

# AM25

## Notice of court order ending administration



Companies House

THURSDAY



\*A8XS2V3T\*

A17

30/01/2020

#96

COMPANIES HOUSE

### 1 Company details

Company number 0 4 4 7 8 6 3 2

Company name in full Bournston Property Limited

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) John

Surname Twizell

### 3 Administrator's address

Building name/number c/o Geoffrey Martin & Co, 3rd Floor

Street One Park Row

Post town Leeds

County/Region

Postcode L S 1 5 H N

Country

### 4 Administrator's name ①

Full forename(s) James

Surname Sleight

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number c/o Geoffrey Martin & Co, 3rd Floor

Street One Park Row

Post town Leeds

County/Region

Postcode L S 1 5 H N

Country

② Other administrator  
Use this section to tell us about  
another administrator.

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Notice of court order ending administration

**6 Administration end date**

End date 

d	1	d	7	m	0	m	1	y	2	y	0	y	2	y	0
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**7 Date of court order**

Court order date 

d	1	d	7	m	0	m	1	y	2	y	0	y	2	y	0
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

**8 Attachments**

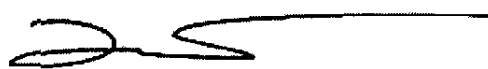
- ☒ I have attached a copy of the court order
- ☒ I have attached a copy of the final progress report

**9 Sign and date**

Administrator's  
signature

Signature

X



X

Signature date 

d	2	d	9	m	0	m	1	y	2	y	0	y	2	y	0
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AM25

Notice of court order ending administration



**Presenter information**

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

Contact name **James Sleight**

Company name **Geoffrey Martin & Co**

Address **3rd Floor**

**One Park Row**

Post town **Leeds**

County/Region

Postcode **L S 1 5 H N**

Country

DX

Telephone **0113 2445141**



**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached all the required documents.
- ☐ You have signed the form.



**Important information**

**All information on this form will appear on the public record.**



**Where to send**

**You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

**Bournston Property Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 11/11/2019 To 17/01/2020 £	From 11/11/2011 To 17/01/2020 £
	<b>SECURED ASSETS</b>		
5,500,000.00	Freehold Land & Property	NIL	NIL
		NIL	NIL
	<b>SECURED CREDITORS</b>		
(7,400,000.00)	Northern Rock Asset Management	NIL	NIL
		NIL	NIL
	<b>ASSET REALISATIONS</b>		
	Funds Passed by Receivers to Compa	NIL	1,480,751.36
NIL	Inter-group debt due from parent	NIL	NIL
	Legal Fee Recharge	NIL	2,500.00
	Cash at Bank	NIL	273.83
	Contribution to JA Fees	NIL	1,000.00
	Bank Interest Gross	NIL	4,112.26
	Sundry Receipts	NIL	3.45
		NIL	1,488,640.90
	<b>COST OF REALISATIONS</b>		
	Specific Bond	NIL	8.40
	JA Fee contribution	NIL	1,000.00
	Joint Administrators' Fees	23,361.00	173,361.00
	Disbursements	NIL	97.58
	Category 2 Disbursements	40.50	579.99
	Counsel's Fee	NIL	31,255.00
	Legal Fees	19,645.00	115,473.00
	Corporation Tax - Admin Expense	NIL	263,464.56
	VAT Irrecoverable	162.22	6,414.07
	Tax Advice	750.00	43,250.00
	Statutory Advertising	NIL	470.76
	Council Rates - Admin Expense	NIL	94,136.22
	Bank Charges	NIL	16.72
		(43,958.72)	(729,527.30)
	<b>PREFERENTIAL CREDITORS</b>		
	HM Revenue & Customs - TAX	NIL	16,142.33
		NIL	(16,142.33)
	<b>UNSECURED CREDITORS</b>		
(226,000.00)	Trade & Expense Creditors	NIL	134,938.42
(105,000.00)	HMRC - VAT	NIL	NIL
	Statutory Interest	NIL	64,569.33
		NIL	(199,507.75)
<b>(2,231,000.00)</b>		<b>(43,958.72)</b>	<b>543,463.52</b>
	<b>REPRESENTED BY</b>		
	VAT Receivable		6,332.20
	Floating Current A/c		531,975.44
	Vat Control Account		5,155.88
			<b>543,463.52</b>

**IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS IN LEEDS  
INSOLVENCY AND COMPANIES LIST(ChD)  
HIS HONOUR JUDGE SAFFMAN  
17<sup>TH</sup> JANUARY 2020**

**No 1692 of 2011**

**IN THE MATTER OF BOURNSTON PROPERTY LIMITED (IN ADMINISTRATION)  
AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

**JAMES SLEIGHT**

**JOHN HEDLEY TWIZELL**



**Applicants**

**and**

**BOURNSTON PROPERTY LIMITED (IN ADMINISTRATION)**

**Respondent**

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**ORDER**

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**UPON THE APPLICATION** of John Hedley Twizell and James Sleight (the "**Administrators**"), in their capacity as Joint Administrators of Bournston Property Limited (In Administration) (the "**Company**") presented to this Court on the 13 January 2020.

**AND UPON** hearing counsel for the Administrators;

**AND UPON** reading the evidence;

**AND UPON** the Court being informed through Counsel that a meeting to resolve to put the Company into Members Voluntary Liquidation is to be held at 2:30pm on Friday 17<sup>th</sup> January 2020.

**IT IS ORDERED** that:-

1. pursuant to paragraph 79(4)(d) of Schedule B1 to the Act the Administration of the Company will end and the appointment of the Administrators shall cease to have effect upon the passing of a resolution of the Company to enter a members' voluntary

liquidation (**MVL**) pursuant to s.84 and s.90 Insolvency Act 1986 (the "**MVL Resolution**");

2. pursuant to paragraph 98(2)(c) of Schedule B1 to the Act the Administrators be discharged from liability as Administrators of the Company 14 days after the filing and posting of this Order and their Final Progress Report containing the Administrators' Final Receipts and Payments Account to:
  - 2.1 those parties detailed in rule 3.59 of the Insolvency (England and Wales) Rules 2016; and
  - 2.2 all known creditors of the Company
3. in the event that the MVL is not duly passed the Administrators shall apply to Court within 7 days to seek further directions as to the ending of the Administration of the Company; and
4. the costs of and occasioned by this application be paid as an expense of the Company's Administration.

#### **Service of the order**

The court has provided a sealed copy of this order to the Applicants: Gordons LLP,

Riverside West, Whitehall Road, Leeds LS1 4AW (ref. WMP/SLH/M3435/31)

Dated this 17 January 2020

Gordons LLP  
Riverside West  
Whitehall Road  
Leeds  
LS1 4AW

Tel: 0113 227 0214  
Fax: 0113 227 0254

Solicitors for the Administrators

WMP/JB/GEO34/35

**IN THE HIGH COURT OF JUSTICE**

**No 1692 of 2011**

**BUSINESS AND PROPERTY COURTS IN LEEDS**

**INSOLVENCY AND COMPANIES LIST(Ch)**

**IN THE MATTER OF BOURNSTON PROPERTY LIMITED (IN ADMINISTRATION)**

**AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

**JOHN HEDLEY TWIZELL**

**JAMES SLEIGHT**

**Applicants**

**and**

**BOURNSTON PROPERTY LIMITED (IN ADMINISTRATION)**

**Respondent**

---

**ORDER**

---

Gordons LLP  
Riverside West  
Whitehall Road  
Leeds  
LS1 4AW

Tel: 0113 227 0214  
Fax: 0113 227 0254

Solicitors for the Administrators

WMP/SLH/GEO34/35

**COMPANY NUMBER: 04478632**

**SPECIAL AND ORDINARY RESOLUTIONS**

(Pursuant to Sections 21, 282 & 283 of the Companies Act 2006 and Section 84(1) of the Insolvency Act 1986)

**Bournston Property Limited ("the Company")**

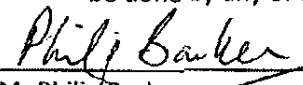
At a General Meeting of the members of the Company, duly convened and held at 2 Castle Rising, Lombard Street, Newark, Nottinghamshire, NG24 1XW on 17 January 2020 at 2:30pm the following resolutions were duly passed as special and ordinary resolutions:

**Special Resolutions**

- i. "That the Company be wound up voluntarily".
- ii. "That the Joint Liquidators be and are hereby authorised to distribute among the members in specie or in kind the whole or any part of the assets of the Company".
- iii. That the Joint Liquidators be and are hereby authorised to pay or make an advance distribution to the members, if they consider it appropriate and prudent to do so, in an amount that they shall determine at their sole discretion, or, if in specie or in kind, of such of the assets as they shall determine in their sole discretion, in such proportions as they shall determine".

**Ordinary Resolutions**

- i. "That John Twizell and James Sleight of Geoffrey Martin & Co, Third Floor, One Park Row, Leeds, LS1 5HN be and are hereby appointed Joint Liquidators of the Company".
- ii. "The Joint Liquidators shall be authorised to draw their remuneration based upon their time costs by reference to the time properly given by the Joint Liquidators and their staff, in attending to matters arising in the Liquidation at Geoffrey Martin & Co's standard hourly rates, at the rates prevailing at the time the work is done, such remuneration to be paid out of the assets of the Company and which may be drawn on account as and when funds permit without further recourse to members. In the first instance, this remuneration is limited to £1,000 plus disbursements and VAT. Any remuneration over this £1,000 limit is to be subject to separate additional by the members".
- iii. "That BPR Heaton be instructed to carry out all book keeping necessary for the completion of accounts for submission to HM Revenue & Customs, to finalise the Company's tax affairs up to the date of Liquidation and to deal with all taxation matters arising during the Liquidation".
- iv. "That the Joint Liquidators be authorised to draw "Category 2" disbursements out of the assets as an expense of the Liquidation, at the rates prevailing when the cost is incurred".
- v. "That any act required or authorised under any enactment to be done by the Liquidator may be done by any or both of the Liquidators".

  
Mr Philip Barker  
Chair of the meeting

Dated: 17 January 2020

**High Court of Justice, Chancery Division, Leeds District Registry**

**No. 1692 of 2011**

**Bournston Property Limited - In Administration ("the Company")**

**The Joint Administrators' Final Progress Report for the period 11 November 2019 to 17 January 2020**

**Dated: 29 January 2020**

**John Twizell**

**James Sleight**

**Geoffrey Martin & Co**

**Third Floor, One Park Row, Leeds, LS1 5HN**

**0113 244 5141**

**[info@geoffreymartin.co.uk](mailto:info@geoffreymartin.co.uk)**

This report has been prepared for the sole purpose of updating the creditors and shareholder for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

John Twizell and James Sleight were appointed Joint Administrators of Bournston Property Limited on 11 November 2011. The affairs, business and property of the Company were formerly managed by the Joint Administrators who acted as agents of the Company and contracted without personal liability.

