3.30	0.00	0.00	0.00	0.00	3.30	1,194.50	361.97
Asset Realisation	Asset Realisation	0.80	1.24	0.00	0.00	0.00	2.04	615.60	301.76
Creditors	Unsecured Creditors	0.00	4.89	0.00	0.00	0.00	4.89	1,285.60	262.90
Investigation	Investigatory Work	0.20	0.00	0.00	0.00	0.00	0.20	59.00	295.00
Legal and Litigation	Legal / Litigation	0.30	2.20	0.00	0.00	0.00	2.50	719.00	287.60
Grand Total		4.80	28.30	7.15	0.15	1.18	41.58	10,411.60	250.40

BM ADVISORY

STATEMENT OF POLICY ON FEES IN INSOLVENCY PROCEEDINGS

Introduction

This statement has been prepared in accordance with guidelines set out in Statement of Insolvency Practice 9 issued by the Association of Business Recovery Professionals (R3)

The following information applies to all appointments of partners, directors, consultants or staff of BM Advisory, to act as any of the following -

Liquidator, Receiver, Administrator or Administrative Receiver of a Limited Company or Limited Liability Partnership
Trustee in Bankruptcy
Supervisor of an Individual, Company or Partnership Voluntary Arrangement
Administrator under the Insolvent Estates Order

When acting as Nominee, the provisions of the Insolvency Act 1986 require that the amount of the fees payable to the Office Holder be specified within the Debtor's proposals. Such fees will nevertheless be fixed to take account of the Office Holder's expected time costs arising as referred to below

Policy on fees

Unless otherwise fixed in accordance with the Insolvency Act 1986, an Office Holder's fees are charged by reference to time costs, as incurred, charged at the firm's usual rates applicable at the time the work is carried out. Rates may be varied from time to time, at the sole discretion of BM Advisory, and such changes will be notified in retrospect with each report to Creditors. It is the policy of BM Advisory to use as junior grade of staff as compatible with the efficient conduct of the matter in order to ensure costs are kept to a minimum. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

As at 1st March 2014 the rates applicable are

Grade	£
Partner 1	430
Partner 2	380
Associate Director	360
Senior Manager	340
Manager	310
Assistant Manager	285
Senior Administrator	240
Administrator 1	185
Administrator 2	155
Junior Administrator	125
Cashier	115
Support staff	85

Rates vary between individuals, reflecting experience and qualification. For certain more complex tasks, BM Advisory may seek to apply a higher rate in respect of work undertaken, but subject to prior authorisation in accordance with the Act.

For further information on the manner in which an Office Holder's fees may be fixed, please refer to the guidance notes in relation to fees at www.r3.org.uk/index.cfm?page=1591

Disbursements

Disbursements are categorised as either Category 1 or Category 2

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the case or BM Advisory, in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the case. These disbursements are recoverable in full from the case without the prior approval of creditors either by a direct payment from the case or, where BM Advisory has made payment on behalf of the case, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage and specific bond insurance.

Category 2 expenses are incurred by BM Advisory and recharged to the case, they are not attributed to the case by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the case, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying, internal room hire and internal storage.

It is proposed that the following Category 2 disbursements are recovered by BM Advisory

Meeting room hire	Up to £200
Creditor portal (operated within BM Advisory website)	£10 (per report)
Postage	£0.49 - £1.38
Mileage (per mile)	£0.45
Photocopies (per sheet)	£0.15
Storage (per box per month)	£0.35

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.