

The Insolvency Act 1986

**Administrator's progress report**

Name of Company Saxon Urban (Three) Ltd	Company number 4264956
In the High Court of Justice	Court case number 10470 of 2008

I / We Anthony Cliff Spicer and Henry Anthony Shimmers  
of Smith & Williamson Limited, 25 Moorgate, London, EC2R 6AY

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

from

to

(b) 26 November 2009

(b) 25 May 2010

Signed

Joint / Administrator(s)

Dated

2/6/10

**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.

Smith & Williamson Limited	
25 Moorgate London	
EC2R 6AY	Tel
DX Number	DX Exchange



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03/06/2010

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COMPANIES HOUSE

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Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

# **Smith & Williamson**

Saxon Urban (Three) Limited (In Administration)

Joint Administrators' third progress report

13 May 2010

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## 1. Introduction

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Further to our appointment as joint administrators of Saxon Urban (Three) Limited ("the Company"), we present a further progress report pursuant to Rules 2.47 and 2.112(1) of The Insolvency Rules 1986 ("the rules") and attach as Appendix A, the required statutory information.

This report relates to the period from 26 November 2009 to 13 May 2010 and should be read in conjunction with the joint administrators' proposals of 19 January 2009 and the first and second progress reports dated 19 June 2009 and 30 November 2009 respectively.

## 2. Receipts & Payments

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We attach as Appendix B to this report, an abstract of our receipts and payments for the period from 26 November 2009 to 13 May 2010.

We trust that the abstract is self-explanatory and comment on the more significant receipts and payments since the previous progress report was issued, below.

### 2.1 Receipts

#### 2.1.1 Freehold Property

The Company's main asset was the property development known as The Chantry, located in Canterbury, Kent ("the Property"). At the date of our appointment, there were 23 units remaining as the initial phases of the development had been sold to individual purchasers and Southern Housing Group ("SHG"). One of the units at the Property had undergone exchange but had not completed at the appointment date. The sale of this plot completed on 25 February 2010 for a consideration of £333,136. The remaining 22 units were sold on 19 March 2010 for a purchase price of £2.9m.

#### 2.1.2 SHG Retention

The Company had agreed that SHG may retain 1.5% of the purchase price of their units for a period of 12 months following completion. SHG have not suffered any material defects to date and agreed to release this retention in full.

### 2.2. Payments

#### 2.2.1 Legal Fees & Disbursements

The administrators instructed Berwin Leighton Paisner LLP to deal with all legal aspects of the development and sale of the Property. Their fees and disbursements are reflected in the attached receipts and payments account.

## 2.2.2 Chargeholder

An interim payment of £2.4m has been paid to The Royal Bank of Scotland, being the secured chargeholder, from the sale of the Property. An additional payment will follow once all assets of the Company have been realised.

## 2.2.3 Utilities and Council Tax

Following the sale of the Property, the council tax and utility accounts were closed and the outstanding balances paid. One utility bill is yet to be settled, so this amount will increase marginally.

# 3. Outstanding Matters

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A terminal loss claim has been submitted to HM Revenue & Customs in the amount of £153,403.20. Once the repayment has been received, we shall seek to obtain tax clearance.

Consequently, we shall finalise the cost of the administration process, distribute the remaining funds to the chargeholder and exit the administration.

# 4. Prescribed Part and Net Property

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There will not be any net property and as such, there will be no Prescribed Part available to unsecured creditors and an application to the Court under section 176A (5) of the Insolvency Act 1986 is not required in this instance.

# 5. Outcome for Creditors

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## 5.1. Secured Creditors

The assets of the Company are subject to a fixed and floating debenture and a legal charge both granted to RBS on 5 August 2004.

At the date of our appointment RBS was owed approximately £4.596m and it is anticipated that there will be a shortfall in the region of £1.8m.

## 5.2. Preferential Creditors

There are no preferential claims in the administration.

### 5.3. Unsecured Creditors

It is currently estimated that the known unsecured creditors of the Company may have claims totalling £1,000. This does not include HM Revenue & Customs which has yet to lodge a claim in the administration. There will be no funds available to pay a dividend to unsecured creditors.

## 6. Fees & Disbursements

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The joint administrators' fees are charged on a time cost basis, as detailed in the joint administrators' proposals, and will be subsequently approved by the secured creditor in accordance with Rule 2.106(5A) of The Insolvency Rules 1986.

In accordance with Statement of Insolvency Practice 9 ("SIP 9"), we attach a breakdown of our time costs for the period from 26 November 2008 to 13 May 2010 as Appendix C.

For the period ending 12 May 2010 the joint administrators and their staff have spent 568.75 hours in attending to matters arising in the administration, at an average charge out rate of approximately £215.83 per hour, which totals £122,754.25.

The joint administrators have drawn £113,402 plus VAT in fees to date, which were approved by the chargeholder.

We also attach as Appendix D a summary of the current Smith & Williamson Limited charge out rates.