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- 4. Investigations**
- 5. Shareholder: Identification, estimated final outcome and distribution**
- 6. The Joint Administrators' Remuneration and Expenses**
- 7. The Outcome of the Administration**
- 8. The Joint Administrators' Discharge**

## **Appendices**

- I. Statutory Information and Definitions**
  - II. Summary of the Joint Administrators' Revised Proposals as Approved and the Resolutions passed by the shareholder to place the Company in Members' Voluntary Liquidation**
  - III. The Joint Administrators' Receipts and Payments Account for the period 11 November 2019 to 17 January 2020 ("the Review Period") and the Administration as a whole**
  - IV. Final Outcome Statement for the Administration**
  - V. The Joint Administrators' time costs**
  - VI. Charge-out Rates and Basis of Disbursements**
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## 1. EXECUTIVE SUMMARY

This report describes the conduct of the Administration since the last progress report dated 6 December 2019 and covers the final Administration period 11 November 2019 to 17 January 2020 ("the Review Period"), as well as summarising the conduct of the Administration as a whole. For further details on any aspect of the Administration we would refer you to our earlier dated reports.

A summary of key information in this report is detailed below.

### Asset realisations

Asset	Estimated to realise per the Statement of Affairs £	Realisations to date £	Anticipated future realisations £	Total anticipated realisations £
The Junxion, Brayford Wharf, Lincoln after settling the Bank's debt	(1,900,000)	1,480,751	Nil	1,480,751
Inter-group debtor (£1.2million)	Nil	Nil	Nil	Nil
Legal fee recharge	N/a	2,500	Nil	2,500
Contribution to Administrators' fees	N/a	1,000	Nil	1,000
Cash at Bank, interest and sundry receipts	N/a	4,390	Nil	4,390
<b>Total</b>	<b>(1,900,000)</b>	<b>1,488,641</b>	<b>Nil</b>	<b>1,488,641</b>

### Expenses

Expense	Expenses paid to 17 January 2020 £	Further expenses to be paid £	Total expenses from Administration £
Joint Administrators' fees	174,361	14,047	188,408
Solicitor's fees and expenses	115,473	13,395	128,868
Counsel fees and expenses	31,255	12,300	43,555
Tax advice	43,250	Nil	43,250
Category 1 disbursements	593	Nil	593
Category 2 disbursements	580	Nil	580
Irrecoverable VAT	6,414	220	6,634
Administration expenses			
- HM R & C	263,464	Nil	263,464
- Council Rates	94,136	Nil	94,136
<b>Total</b>	<b>729,526</b>	<b>39,962</b>	<b>769,488</b>

Additional fees and expenses incurred in the Administration settled directly from Receivership funds following approval by the Bank are therefore not reflected in the above table or the Administration receipts and payments account. These fees and expenses are set out in section 6.2.1 below and note 8 to the Final Outcome Statement attached as Appendix IV. They are also described in detail in previous reports.

## 1.1 Distributions to date and future distribution prospects via the Liquidation

### Dividends

Creditor class	Distributions paid to date	Anticipated final distribution from the Administration
Secured creditor	Settled in full by LPA Receivers	N/a
Preferential creditors	N/a	N/a
Unsecured creditors	100p in the £ plus statutory interest	100p in the £ plus statutory interest
Shareholder	Nil	£503,503

Unsecured creditors' claims were settled in full, together with statutory interest.

Estimated funds of some £500,000 will be available from the Administration.

The two main parties who have consistently maintained an interest in the Company's shares ("the putative shareholders") completed an agreement between themselves regarding ownership of the shares on 13 January 2020. This position is described in detail in section 5.1 below.

We agreed with the putative shareholders and their solicitors that the most appropriate process of distributing the available funds and exiting from the Administration in accordance with the Judge's directions at the Court hearing on 18 October 2019 was via a Members' Voluntary Liquidation ("MVL"); see section 1.3 below.

## 1.2 Administration Order and extensions

The original Administration Order was due to expire on or before 11 November 2012. We were therefore required to request various Administration Order extensions in accordance with the creditor approved Proposals.

The Court granted the first extension of the Administration Order for two years to 11 November 2014; a second extension of the Administration Order for six months to 11 May 2015; a third extension of the Administration Order for 12 months to 11 May 2016; a fourth extension of the Administration Order for 18 months to 11 November 2017; a fifth extension of the Administration Order for 12 months to 11 November 2018; a sixth extension of the Administration Order for 12 months to 11 November 2019. These extensions were granted by the Court in accordance with Paragraph 76(2)(a) of Schedule B1 of the Insolvency Act 1986.

In anticipation of the expiry of the extension of the Administration to 11 November 2019, we made an application for a further extension in the usual way. A report to the Court on the progress of the Administration pursuant to Rule 18.3 of the Insolvency Rules 2016 ("the Rules") dated 17 September 2019, together with an accompanying witness statement was submitted to the Court by our solicitors in early October 2019. We anticipated that the Court would deal with the matter on paper under Paragraph 76 of Schedule B1 of the Insolvency Act 1986. We were therefore surprised that the Judge listed the matter for hearing on 18 October 2019.

Our solicitors attended the hearing with counsel. The Judge opened the hearing by questioning his authority to grant an extension on the basis that he believed the statutory purpose of the Administration had been achieved and that there are now no creditors to benefit from the extension of the Administration Order. He believed that the Company should therefore be wound up.

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The Judge was only prepared to make a short extension of the Administration until 24 January 2020 to enable us to deal with the outstanding administrative issues. He was not prepared to extend the Administration to facilitate a more advantageous distribution to the putative shareholders than would be achieved in a liquidation. In his view, that is not the purpose of an administration. He said that he was not prepared to extend the Administration beyond 24 January 2020 on the application of the Joint Administrators, unless there was some authority to do so.

The Judge also gave directions to allow the putative shareholders (his description) the opportunity to seek to extend the Administration, if so advised and based upon appropriate authority. The application was re-listed for 24 January 2020 to allow the putative shareholders to make representations as appropriate.

The Judge directed that this Order be served on the putative shareholders by our solicitors and if they wished to make representations on the matter they should serve their evidence by 10 January 2020 with any skeleton arguments to be filed by 22 January 2020.

At the hearing on 18 October 2019, the Judge was referred to the Lehman Brothers case in support of the rationale for the extension for a further 12 months. However, he was not persuaded that it gave him the authority to extend the Administration where there are no longer any creditors, although as mentioned above, he left the matter open for the putative shareholders to seek to persuade him otherwise on 24 January 2020, if so advised.

Our solicitors reported the conduct of the hearing in detail to the putative shareholders' solicitors on 24 October 2019. The way forward following the hearing is addressed in detail in section 5.4 below.

The order setting out the Judge's directions was subsequently served on the putative shareholders on 8 November 2019 in accordance with his instructions. Following extensive discussions between our solicitors, counsel and the putative shareholders' solicitors, it was agreed that the Joint Administrators should not seek another Extension to the Administration and instead the Company should be placed into MVL as soon as practically possible. Our solicitors and counsel together with the putative shareholders solicitors agreed an application to the Court which was heard on 17 January 2020.

The Judge, upon reading the evidence and upon being informed that a General Meeting to put the Company into MVL was due to be held at 2:30pm later the same day, ordered that "pursuant to Paragraph 79(4)(d) of Schedule B1 of the Act the Administration of the Company will end and the appointment of the Administrators shall cease to have effect upon the passing of a resolution of the Company to enter a Members' Voluntary Liquidation (MVL) pursuant to section 84 and section 90 Insolvency Act 1986" the Administration will end and their appointment as Joint Administrators ceased to have effect upon the passing of a resolution to place the Company into MVL.

Following the making of this Order, the General Meeting of the Company was duly held at 2:30pm on 17 January 2020 passing the resolutions to wind up the Company voluntarily and to appoint the Joint Administrators as the Joint Liquidators.

### **1.3 Joint Administrators' Revised Proposals**

No initial meeting of creditors was held pursuant to Paragraph 52 of Schedule B1 of the Act because at that time (early 2012) no funds were anticipated to become available to unsecured

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creditors. The original Proposals therefore reflected that the only objective of the Administration was realising property in order to make a distribution to one or more secured creditors.

As it became apparent that a substantial balance of funds would become available to the Company from the sale of the Property, we made substantial revisions to our original Proposals. The Revised Proposals were that of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration) and / or the Company being rescued (which includes funds becoming available for distribution to the Company's shareholder).

We convened a meeting of creditors to consider these Revised Proposals. These Revised Proposals were approved by creditors without modification at the meeting duly held on 3 July 2015.

Funds in the region of £500,000 will be available from the Administration. However, following the comments made by the Judge at the hearing on 18 October 2019 and our subsequent research, it became apparent that we would not be able to rescue the Company (in other words, not be able to hand back its affairs to its directors) due to the Company having ceased to trade several years ago.

Indeed, the Judge expressed the view that following the settlement of all the creditors' claims we had achieved the purpose of the Administration and that the Administration should be concluded on or before 24 January 2020. See section 1.2 above. As described above it was agreed with the putative shareholders that the Company should be placed into MVL to allow for a distribution to be made to the shareholder for the benefit of the putative shareholders.

As the objective of the Administration was achieved, the Company was moved from Administration to MVL on 17 January 2020 to enable a distribution to be made to the putative shareholders and to formally wind-up the Company. The putative shareholders agreed to appoint the Joint Administrators as the Joint Liquidators of the Company and the resolutions to that effect were signed by a director of the Company, Mr Philip Barker on behalf of the member and are attached at Appendix II.

## **2. THE PROGRESS OF THE ADMINISTRATION**

### **2.1 The Joint Administrators' final receipts and payments account**

Attached at Appendix III is a receipts and payments account covering the Review Period and the Administration as a whole.

In this section we have summarised the main asset realisations during the Administration as a whole; it should be noted that no realisations were achieved during this final Review Period.

### **2.2 Administration (including statutory reporting)**

The Joint Administrators have met a considerable number of statutory and regulatory obligations. Whilst many of these tasks did not have a direct benefit in enhancing realisations for the insolvent estate, they assisted in the efficient and compliant progressing of the Administration, which ensured that the Joint Administrators and their staff carried out their work to high professional standards.

During the Administration, these tasks included:

- Informing all relevant persons of the start of the Administration, including filing statutory documents at Companies House and meeting statutory advertising requirements.
- Issuing the Joint Administrators' Proposals, seeking relevant creditors' approvals and issuing notice of the outcome.
- Preparing and issuing six monthly progress reports to creditors.
- Reporting to the two main parties (the putative shareholders) who have maintained an interest in the Company's shares on the key developments in the Administration and encouraging them to address and resolve the issue of the identity of the Company's shareholder between themselves.
- Preparing and issuing applications to the Court for further extensions of the Administration Order with the assistance of our solicitors and counsel.
- Agreeing and settling all known creditor claims.
- Consulting with our solicitors and counsel on practical, technical and legal aspects of the case to ensure its efficient progress and the appropriate exit, particularly following the comments made by the Judge at the hearing on 18 October 2019.
- Maintaining case files, which includes records to show and explain our decisions made in the Administration.
- Monitoring and maintaining an adequate statutory bond.
- Conducting periodic case reviews to ensure that the Administration is progressing efficiently, effectively and in line with the statutory requirements.
- Maintaining and updating the Administration cash book and bank accounts, including regular bank reconciliations and processing receipts and payments.

## **2.3 Realisation of assets**

### **2.3.1 The Property**

The background to the sale of the Company's principal asset, the property known as The Junxion at Bayford Wharf, Lincoln ("the Property") and the Law of Property Act Receivers ("LPARs") management and realisation strategy in respect of the Property is described in detail in our earlier reports.

In summary, the LPARs completed the sale of the Property for £7.6million on 27 February 2015. The sale included the transfer of the Company's remaining 24 £1 ordinary shares and the sole preference share in Junxion Management Company Limited ("JMC").

We liaised extensively throughout the course of the Administration with the LPARs, which following the sale of the Property included their accounting to the Company for the funds in their possession. The LPARs settled the Bank's debt in full, together with all the trading and professional costs of the Receivership and made payments to the Administration totalling £1,480,751.

Following the payment of the final balance, the LPARs provided us with a full breakdown of all Receivership income and expenditure. The Receivership accounts were reviewed by our staff and subsequently incorporated into the various Corporation Tax returns prepared by our tax advisers. These tax returns were submitted to HM Revenue & Customs in late August 2017. Further details are provided in section 2.4.1 below.

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### **2.3.2 Bournston Developments Limited, the Bournston Group and Mr Kilmister**

As reported previously the Company was part of a group of companies ("the Bournston Group") owned and controlled by Mr Paul Kilmister ("Mr Kilmister").

Mr Kilmister was made bankrupt on 1 October 2012.

The Company's immediate parent company is Bournston Developments Limited ("Developments"). Developments was subject to a compulsory winding-up order on 23 April 2013. The Official Receiver's Nottingham office ("OR") was initially acting as Liquidator. Mr Richard Goodwin of Butcher Woods Limited was subsequently appointed Liquidator of Developments on 13 May 2015.

Developments is shown in the director's Statement of Affairs as owing the Company £1.2million. We submitted a claim for this amount in the Liquidation of Developments.

The OR and subsequently the Liquidator of Developments have both advised that no monies will become available to distribute to its creditors, unless monies are received from its shareholding in the Company.

In December 2013, we were first provided with evidence which indicated that the Company's shares had purportedly been transferred from Developments to Pelham Securities Limited ("Pelham Securities") on 4 February 2013.

We have taken specific independent legal advice on Pelham Securities', Developments' and other parties' claims of interest to the Company's shares. Further details regarding various parties' claim to the Company's shares have been provided in our earlier reports. This issue and recent developments clarifying and resolving ownership are set out in section 5.1 below.

### **2.3.3 Other asset realisations**

#### **Cash at bank**

The Company's pre-appointment bank account held funds of £273.83 on appointment. These monies were transferred to the Administration account following appointment.

#### **Sundry receipt**

A refund of £3.45 was received from Western Power Distribution (South West) Plc on 28 January 2014.

#### **Legal fee recharge**

The Company received a recharge of legal fees from Pelham Securities on 19 September 2014.

#### **Bank interest gross**

Bank interest gross received during the Administration totalled £4,112.26.

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## **2.4 Administrative expenses**

### **2.4.1 Administration Corporation Tax returns**

As previously reported, we engaged specialist tax advisers BPR Heaton ("BPR") to prepare and submit Corporation Tax returns for all outstanding periods, including those in respect of the Administration. We also engaged BPR to investigate the apparent chargeable gain arising from the LPARs' sale of the Property, the most appropriate tax treatment of the inter-group debt with Developments and the possibility of any group relief being available to the Company whilst revisiting the outstanding returns.

BPR, with the assistance of the Bournston Group's pre-appointment tax adviser Stephenson Nuttall, completed and submitted the outstanding pre-appointment and four post appointment Corporation Tax returns during August 2017. These returns included the use of various reliefs and the surrender of substantial historic tax losses totalling £474,295 from another Bournston Group company, Kentford Estates Limited. No consideration was paid for the surrender of these group reliefs. BPR also sought the withdrawal of previously levied penalties and charges.

These Corporation Tax returns were of course subject to review and formal agreement with HM Revenue & Customs. As previously reported in detail, obtaining HM Revenue & Customs' formal agreement to these returns was a complex and protracted process.

BPR also prepared and submitted the subsequent Corporation Tax returns for the Administration periods to 10 November 2018.

BPR have obtained HM Revenue & Customs' formal agreement that the Company's and the Administration's liabilities to Corporation Tax are settled and concluded on the terms described in detail in previous reports.

The Corporation Tax return for the year ended 10 November 2019 was a £nil return. The final Administration Corporation Tax return for the period end 17 January 2020 will also be a £nil return.

The Administration's total liabilities to Corporation Tax were settled at £263,465 (including interest). This is a markedly different position from the initial Corporation Tax provision of £750,000 included in earlier Estimated Outcome Statements.

### **2.4.2 Administration VAT returns**

BPR were also engaged to investigate the VAT returns submitted during the Receivership by the LPARs to confirm the Company's VAT position throughout.

BPR identified that the Company's recovery of input tax should be restricted to 19.39% (as opposed to the full 20%) given a partial exemption arising in relation to the Property. Consequently, an element of input VAT is irrecoverable and has effectively been met as a cost of the Administration (and will also apply to the MVL).

### **2.4.3 The City of Lincoln's claim for Non-Domestic Rates**

The City of Lincoln Council submitted a claim against the Company of £102,423. We engaged Bilfinger GVA's Business Rates team ("GVA") to review the claim to ensure that all reliefs had been

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applied and also to determine the split between the Administration expense and unsecured elements of the claim. As a result of GVA liaising directly with The City of Lincoln Council, a revised claim of £95,196 was subsequently lodged. GVA advised that of this claim, £94,136 should rank as an Administration expense and the balance of £1,060 as unsecured. We formally agreed these claims on 21 April 2017.

At the same time as we settled the Company's Corporation Tax liabilities, which we assessed ranked in full as an Administration expense, we also settled that element of Lincoln Council's claim (£94,136) identified as an Administration expense.

### **3. CREDITORS: CLAIMS AND DISTRIBUTIONS**

#### **3.1 Secured creditors**

Northern Rock (Asset Management) PLC ("the Bank") held security in the form of a Charge Deed registered on 12 October 2004. The Bank appointed the LPARs on 6 September 2011.

The Bank was owed approximately £7.2million at the date of Administration, plus on-going management fees and interest charges. During the course of the Receivership the LPARs made payments on account totalling £1.65million to the Bank, as and when funds allowed. A final settlement balance of £6,060,678 was remitted to the Bank by the LPARs' solicitors from the Property sale proceeds. The Bank was paid £7,710,678 in total.

#### **3.2 Preferential creditors**

There are no known preferential creditors of the Company.

#### **3.3 Unsecured creditors**

The director's Statement of Affairs shows three unsecured creditors with claims totalling £331,000 (including a claim of £105,000 from HM Revenue & Customs for VAT incorrectly reflected as a preferential creditor). As previously reported, following our appointment as Joint Administrators we received additional claims from a utility provider and The City of Lincoln Council.

The City of Lincoln Council's claim for unpaid Non-Domestic Rates included a proportion (£94,136) which ranked as an Administration expense which, as described in previous reports, has been settled. The unsecured element of their claim was lodged and agreed at £1,060.

We believe that HM Revenue & Customs do not have an unsecured claim in relation to Corporation Tax; all the Corporation Tax liabilities of which we are aware were treated as an Administration expense and have been settled in full. This was explained in previous reports and in section 2.4.1 above.

In anticipation of being able to declare a dividend to unsecured creditors, we wrote to all known potential unsecured creditors on 7 February 2017 asking them to prove their debts in the Administration on or before 13 March 2017. An advertisement for claims to be submitted was also published in the London Gazette on 8 February 2017.

Our purpose in requesting unsecured creditors to submit their claims in February 2017 and encouraging them to do so in subsequent reports was because our solicitor had advised that there is a clear argument that claims not submitted in the Administration within six years of our

appointment could become time statute barred. The authority for this argument is the decision held in *Re Leyland Printing Co. Ltd (In Administration)* 2010.

Only two creditors, City of Lincoln Council and The Junxion Management Co Limited ("JMC"), submitted their claims in response to these requests. These claims were reviewed and agreed to rank for dividend. The three other potential unsecured creditors have all failed to respond to the formal notice in February 2017 and our specific requests to submit a claim included in previous reports.

### **3.4 Distribution to unsecured creditors**

As noted above, we wrote to all known potential unsecured creditors on 7 February 2017 and advertised in the London Gazette on 8 February 2017 asking creditors to prove their debts in the Administration on or before 13 March 2017. Two unsecured creditors submitted their claims; three possible creditors did not, as described in section 3.3 above. No other parties made a claim against the Company.

We made an application to Court to request that we (the Joint Administrators) be authorised to settle unsecured creditors' claims in November 2018 and we received the Court's consent to our request on 12 December 2018. Following the Court granting us this authority, we formally advised all known creditors of our intention to declare a dividend and a statutory notice was also published in the London Gazette on 21 February 2019.

We wrote again to the three potential unsecured creditors who had failed to respond to all of our previous requests advising them that we considered their potential claims time statute barred. No responses were received to our letters and these potential claims were subsequently all formally rejected as part of the proving process.

On 2 May 2019, we declared and distributed a first and final dividend to the unsecured creditors of 100 pence in the £ plus 8% simple statutory interest (less tax).

A summary of the distribution is set out below.

	<b>Claims admitted in the Administration £</b>	<b>Statutory interest £</b>	<b>Tax deducted £</b>	<b>Net payment £</b>
<b>Unsecured creditors</b>	134,938	80,712	(16,142)	199,508

The first and final dividend distribution totalled £215,650.08, representing a dividend of 100 pence in the £ on claims admitted totalling £134,938.42 plus simple statutory interest of £80,711.66.

We deducted notional tax of 20% from the statutory interest paid on unsecured claims, equivalent to £16,142.33 and paid this tax directly to HM Revenue & Customs.