Since 1 January 2003, disbursements incurred by insolvency practitioners are reported to creditors in two categories. Category one disbursements are those directly attributable to the administration and relate to the reimbursement of expenditure properly incurred in the administration, as defined by SIP 9.

Category one disbursements of £695.55 have been accrued in the course of the administration, which relate to travel expenses, company searches and the statutory insolvency bond. Disbursements of £687.55 had been drawn as at 13 May 2010 by the Administrators.

Category two disbursements relate to any expense recharged to the case by the joint administrators' firm.

No such disbursements have been drawn during the course of the administration to date.

## 7. Ending of the Administration & Extending the period of office

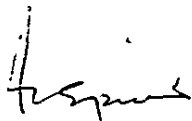
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The administrators were successful in seeking a six month extension to the initial administration period in order for the assets of the Company to be realised in an orderly way and to achieve a satisfactory outcome for the chargeholder. This extension finishes on 25 May 2010.

We are currently awaiting receipt of a terminal loss claim from HM Revenue & Customs and will then need to follow tax clearance procedures. It is not possible to finalise these issues prior to the end of the extension period.

As any future realisations will be for the sole benefit of the chargeholder, with no funds available to unsecured creditors, it is not possible to place the Company into liquidation. On this basis, we are seeking a further extension of the administration period via an application to Court.

Following the resolution of all taxation issues, the administration will end with the dissolution of the Company

A handwritten signature in black ink, appearing to read 'A. Spicer', written over a horizontal line.

**Anthony Spicer**  
Joint Administrator

## Appendix A. Statutory Information

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Relevant Court	High Court of Justice Chancery Division Companies Court The Strand London
Court Reference	10470 of 2008
Former Name	Saxon Bond Urban (Three) Limited
Registered Office	25 Moorgate London EC2R 6AY
Registered number	04264956
Joint Administrators	Anthony Cliff Spicer & Henry Anthony Shimmers Smith & Williamson Limited 25 Moorgate London EC2R 6AY
All functions are to be exercised by the administrators jointly and severally	
Date of Appointment	26 November 2008
Appointor	The Directors
Directors	James Lawson Miller Amit Lakhani Richard Frederick Reynolds Nigel Harborough Brunskill Anthony Stephen Cook
Company Secretary	Amit Lakhani
Shareholder	Saxon Urban Ltd (In Creditors' Voluntary Liquidation)

## Appendix B. Receipts and Payments from 26 November 2008 to 13 May 2010

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	Total £
<b>RECEIPTS</b>	
Bank Interest FCR	7 91
Freehold Property - Chantry	3,226,440 53
Cash at Bank	8,300 96
Sundry Refunds	192
Ground rent	1,500 00
Mortgage registration fees	74 75
SHG - Retention	10,388 10
	<u>3,246,904 25</u>
 <b>PAYMENTS</b>	
Bank Charges FCR	2,020 00
Legal Fees	31,079 50
Legal Disbursements	2,304 38
Chargeholder	2,400,000 00
Costs to complete	205,179 68
Building Guarantee Premiums	24,415 12
Utilities	3,612 49
Council Tax	30,401 08
Service Charges	12,760 00
Management Collection Fee	225
Administrators' Fees	113,402 00
Administrators' Expenses	687 55
	<u>2,826,086 80</u>
 Balance	<u><u>420,817 45</u></u>
 <i>Made up as follows</i>	
Client Dep FCR £280K O/D	405,174 42
Client Deposit Account FLT	10,388 10
VAT Receivable Fixed Chg	5,254 93
	<u><u>420,817 45</u></u>

## Appendix C. Breakdown of Time Costs (SIP 9) to 12 May 2010

**Saxon Urban (Three) Limited**  
**Breakdown of time spent by Smith & Williamson Limited employees**  
**for the period ended 12 May 2010**

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Director	Associate director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Administration & planning	28 50	0 15	63 35	89 75	31 85	213 60	£45 771 50	£214 29
Investigations	0 00	0 00	0 55	9 00	0 00	9 55	£1 411 25	£147 77
Realisation of Assets	24 50	0 15	57 00	161 30	0 00	242 95	£53 624 50	£220 72
Trading	9 00	0 00	1 80	13 25	0 00	24 05	£5,160 00	£256 13
Creditors	2 50	0 00	16 20	25 15	0 75	44 60	£9 004 00	£201 88
Corporate Tax	1 30	14 00	0 00	18 55	0 15	34 00	£6 783 00	£199 50
Totals	65 80	14 30	138 90	317 00	32 75	588 75	£122 754 25	£215 83
Pre-appointment	0 00	0 00	0 00	3 00	0 15	3 15	£436 50	£138 57

## Appendix D. Schedule of Charge-out Rates: Restructuring & Recovery

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**Smith & Williamson Limited**  
**Restructuring & Recovery Services**  
**Charge out rates listed by staff classification**

	£
<b>Director</b>	440-495
<b>Associate Director</b>	335
<b>Senior Manager/Manager/Assistant Manager</b>	225-290
<b>Senior Administrator/Administrator</b>	160-200
<b>Support staff</b>	65-200