Accordingly, all creditors have been settled in full. The funds held in the Administration will be transferred to the Joint Liquidators and in the first instance will be used to discharge the final costs of the Administration in accordance with Paragraph 99 of Schedule B1 of the Act.

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## **4. INVESTIGATIONS**

### **4.1 Investigations**

As part of the Joint Administrators' statutory duties, an investigation into the conduct of the Company's director was completed. A confidential report was submitted to the Insolvency Service on 8 May 2012.

### **4.2 Initial Assessment of Potential Recoveries**

We have a duty to investigate the extent of the Company's assets, including potential claims against third parties and the director and to report our findings to creditors, subject to considerations of privilege and confidentiality and whether those investigations and / or any potential litigation might be compromised.

No matters came to light during the Administration that would suggest that there may be additional recoveries for the benefit of creditors and the members of the Company. However, we will continue to monitor this aspect during the MVL.

## **5. SHAREHOLDER: IDENTIFICATION, OUTCOME AND DISTRIBUTIONS**

### **5.1 Identification**

The background position regarding the Company's immediate shareholder Bournston Developments Limited ("Developments") is described in section 2.3.2 above and earlier reports. As previously reported, we took specific independent legal advice on Developments', Pelham Securities' and other parties' claims of interest to the Company's shares at the time Pelham Securities advised of the share transfer. We did not enter this transfer in the Company's statutory books.

We advised all interested parties that we did not intend to address the issue of clarifying the ownership of the Company's share until we were certain that funds would become available for the shareholder. We gave repeated assurances to all those parties that there would be no shareholder distributions until we were fully satisfied that the identity of the shareholder had been resolved.

As we became more confident that funds would be available to the shareholder, we started to encourage the two main parties (the putative shareholders) who had consistently expressed an interest in the shares to explore resolving their dispute over ownership between themselves without reference to us and / or our having to revert to Court to seek clarification.

All progress reports were sent to these two parties and copy of this final Administration report will also be sent to them.

Following our settling creditors' claims in May 2019, we continued to encourage these two main parties to seek a resolution of the share ownership between themselves. In early June, we were made aware that discussions between these two parties were taking place and that a consent settlement was a realistic prospect. Accordingly, we wrote to both parties on a formal basis in mid-June 2019 outlining a proposed process and timescale aimed at resolving their dispute over ownership, the distribution of available funds and exiting the Administration within a framework which we believed complied with our responsibilities as Administrators.

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In the meantime, we were able to obtain written confirmation from one other party, (the Treasury Solicitors on behalf of the Crown) who may have had an interest in the ownership of the Company's shares that they accepted that they did not have a claim. This confirmation was helpful and we reported this development to the putative shareholders.

In early August 2019, we were informed that the two main parties were close to reaching an agreement in principle concerning ownership of the Company's shares and we were asked to provide Fees Estimates covering two different scenarios; one scenario covering a consent settlement, the other involving a court application to resolve ownership.

We provided these Fees Estimates in mid-August 2019, together with guidelines and approximate timescales covering the proposed processes of distributing the funds and exiting the Administration. In preparing these guidelines, we were required to investigate in some detail the options regarding the distribution of the available funds to the shareholder and an appropriate exit from the Administration.

Our research into these issues indicated that distributing funds of some £500,000 in a situation where the Company has been in Administration and not traded for several years was not straight forward. Indeed, it appears not to have been considered when the relevant legislation was drafted and thus the process of distributing the funds in a tax efficient manner was considerably more complicated than we had initially envisaged.

Shortly after providing these Fees Estimates and guidelines, our solicitors received a draft Settlement Agreement from the parties' solicitors. This draft raised many issues and not surprisingly it suggested that neither party were, at that stage, fully appreciative of the complexities of the issues involved in distributing the funds to the shareholder in these specific circumstances.

There followed further exchanges between the respective parties' solicitors regarding issues raised by this draft Settlement Agreement and in particular in relation to distributing the funds and exiting the Administration. We can now confirm that the two parties have reached an agreement and a Settlement Agreement was finalised on 13 January 2020.

## **5.2 Final outcome**

Our Final Outcome Statement ("FOS") at 17 January 2020, together with detailed supporting notes is attached at Appendix IV. This FOS shows funds available from the Administration of some £500,000, after making a provision for the outstanding Administration expenses. These expenses will be settled by the Joint Liquidators in due course.

## **5.3 Professional costs incurred to and remaining unpaid at 17 January 2020**

Set out below is a summary analysis of the professional costs incurred during the Review Period and in the Administration as a whole, highlighting those which remain unpaid at 17 January 2020.

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**Bournston Property Limited - In Administration ("the Company")**  
**The Joint Administrators' Progress Report to 17 January 2020**

	Incurring from 11 November 2019 to the end of the Administration £	Paid during the Review Period £	Paid at 17 January 2020 £	Final Outcome Statement as at 17 January 2020 £	To be in Liquidation £
<b>Professional costs</b>					
Administrators' costs					
- Time costs	*22,711	23,361	174,361	188,408	14,047
- Disbursements	41	41	1,173	1,173	Nil
Legal costs					
- Gordons	*33,040	19,645	115,473	128,868	13,395
- Counsel's fees	*12,300	Nil	31,255	43,555	12,300
Tax advice costs					
- BPR Heaton	750	750	41,750	41,750	Nil
- Stephenson Nuttall	Nil	Nil	1,500	1,500	Nil
<b>Total</b>	<b>68,842</b>	<b>43,797</b>	<b>365,512</b>	<b>405,254</b>	<b>39,742</b>

\*This includes provisions for the time incurred in concluding all aspects of the Administration including the preparation and issuing of this final progress report.

The legal fees and counsel fees incurred in relation to the application to Court on 17 January 2020 are ordered by the Court to be paid as an expense of the Administration.

The above analysis excludes the fees and expenses incurred in the Administration settled directly from Receivership funds following approval by the Bank. These additional costs are summarised below:

- Our firm has been paid Administrators' fees of £106,948 and disbursements of £367.
- Addleshaw Goddard LLP solicitors have been paid fees and disbursements of £19,933.
- Gordons LLP solicitors have been paid fees and disbursements of £29,002.
- BPR Heaton have been paid fees and disbursements of £4,300
- Bilfinger GVA's have been paid £600 for their work reviewing the City of Lincoln Council's Non-Domestic Rates liability.

As previously reported, Addleshaw Goddard LLP were originally engaged in the Administration to provide legal advice. They continued with this role until it became apparent that the LPARs would be in a position to pass over substantial funds to the Company.

Gordons LLP were subsequently engaged by the Joint Administrators to advise on all appropriate legal matters. Gordons have also been paid a contribution to their costs of £2,500 by Pelham Securities. Those costs and fees are included in the above analysis.

Further details regarding these costs are set out in note 8 to the Final Outcome Statement attached as Appendix IV. They are also described in detail in previous reports.

Further details of our firm's time costs, fees and expenses are set out in Section 6 below.

All unpaid Administration expenses will be settled from funds held by the Joint Liquidators in accordance with Paragraph 99 of Schedule B1 of the Act.

#### **5.4 Distribution to shareholder**

As explained in section 1.3 above, our solicitors reported the conduct of the Court hearing to extend the Administration in detail to the putative shareholders' solicitors on 24 October 2019. It was emphasised that, given the Judge's comments, there was a very limited window of opportunity for the putative shareholders to explore and agree (between themselves and with us) the distribution process and exit route from the Administration.

Our solicitor also addressed the way forward and set out our views on three possible options, summarised below:

1. Seek a reduction in share capital based on the approach outlined in the Lehman Brothers case;
2. Pass a resolution to put the Company into Members' Voluntary Liquidation ("MVL");
3. Allow the Company to simply be put into liquidation as a Creditors' Voluntary Liquidation ("CVL").

The letter also explained at some length why a "simple handing back of the Company's affairs to its directors / shareholders" was not possible; highlighting the fundamental differences in the circumstances of our Administration to those in the Nimmo Fraser case. This option, perhaps the most obvious, had previously been researched and explored at some length by all parties' solicitors.

Our solicitors' letter concluded by requesting that the putative shareholders agree a common way forward and inform us of their consent position as soon as possible. It also repeated our earlier request that they confirm that the basis of our fees for our remaining work in the Administration be the same as that previously authorised by the creditors.

On 30 October 2019, all parties' solicitors held a conference call and the shareholders' solicitors indicated that their preferred way forward was via the MVL; option 2 above. However, they were silent on the basis of fees and costs for the balance of the Administration. The issue of our firm's fees is addressed in section 6.2 below.

Developments' solicitors confirmed on 5 November 2019 that their preferred way forward was via MVL and requested that we provide a draft outline of the processes involved with a step by step guide timeline, identifying the key steps for further discussion and approval.

Pelham Securities confirmed their agreement to the MVL option on 14 November 2019.

Our solicitors, together with counsel, reviewed the options available to us with regards to placing the Company into MVL from Administration and what steps would be required in order to do so. During these discussions we created a timeline of the events that were required to take place to ensure that the MVL process was carried out correctly. In addition we also identified the requirement to appoint new directors to deliver notice of the MVL to the shareholder and swear a Declaration of Solvency.

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## **5.5 Appointment of new directors**

In anticipation of the proposed MVL, it was necessary for the Company to appoint new directors to carry out the necessary legal requirements of the MVL. Mr Kilminster, who was the former director, was made bankrupt on 1 October 2012 and was no longer able to act as director of the Company.

*With the agreement of the putative shareholders, steps were taken to remove Mr Kilminster as a director of the Company and appoint Mr Philip Barker and Mr James Barker as replacement directors to carry out the necessary statutory requirements.*

Mr Philip Barker and Mr James Barker were duly appointed as directors of the Company on 2 January 2020 and their appointment was filed at Companies House on 7 January 2020.

## **6. THE JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES**

### **6.1 Pre-Administration costs**

In our report prepared pursuant to Paragraph 49 of Schedule B1 of the Act, we reported details of our firm's pre-Administration costs. Details of these costs have also been included in our previous reports.

In summary, our firm's pre-Administration time costs were written off, but the pre-Administration legal expenses of £2,432 were approved for payment by the Bank and settled directly from Receivership funds.

### **6.2 The Joint Administrators' remuneration and disbursements authorised by creditors**

#### **6.2.1 The Joint Administrators' remuneration**

The basis of our remuneration was fixed by the resolution of creditors on 3 July 2015 as follows:

1. "The Joint Administrators' remuneration be fixed by the time properly incurred by them and their staff based on their firm's charging policy (see Appendix VI) in attending to matters arising in the Administration. The Joint Administrators be authorised to draw their remuneration from time to time during the period of the Administration without further recourse to creditors, as and when funds allow".

An analysis of our firm's time costs incurred during the Review Period of £18,711 and for the Administration to 17 January 2020 of £184,408 are included in Appendix V. In addition, we estimate that our further time costs to conclude all aspects of the Administration will be £4,000 and thus the total Joint Administrators' fees will be £188,408. Information regarding our firm's charge-out rates is provided in Appendix VI.

We have consistently sought approval from the relevant parties to enable us to draw the fees detailed above in full. Following the settlement of the creditors' claims in May 2019, we sought fee approval from the putative shareholders. The putative shareholders agreed to the same basis of remuneration as agreed formerly by the Company's creditors. Further detail of these additional fees are detailed below.

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During the Administration, our firm has invoiced and drawn fees on account totalling £174,361 from the Administration funds, of which £23,361 was invoiced and drawn during this Review Period. These fees include an agreed contribution by Pelham Securities of £1,000 received on 1 October 2014. This contribution is reflected in the attached final Administration receipts and payments account. Further details are provided in our earlier reports and note 8.1 of the Final Outcome Statement attached as Appendix IV.

Our firm's final fee in the Administration is addressed in section 6.5 below.

Our firm has also been paid fees of £106,948 and disbursements of £367 in respect of our work to 10 May 2015. These fees were approved by the Bank and settled directly from Receivership funds. This is explained in section 5.3 and detailed in our previous Administration reports.

"A Creditors' Guide to Administrators' Remuneration" is available for download at <https://www.geoffreymartin.co.uk/stakeholder-resources/fee-guides> by selecting "Guide to Administrators Fees April 2017". Should you require a paper copy of "A Creditors' Guide to Administrators' Remuneration", please send your request in writing to us at the address on the front of this report and this will be provided to you at no cost.

## **6.2.2 The Joint Administrators' disbursements**

### **Category 1 disbursements**

Category 1 disbursements comprise specific expenditure which relates to the Administration and which are paid to an independent third party. Details of Category 1 disbursements incurred and paid during the Review Period and for the Administration as a whole are set out in Appendix VI.

### **Category 2 disbursements**

Category 2 disbursements include elements of shared or allocated costs. Details of how these costs are calculated are set out in Appendix VI. Details of Category 2 disbursements incurred and paid during the Review Period and the Administration as a whole are set out in Appendix VI.

## **6.3 Creditors' right to request information**

Any secured creditor, or unsecured creditor with the support of at least 5% in value of unsecured creditors, or with the permission of the Court, may request (in writing) that we provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report.

Given that all creditors' claims have been settled in full we believe it is highly unlikely that any such requests will now be received.

## **6.4 Creditors' right to challenge remuneration and / or expenses**

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors, or with the permission of the Court, may apply to the Court for one or more orders, challenging the amount and / or the basis of our remuneration and / or expenses. Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and / or expenses which are being challenged.

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Any such challenges may not disturb remuneration or expenses disclosed in prior progress reports.

Given that all creditors' claims have been settled in full we believe it is highly unlikely that any such challenges will now be received.

#### **6.5 The Joint Administrators' remuneration in connection with the shareholder related issues**

Following the settlement of creditors' claims in May 2019, it seems only appropriate that the future additional costs of dealing with shareholder related issues (over and above the usual costs of managing and closing the Administration) should be sanctioned by the shareholder.

The obvious difficulty that we faced at that time (May 2019) was that the identity of the shareholder was unclear. Accordingly, when we wrote to the two main parties who have consistently expressed an interest in the Company's shares mid-June 2019 outlining a proposed process and timescale aimed at resolving their dispute over ownership, the distribution of available funds and exiting the Administration, we also set out our proposals covering future costs and fees. In summary, we proposed that our future additional fees be on the same basis as that agreed with creditors and in that we would seek to provide future Fees Estimates to cover these future fees. We also stated that pending a new agreement, we would continue to apply the basis of remuneration and disbursements previously agreed with the creditors.

Following various exchanges between all parties and their respective solicitors, we were asked to provide Fees Estimates covering two different scenarios; one scenario covering a consent settlement, the other involving a court application to resolve ownership.

We provided these Fees Estimates in mid-August, together with guidelines and approximate timescales covering our view (at that time) of the proposed processes of distributing the funds and exiting the Administration.

These Fees Estimates appear to have had a positive impact on the negotiations regarding the ownership of the shares as a draft Settlement Agreement was received shortly thereafter; see section 5.1. However, the issue of our additional fees remained unresolved.

At that time, we were concentrating on preparing our report to court and supporting witness statement seeking an extension to the Administration. As mentioned above, the Judge's approach came as a surprise and when our solicitors reported the conduct of the hearing and Judge's directions to the putative shareholders on 24 October 2019, they also repeated our earlier request that the putative shareholders confirm the proposed basis of our fees for our remaining work in the Administration.

By the end of October 2019, we were concerned that the responses received to date from the putative shareholders and their solicitors had not provided the clarity that we required. No basis had been confirmed and indeed, there were exchanges mentioning discounted, fixed and complex rates.

Accordingly, to establish a clear and transparent basis for our future fees for this additional work, we wrote formally to the putative shareholders on 31 October 2019 seeking their confirmation that:

- Future Joint Administrators' fees be on the same underlying basis as that previously agreed with creditors. This was set out in detail on attached appendices.
- The Joint Administrators may draw fees up to their time costs of £159,280 to 10 October 2019 as demonstrated by the supporting schedules.

We asked that this confirmation, or request for further information, be received by 4 November 2019 so we move on without any further delay.

Confirmation of the above was received from Developments' solicitors on 5 November 2019.

Confirmation was received from Pelham Securities solicitors on 14 November 2019.

We have continued to seek the putative shareholders' agreement to our drawing of fees on the above basis. We requested that fees of £4,092 be drawn for works carried out in the period 10 October 2019 to 10 November 2019. Approval for these fees were provided by the putative shareholders on 19 December 2019.

On 19 January 2020, the putative shareholders agreement was sought for our firm's fee of £11,769 for work carried out for the period 10 November 2019 to 3 January 2020. Approval for these fees were provided on 10 January 2020.

We will seek the putative shareholders' approval to our final fee for concluding all aspects of the Administration, which once approved will be paid from the funds held by the Joint Liquidators.

## **7. THE OUTCOME OF THE ADMINISTRATION**

A summary of the Joint Administrators Revised Proposals as approved is attached at Appendix II.

The objective of the Administration has been achieved. Indeed, the Judge confirmed this with his comments made at the Court hearing held on 18 October 2019. In summary, all creditors of the Company were settled in full during the Administration and funds in the region of £500,000 are available from the Administration.

## **8. THE JOINT ADMINISTRATORS' DISCHARGE**

The Court Order dated 17 January 2020 states that "*pursuant to Paragraph 98(2)(c) of Schedule B1 to the Act the Administrators be discharged from liability as Administrators of the Company 14 days after the filing and posting of this Order and their Final Progress Report containing the Administrators' Final Receipts and Payments Account to:*

- *those parties detailed in rule 3.59 of the Insolvency (England and Wales) Rules 2016; and*
- *all known creditors of the Company."*

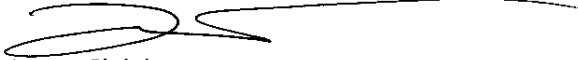
This final report will be circulated to all known creditors and the putative shareholders and my final receipts and payments account along with my final report will be filed within the guidelines described above.

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If you require any further information, please contact John Birkinshaw or Tom Gibney at this office.

Yours faithfully

For and on behalf of Bournston Property Limited



James Sleight

Formerly Joint Administrator (and now Joint Liquidator)

Formerly acting as agent of the Company and contracting without personal liability

Dated: 29 January 2020

Encs.

John Twizell and James Sleight were appointed Joint Administrators of Bournston Property Limited on 11 November 2011. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

James Sleight is licensed to act as an Insolvency Practitioner in the United Kingdom by the Insolvency Practitioners Association.

John Twizell is licensed to act as an Insolvency Practitioner in the United Kingdom by the Institute of Chartered Accountants in England & Wales.

**Bournston Property Limited  
(IN ADMINISTRATION)**

**STATUTORY INFORMATION**

Company Name:	Bournston Property Limited
Previous Names:	None known
Proceedings:	In Administration
Court:	High Court of Justice, Chancery Division, Leeds District Registry
Court Reference:	1692 of 2011
Date of Appointment:	11 November 2011
Joint Administrators:	John Twizell and James Sleight Geoffrey Martin & Co, 3rd Floor, One Park Row, Leeds, LS1 5HN  Geoffrey Martin was replaced as Joint Administrator by James Sleight by operation of a block Court Order dated 13 December 2013. This was as a result of Mr Martin's intention to cease practicing as an insolvency practitioner.
Registered office Address:	c/o Geoffrey Martin & Co, 3rd Floor, One Park Row, Leeds, LS1 5HN Formerly at: Ossington Chambers, Newark, Nottinghamshire, NG24 1AX
Former trading Address:	The Junxion, Brayford Wharf, Lincoln, LN5 7TP
Company Number:	04478632
Appointment by:	The Qualifying Floating Chargeholder of the Company in accordance with Paragraph 14 of Schedule B1 of the Insolvency Act 1986.

In accordance with Paragraph 100(2) Schedule B1 of the Insolvency Act 1986, the Joint Administrators confirmed that any act required or authorised under any enactment to be done by an Administrator may be done by either of us individually or jointly.

The EC Regulations on Insolvency Proceedings 2000 did and do apply and the Company's centre of main interest is in the United Kingdom. In accordance with these Regulations, the Administration represents main proceedings.

All amounts shown throughout the report are exclusive of VAT

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**Bournston Property Limited  
(IN ADMINISTRATION)**

**DEFINITIONS**

The Act	Insolvency Act 1986
The Rules	Insolvency Rules 1986 or Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event)
The Joint Administrators	John Twizell and James Sleight of Geoffrey Martin & Co
The Company	Bournston Property Limited (in Administration)
The Court	High Court of Justice, Chancery Division, Leeds District Registry
SIP	Statement of Insolvency Practice
Review Period	Period covered by the report from 11 November 2019 to 17 January 2020

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**Bournston Property Limited  
(IN ADMINISTRATION)**

**SUMMARY OF THE JOINT ADMINISTRATORS' REVISED PROPOSALS, AS APPROVED**

**Revised Proposals**

The Joint Administrators propose that

- (1) They continue to manage the business, affairs and property of the Company in order to achieve the following revised purpose of Administration -
  - achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), and / or,
  - rescuing the Company as a going concern
- (2) They continue to take any action they consider expedient with a view to achieving the purposes of administration detailed at (1) and in particular that
  - (i) they continue to assist and liaise with the Joint LPA Receivers ("the LPARs") and Northern Rock (Asset Management) Plc following the sale of the Property and secure the funds available to the Company,
  - (ii) they agree the LPARs' account with the Company and reconcile the funds to be received in the Administration,
  - (iii) they address the tax issues arising in the Administration, including any capital gain arising on the LPARs' disposal of the Property and any Corporation Tax arising on the LPARs' receipts and payments and identify and settle any such liabilities falling as an expense of the Administration,
  - (iv) they address any unoccupied Non-domestic Rates liabilities arising in the Receivership during the Administration period and identify and settle any such liabilities falling as an expense of the Administration,
  - (v) that they do all such things they may consider expedient with a view to enhancing or preserving the value of the Company assets prior to realisation,
  - (vi) at their sole discretion, but taking account of any secured creditor's position, they be authorised to dispose of the Company's ownership of its remaining assets, including the inter-group debt of £12 million shown to be owed to the Company by Bournston Developments Limited (in Compulsory Liquidation) on such terms and to such parties as they consider expedient
- (3) They be at liberty to investigate, and if appropriate pursue, any claims that the Company may have against any person under the provisions of the Companies Act 2006, the Insolvency Act 1986 and such other relevant legislation as may apply to the Company
- (4) They be authorised to make a distribution to preferential creditors and floating charge holders, if and as appropriate, although it is presently believed that there are no preferential creditors or outstanding floating charge holders
- (5) They seek further extensions of the Administration Order to the Court in accordance with Paragraph 76 of Schedule B1 of the Act if deemed necessary by the Joint Administrators
- (6) That for so long as it appears that the Company may be in a position to make a distribution to unsecured creditors (whether under the provisions of the "Prescribed Part" or otherwise), they may take such steps as appropriate to establish the claims of the unsecured creditors against the Company and to formally review and agree those claims and if appropriate to calculate the statutory interest on those unsecured creditor claims in accordance with Rule 2.95 of the Insolvency Rules 1986 and that the costs of doing so may be defrayed out of the assets of the Company as an expense of the Administration
- (7) They be authorised to apply to the Court in accordance with Paragraph 65(3) of Schedule B1 of the Act to request permission to make distributions to unsecured creditors of the Company during the Administration, if, at the Joint Administrators' sole discretion, they consider it expedient to do so

## Appendix G (continued)

- (8) That for so long as it appears that the Company may be capable of being returned to its shareholder with a positive cash balance or alternatively funds will be available for distribution to the shareholder, they be authorised to take all steps necessary to identify the shareholder for the purpose of dealing with the anticipated funds available after settlement of all Administration expenses, costs, professional fees and creditors. It is acknowledged that a number of parties have expressed a claim to the Company's shares and that it is likely that the Joint Administrators will be obliged to make an application to the Court and invite all those parties claiming legal or equitable interests in the Company's shares to make their representations in order that the Court may make a determination on the issue. Before making such an application (or as part of it) it is further acknowledged that the Joint Administrators have been advised by their solicitors that a Berkeley Applegate application is likely to be necessary to ensure that the costs and expenses of such Court applications are to be met from Administration funds. Once the identity of the Company's shareholder has been established they will be in a position to evaluate the most appropriate method of returning any funds available to the shareholder.
- (9) Alternatively, in the event that no funds are available to the shareholder but the Joint Administrators believe a distribution will be made to unsecured creditors, the Joint Administrators propose that either one or both of them (at their discretion) be appointed as liquidator(s) in accordance with Paragraph 83(7) of the Act and Rule 2.117(3) of the Rules. If both of them are appointed Joint Liquidators, then the Joint Liquidators will act jointly and severally. Alternatively, creditors may nominate a different person as proposed liquidator, provided that the nomination is made after the receipt of these proposals and before these proposals have been approved by creditors.
- (10) When the Joint Administrators think that the purpose of the Administration has been sufficiently achieved, they may, if they consider appropriate, file a notice in accordance with Paragraph 80 of Schedule B1 of the Act. The Joint Administrators' appointment shall then cease to have effect and the Joint Administrators will be discharged from liability at that time.
- (11) Alternatively, if the Joint Administrators conclude that the Company has no property to permit any or a further distribution to unsecured creditors they shall send a notice in accordance with Paragraph 84 of the Act whereupon the Joint Administrators' appointment shall cease to have effect, and the Joint Administrators will be discharged from liability at that time. The effect of this is that the Company would eventually be dissolved without any formal liquidation.
- (12) The creditors should consider establishing and if thought fit appointing a Creditors' Committee to exercise the functions conferred on it by or under the Insolvency Act 1986.
- (13) The Joint Administrators consult with the Creditors' Committee, if formed, at appropriate intervals concerning the conduct of the Administration and the implementation and development of these proposals and where they consider it expedient obtain the sanction of that Committee on behalf of the creditors of the Company (and without further reference to them) to any proposed action on the part of the Joint Administrators.
- (14) If no Creditors' Committee is to be formed then the Joint Administrators' remuneration be fixed by the time properly incurred by them and their staff based on their firm's charging policy (see Appendix E) in attending to matters arising in the Administration. The Joint Administrators be authorised to draw their remuneration from time to time during the period of the Administration without further recourse to creditors, as and when funds allow. The Joint Administrators will incur, and be authorised to pay as an expense of the Administration, professional fees they consider to be incidental to the achievement of the Revised Proposals outlined above and their statutory duties, as and when funds allow.
- (15) The Joint Administrators be authorised to draw a disbursements charge relating to the recovery of overhead costs in accordance with their firm's current disbursements policy (see Appendix E).

- (16) With the acceptance of these Revised Proposals creditors confirm that upon discharge of the Administration by way of whichever route deemed applicable, as set out between Paragraph 76 to 84 of Schedule B1 to the Act, that the Joint Administrators are discharged from all liability incurred in respect of the Administration
- (17) In addition, they do all such other things and generally exercise all their powers as Joint Administrators as they in their discretion consider desirable or expedient in order to achieve the revised purpose of the Administration and protect and preserve the assets of the Company and maximise realisations of those assets and for any other purpose incidental to these Revised Proposals. Without limitation to the general powers of the Joint Administrators, they shall have the power and discretion to compromise claims if, in their opinion, it is beneficial to the achievement of the Revised Proposals outlined above to do so



**John Twizell and James Sleight**  
Joint Administrators of Bournston Property Limited

**COMPANY NUMBER: 04478632**

**SPECIAL AND ORDINARY RESOLUTIONS**

(Pursuant to Sections 21, 282 & 283 of the Companies Act 2006 and Section 84(1) of the Insolvency Act 1986)

**Bournston Property Limited ("the Company")**

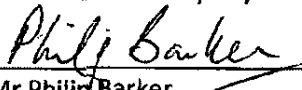
At a General Meeting of the members of the Company, duly convened and held at 2 Castle Rising, Lombard Street, Newark, Nottinghamshire, NG24 1XW on 17 January 2020 at 2:30pm the following resolutions were duly passed as special and ordinary resolutions:

**Special Resolutions**

- i. "That the Company be wound up voluntarily".
- ii. "That the Joint Liquidators be and are hereby authorised to distribute among the members in specie or in kind the whole or any part of the assets of the Company".
- iii. That the Joint Liquidators be and are hereby authorised to pay or make an advance distribution to the members, if they consider it appropriate and prudent to do so, in an amount that they shall determine at their sole discretion, or, if in specie or in kind, of such of the assets as they shall determine in their sole discretion, in such proportions as they shall determine".

**Ordinary Resolutions**

- i. "That John Twizell and James Sleight of Geoffrey Martin & Co, Third Floor, One Park Row, Leeds, LS1 5HN be and are hereby appointed Joint Liquidators of the Company".
- ii. "The Joint Liquidators shall be authorised to draw their remuneration based upon their time costs by reference to the time properly given by the Joint Liquidators and their staff, in attending to matters arising in the Liquidation at Geoffrey Martin & Co's standard hourly rates, at the rates prevailing at the time the work is done, such remuneration to be paid out of the assets of the Company and which may be drawn on account as and when funds permit without further recourse to members. In the first instance, this remuneration is limited to £1,000 plus disbursements and VAT. Any remuneration over this £1,000 limit is to be subject to separate additional by the members".
- iii. "That BPR Heaton be instructed to carry out all book keeping necessary for the completion of accounts for submission to HM Revenue & Customs, to finalise the Company's tax affairs up to the date of Liquidation and to deal with all taxation matters arising during the Liquidation".
- iv. "That the Joint Liquidators be authorised to draw "Category 2" disbursements out of the assets as an expense of the Liquidation, at the rates prevailing when the cost is incurred".
- v. "That any act required or authorised under any enactment to be done by the Liquidator may be done by any or both of the Liquidators".

  
Mr Philip Barker  
Chair of the meeting

Dated: 17 January 2020

**Bournston Property Limited  
(IN ADMINISTRATION)**

**THE JOINT ADMINISTRATORS' FINAL RECEIPTS AND PAYMENTS ACCOUNT**

**Bournston Property Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 11/11/2019 To 17/01/2020 £	From 11/11/2011 To 17/01/2020 £
	<b>SECURED ASSETS</b>		
5,500,000.00	Freehold Land & Property	NIL	NIL
		NIL	NIL
	<b>SECURED CREDITORS</b>		
(7,400,000.00)	Northern Rock Asset Management	NIL	NIL
		NIL	NIL
	<b>ASSET REALISATIONS</b>		
	Funds Passed by Receivers to Compa	NIL	1,480,751.36
NIL	Inter-group debt due from parent	NIL	NIL
	Legal Fee Recharge	NIL	2,500.00
	Cash at Bank	NIL	273.83
	Contribution to JA Fees	NIL	1,000.00
	Bank Interest Gross	NIL	4,112.26
	Sundry Receipts	NIL	3.45
		NIL	1,488,640.90
	<b>COST OF REALISATIONS</b>		
	Specific Bond	NIL	8.40
	JA Fee contribution	NIL	1,000.00
	Joint Administrators' Fees	23,361.00	173,361.00
	Disbursements	NIL	97.58
	Category 2 Disbursements	40.50	579.99
	Counsel's Fee	NIL	31,255.00
	Legal Fees	19,645.00	115,473.00
	Corporation Tax - Admin Expense	NIL	263,464.56
	VAT Irrecoverable	162.22	6,414.07
	Tax Advice	750.00	43,250.00
	Statutory Advertising	NIL	470.76
	Council Rates - Admin Expense	NIL	94,136.22
	Bank Charges	NIL	16.72
		(43,958.72)	(729,527.30)
	<b>PREFERENTIAL CREDITORS</b>		
	HM Revenue & Customs - TAX	NIL	16,142.33
		NIL	(16,142.33)
	<b>UNSECURED CREDITORS</b>		
(226,000.00)	Trade & Expense Creditors	NIL	134,938.42
(105,000.00)	HMRC - VAT	NIL	NIL
	Statutory Interest	NIL	64,569.33
		NIL	(199,507.75)
<b>(2,231,000.00)</b>		<b>(43,958.72)</b>	<b>543,463.52</b>
	<b>REPRESENTED BY</b>		
	VAT Receivable		6,332.20
	Floating Current A/c		531,975.44
	Vat Control Account		5,155.88
			<b>543,463.52</b>

**Bournston Property Limited  
(IN ADMINISTRATION)**

**FINAL OUTCOME STATEMENT FOR THE ADMINISTRATION**

# Bournston Property Limited ("the Company") (In Administration)

## Final Outcome Statement of the Administration at 17 January 2020

	Notes	Director's Statement of Affairs at 11 November 2011 £	Receipts and payments at 17 January 2020 £	Future receipts & payments* £	Estimated Outcome £
<b>Assets specifically pledged</b>					
Property known as The Junxion, Lincoln	1	5,500,000	-	-	-
Less: Northern Rock (Asset Management) Plc	2	(7,400,000)	-	-	-
Surplus/(shortfall) to the Bank	1 & 2	(1,900,000)	-	-	-
<b>Assets not specifically pledged</b>					
Funds available from the Receivership	1 & 2	-	1,480,751	Nil	1,480,751
Bournston Developments Limited (in Liquidation)	3	Nil	Nil	Nil	Nil
Cash at bank and gross bank interest	4	-	4,386	Nil	4,386
Sundry receipts	5	-	3	Nil	3
Contributions to professional fees	6	-	3,500	Nil	3,500
<b>Total assets not specifically pledged</b>		<b>Nil</b>	<b>1,488,641</b>	<b>Nil</b>	<b>1,488,641</b>
<b>Less: Administration expenses</b>					
Corporation Tax	7	-	(263,465)	Nil	(263,465)
City of Lincoln Council			(94,136)	Nil	(94,136)
Professional costs and disbursements	8 & 8.3	-	(365,512)	(39,742)	(405,254)
Irrecoverable VAT			(6,414)	(220)	(6,634)
			(729,527)	(39,962)	(769,489)
<b>Assets available for floating charge holder</b>		<b>Nil</b>	<b>759,114</b>	<b>(39,962)</b>	<b>719,152</b>
Shortfall to the Bank (floating charge holder)	1 & 2	(1,900,000)	N/A	N/A	N/A
<b>Estimated funds available for unsecured</b>		<b>Nil</b>	<b>759,114</b>	<b>(39,962)</b>	<b>719,152</b>
<b>Unsecured creditors</b>	10	<b>331,000</b>	<b>(134,938)</b>	<b>Nil</b>	<b>(134,938)</b>
<b>Add: Simple statutory interest at 8%</b>	11	<b>-</b>	<b>(80,712)</b>	<b>Nil</b>	<b>(80,712)</b>
<b>Estimated surplus/(shortfall) to the shareholder</b>	12	<b>(1,569,000)</b>	<b>543,464</b>	<b>(39,962)</b>	<b>503,502</b>

The above statement should be read in conjunction with the attached notes.

\*All unpaid Administration remuneration and expenses are charged and payable out of the Company's property in accordance with Paragraph 99 of Schedule B1 of the Insolvency Act 1986. The Joint Liquidators will be responsible for discharging these liabilities from the funds handed over to them.

## **Bournston Property Limited ("the Company") (In Administration)**

### **Notes to the Final Outcome Statement ("FOS") at 17 January 2020**

#### **1 Property known as The Junxion, Lincoln (in LPA Receivership) ("the Property")**

The Property comprised six ground floor retail units and 99 clusters of student accommodation. 74 of the clusters had been sold as investment products by the Company prior to our appointment.

Andrew Rodger and Roger Philips of GVA were appointed as Joint LPA Receivers ("LPARs") over the Property by Northern Rock (Asset Management) Plc ("the Bank") on 6 September 2011. Following their appointment the LPARs managed the Company's interest in the Property until its sale in February 2015.

The LPARs' realisation strategy was to manage the Property for the short / medium term and to use the rental income received to reduce the debt due to the Bank until such time as an optimum sales value could be achieved. Following the letting of all the ground floor commercial units and an apparent improvement in the local property market, the LPARs indicated to the Bank in April 2014 that the Property was ready to be marketed. In July 2014, the Bank instructed the LPARs to market the Property.

The LPARs received significant interest in the Property and accepted an offer for the Property, following appropriate consultation with the Bank. On 4 February 2015 the LPARs exchanged contracts for the sale of the Property, which was duly completed on 27 February 2015 at £7,605,000.

After settling the Bank's debt, the LPARs made two on account payments to us; £500,000 on 8 July 2015 and £850,000 on 11 November 2015. A final balance of £130,751.36 was paid on 13 April 2016 after they had settled all the costs of the Receivership. The total funds passed to the Administration were therefore £1,480,751.36.

#### **2 Northern Rock (Asset Management) Plc ("the Bank")**

Northern Rock (Asset Management) Plc ("the Bank") held security in the form of a Charge Deed registered on 12 October 2004.

The Bank was owed approximately £7.2 million at the date of our appointment.

The LPARs made distributions totalling £1,650,000 to the Bank throughout the course of the Receivership, as and when funds allowed. Following the sale of the Property the LPARs' solicitors settled the Bank's outstanding balance owed of £6,060,678.21 on 23 April 2015. The Bank was therefore paid £7,710,678.21 and its debt was settled in full.

#### **3 Inter-group debtor - Bournston Developments Limited ("Developments") (in Compulsory Liquidation)**

An inter-group debt of £1,200,000 is shown to be due from Developments, the Company's immediate parent company at the date of our appointment. This debt is shown in the director's Statement of Affairs as having a £nil realisable value.

Following receipt of the director's Statement of Affairs, we wrote to Developments requesting repayment of the inter-group debt. Mr Kilmister advised that Developments was unable to make any proposals for repayment due to its severe financial difficulties. LPA Receivers were subsequently appointed over Developments' property known as 7/9 Bargate and Town Wharf, Newark.

Developments was subject to a winding-up order on 23 April 2013. The Official Receiver's Nottingham office was acting as Liquidator ("the OR"), until the appointment of Mr Richard Goodwin of Butcher Woods Limited as Liquidator on 13 May 2015.

The OR and Mr Goodwin have both advised that the only realisation in the Liquidation of Developments would be from the Company's shares.

#### **4 Cash at bank**

We realised £273.83 cash held at Allied Irish Bank (GB). Monies held within the Administration were initially held in an interest bearing account and the gross interest received is reflected in the FOS. Funds latterly held in a no interest no charges account.

#### **5 Sundry receipts**

We received a wayleave payment of £3.45.

#### **6 Contributions to professional fees**

Pelham Securities Limited made two payments to the Administration in September 2014. The first payment was a contribution to legal fees of £2,500 (plus VAT). The second payment was a contribution of £1,000 (plus VAT) to the Joint Administrators' fees. Both payments were in respect of time spent in addressing various enquiries raised by Pelham Securities Limited relating to the process of identifying and verifying the Company's shareholder.

## 7 Tax liabilities relating to asset realisations - returns calculated and HM Revenue & Customs' formal agreement

We engaged specialist tax advisers BPR Heaton ("BPR") to prepare all Corporation Tax returns in respect of the Administration. Prior to BPR's initial review of the Company's tax affairs, it had been anticipated that the Corporation Tax liabilities may be in excess of £750,000, before applying any reliefs.

On 19 April 2016, we received the LPARs' income and expenditure information for the Receivership period, which we subsequently passed to BPR. We specifically instructed BPR to investigate whether any chargeable gain arose following the LPARs' sale of the Property. BPR undertook extensive work in assessing the Company's Corporation Tax position, which included reviewing the Company's tax affairs in respect of accounting periods prior to our appointment.

Following advice from BPR, we also engaged the Company's pre-appointment accountants and tax advisers, Stephenson Nuttall & Co, who had provided services to the Bournston Group of Companies. Their knowledge of the Bournston Group of Companies greatly assisted in identifying available reliefs to the very significant advantage of the Company.

During August 2017, BPR prepared four post-appointment annual Corporation Tax returns and one pre-appointment return which showed total liabilities of £235,700. These returns included the use of various reliefs, including the surrender of historic tax losses of £474,295 by a former group company, Kentford Estates Limited. No consideration was paid for these surrendered tax losses. We deemed that these liabilities all ranked as an Administration expense. Accordingly, when these returns were all submitted in August 2017, they were accompanied by cheques in settlement of the arising liabilities.

In November 2017, BPR prepared and submitted the annual Corporation Tax return for the fifth year of the Administration, together with a cheque of £698 to settle the arising liability.

All returns submitted by BPR were subject to review and formal agreement by HM Revenue & Customs.

Thereafter BPR liaised extensively with HM Revenue & Customs providing additional information and explanations of various tax treatments adopted and their approach in completing the Corporation Tax returns. The process of agreeing the Corporation Tax liabilities was protracted, primarily due to the complexity of the returns, but also because of a number of changes in HM Revenue & Customs' personnel over the period.

HM Revenue & Customs clearly undertook a detailed investigation of all the returns, which culminated in August 2018 with their stating that they were prepared to agree and accept the vast majority of the reliefs claimed and BPR's treatment of expenses, subject to two points in relation to professional fees.

Following detailed discussions with BPR, we decided to accept HM Revenue & Customs' determination of these two items, which resulted in an increase of Corporation Tax due of £20,416.15. A cheque in settlement of this additional liability was issued on 21 August 2018. Shortly following this settlement, HM Revenue & Customs advised that interest of £6,032 was due in relation to the 2014 return and £568 was due in relation to the 2015 return. These liabilities were settled promptly following further consultation with BPR. It should be noted that HM Revenue & Customs accepted in full BPR's appeals against penalties arising of £47,139.

BPR prepared the return for the year ended November 2018 and a cheque in settlement for £51 was sent to HM Revenue & Customs.

The FOS represents the final Corporation Tax positions agreed with HM Revenue & Customs. No further liability has arisen in the Administration. This outcome compares very favourably to the initial provision made in the Administration of £500,000, which provision was based on BPR's initial review of the Company's potential tax liability.

## 8 Estimated professional costs of the Administration

### 8.1 Administration fees and disbursements for the LPARs' / Bank's account settled from Receivership funds

The costs set out below were settled directly by the LPARs from Receivership funds, following approval by the Bank and therefore do not feature in the Administration Receipts and Payments account.

	Fee basis	Costs £	Comment
<b>Pre-Administration fees and disbursements</b>			
• Geoffrey Martin & Co*	Time	1,172	Written-off
• Addleshaw Goddard LLP*	Time	2,432	Paid
<b>Administration fees and disbursements</b>			
Joint Administrators' fees	Time	106,948	Paid
Disbursements and statutory costs**	Incurred	367	Paid
Legal fees and disbursements			
• Addleshaw Goddard LLP	Time	19,933	Paid
• Gordons LLP	Time	29,002	Paid
BPR Tax advice	Time	4,300	Paid
Non-Domestic rates review - Bilfinger GVA**	Time	600	Paid
		<u>164,754</u>	

\* Pre-Administration expenses relate to costs incurred by Geoffrey Martin & Co and Addleshaw Goddard LLP which were incurred prior to 11 November 2011. Our firm's pre-Administration time costs were written off. The Bank approved the pre-Administration legal expenses and confirmed that they should be settled from Receivership funds.

We agreed our firm's fees and disbursements for assisting with the Receivership directly with the Bank, which have been settled from Receivership funds. As part of this process we agreed with the Bank and the LPARs that the cut-off date for our firm's time costs and disbursements attributable to their account should be the date the Property was sold, namely to 27 February 2015, subject to the following adjustments:

- any time costs incurred before 27 February 2015 in connection with obtaining the latest extension of the Administration are not for the Bank's / LPARs' account;
- any time costs incurred after 27 February 2015 directly assisting in the sale of the Property (such as dealing with the shares of JMC) are to be added to the Bank's / LPARs' account.

The same principle applied to the Gordons LLP and BPR accounts.

\*\* Bilfinger GVA's Business Rates Team were engaged by the Joint Administrators to review The City of Lincoln Council's Non-Domestic rates liability and split between the Administration expenses and unsecured claim. The LPARs settled the fee direct from the Receivership funds with our authority.

Further details regarding these payments are set out in our previous Administration reports.

## 8.2 Professional fees and disbursements

An analysis of professional fees and disbursements incurred and paid during the Administration, together with estimates of the outstanding remuneration and expenses to be settled from the funds passed by the Joint Administrators to the Joint Liquidators are summarised below.

	Fee basis	Receipts and payments account at 17 January 2020	Further payments	Estimated Outcome
		£	£	£
Joint Administrators' fees	Time	174,361	14,047	188,408
Disbursements and statutory costs	Incurred	1,173	0	1,173
Legal fees and disbursements				
- Gordons LLP	Time	115,473	13,395	128,868
- Counsel fees	Time	31,255	12,300	43,555
Taxation advice	Time	43,250	0	43,250
Irrecoverable VAT *	Incurred	6,414	220	6,634
		<u>371,926</u>	<u>39,962</u>	<u>411,888</u>

\* Following BPR's detailed review of the Company's VAT affairs and the LPARs' VAT returns, it was identified that the Company's recovery of input tax should be restricted to 19.39%, due to a partial exemption arising in relation to the Property split. Consequently, an element of input VAT is irrecoverable and will effectively be met as a cost of the Administration and subsequent

We must emphasise that the above cost estimates may vary. However, in any event we will seek to agree our final fee for our work in concluding the Administration with the putative shareholders. These estimates are illustrative for the purposes of the final report and are not binding on any party.

## 8.3 Pelham Securities Limited - contribution to professional fees

Pelham Securities Limited agreed to contribute £1,000 (plus VAT) to the Joint Administrators' time costs incurred in connection with various enquiries raised. Our firm invoiced and drew the agreed contribution of £1,000 (plus VAT) on 1 October 2014. This is reflected in the attached final Administration receipts and payments account.

In addition, Gordons LLP have been paid a contribution to their fees of £2,500 (plus VAT) by Pelham Securities Limited (via the Administration) in respect of work in connection with shareholder related issues.

## 9 Prescribed Part

We were required to consider setting aside an element of the Company's net property available for the Qualifying Floating Chargeholder for the benefit of unsecured creditors in accordance with Section 176(2)(A) of the Act ("the Prescribed Part"). However, the Prescribed Part did not apply in this Administration as the Bank's debt had been settled in full via its fixed charge and we are not aware of any other floating charges.

## **10 Unsecured creditors**

Details of our approach to unsecured creditors are set out in the main body of this final report and earlier progress reports. In summary, we wrote directly to all potential creditors and advertised for creditors to submit claims in February 2017 in view of concerns that creditors who did not submit their claim by this date could be statute barred from pursuing a claim at a later date. Two creditors responded, The Junction Management Company Limited ("JMC") and The City of Lincoln Council ("Lincoln Council"); three didn't, Brown Jacobson, HM Revenue & Customs (in respect of VAT) and Total Gas & Power Limited ("Total

In November 2018, we made an application to the Court to request that we (as Joint Administrators) be authorised to address and settle unsecured creditors' claims. We received the Court's consent to our request in December 2018. Following the Court granting us this authority, we gave all creditors formal Notice of our Intention to Declare a Dividend on 20 February 2019. A statutory notice was also published in the London Gazette on 21 February 2019. This formal Notice was sent to all known potential creditors, including the three who had still not responded to our earlier requests.

On 2 May 2019, we declared and distributed a first and final dividend to the unsecured creditors of 100p in the £ plus 8% simple statutory interest. JMC and Lincoln Council were admitted for £133,879 and £1,059 respectively. The claims of the three potential creditors who failed to respond to all our requests were formally rejected as part of the proving process.

## **11 Statutory interest (8% pa)**

In accordance with Section 189 of the Insolvency Act 2016 and Rule 14.23 of the Insolvency Rules 2016 any surplus remaining after the payment of the debts proved shall, before being applied for any purpose, be applied in paying interest on those debts in respect of the periods during which they have been outstanding since the Company entered Administration. Statutory interest is applied at 8% simple interest per annum. The first and final dividend of 100p in the £ was declared on 2 May 2019. Statutory interest on the admitted claims totalled £80,711.66.

Our solicitor brought to our attention recent developments in case law concerning circumstances when Office Holders, including Administrators, pay statutory interest to unsecured creditors. In summary, we were obliged to deduct tax from the statutory interest and account directly to HM Revenue & Customs for the tax deducted. Accordingly, we deducted tax at 20% and paid over total deductions of £16,142.33 to HM Revenue & Customs. These deductions are included in the figure of £80,711.86 shown in the body of the FOS.

## **12 Estimated surplus to the shareholder**

Our FOS indicates that funds of some £520,000 will be available from the Administration, based on our assumptions regarding the professional costs of closing the Administration.

BOUR001

Bournston Property Limited

**SIP9 - Time & Cost Summary**

Period: 11/11/19..17/01/20

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Appointment Taker	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administraion & Planning	0.10	1.20	0.00	3.50	4.80	788.00	164.17
Maintenance of Records	0.00	0.10	0.00	0.00	0.10	26.50	265.00
Post Appointment VAT & Tax Ref	0.30	0.50	0.00	0.00	0.80	230.00	287.00
Case Monitoring	0.00	0.00	0.00	0.20	0.20	25.00	125.00
Secretarial / Filing	0.00	0.00	0.00	0.40	0.40	50.00	125.00
Cashier for Non Trading	0.00	0.10	0.80	2.70	3.60	414.50	115.14
Other Statutory matters	0.40	2.90	0.00	2.30	5.60	1,186.00	211.79
Administraion & planning	0.80	4.80	0.80	9.10	15.50	2,720.00	175.48
Statutory Reporting to Creditors	13.70	3.60	0.00	32.60	49.90	9,481.50	190.01
Shareholders - Communication	12.00	0.00	0.00	5.00	17.00	4,525.00	266.18
Shareholders - Clarification	0.00	0.30	0.00	0.00	0.30	79.50	265.00
Creditors	25.70	3.90	0.00	37.60	67.20	14,086.00	209.61
Case Specific	0.00	0.00	0.00	11.60	11.60	1,450.00	125.00
Case Specific 3	1.40	0.00	0.00	0.00	1.40	455.00	325.00
Case specific matters	1.40	0.00	0.00	11.60	13.00	1,905.00	146.54
Total Hours	27.90	8.70	0.80	58.30	95.70	18,711.00	195.52

BOUR001

Bournston Property Limited

**SIP9 - Time & Cost Summary**

Period: 11/11/11..17/01/20

Time Summary

Classification of work function	Hours					Time Cost (£)	Average hourly rate (£)
	Appointment Taker	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administraion & Planning	3.90	29.90	2.50	36.30	72.60	13,971.00	192.44
Administrative Setup	0.00	0.50	0.00	0.00	0.50	132.50	265.00
Appointment, Notification / Filing	0.30	1.30	13.60	0.80	16.00	3,058.00	191.13
Maintenance of Records	0.00	0.10	0.00	0.00	0.10	26.50	265.00
Post Appointment VAT & Tax Ref	20.90	49.10	1.00	0.40	71.40	19,994.00	280.03
Case Monitoring	1.50	0.00	46.10	1.20	48.80	8,991.00	184.24
Secretarial / Filing	0.00	0.00	0.10	106.60	106.70	10,321.00	96.73
Cashier for Non Trading	0.00	0.10	0.90	37.60	38.60	4,402.50	114.05
Travelling	0.00	5.60	0.00	0.60	6.20	1,559.00	251.45
Other Statutory matters	65.50	118.90	22.30	19.90	226.60	59,272.00	261.57
Administraion & planning	92.10	205.50	86.50	203.40	587.50	121,727.50	207.20
Investigations	2.70	0.20	4.50	1.00	8.40	1,830.50	217.92
CDDA Reports	0.20	0.60	1.50	0.00	2.30	501.50	218.04
Investigations	2.90	0.80	6.00	1.00	10.70	2,332.00	217.94
Ident / Securing & Insuring	0.00	0.30	0.00	0.70	1.00	156.50	156.50
ROT	0.00	0.20	0.00	0.00	0.20	53.00	265.00
Property	2.50	13.50	28.00	0.20	44.20	9,592.00	217.01
Book Debts	0.50	0.00	3.40	0.00	3.90	791.50	202.95
Other Assets	0.40	2.90	1.70	0.00	5.00	1,192.00	238.40
Insurance Claims	0.00	0.00	0.20	0.00	0.20	37.00	185.00
Strategy	9.30	0.50	0.00	0.00	9.80	3,155.00	321.94
Dealings with JMC shares	18.80	6.90	5.30	0.00	31.00	8,919.00	287.71
Realisations of assets	31.50	24.30	38.60	0.90	95.30	23,896.00	250.75
Preferential Creditors	0.20	0.00	0.00	0.00	0.20	65.00	325.00
Unsecured Creditors	9.80	16.00	21.40	10.30	57.50	12,427.50	216.13
Statutory Reporting to Creditors	51.90	119.90	93.10	83.60	348.50	75,365.50	216.26
Report / Secured Creditor	2.30	3.20	0.00	0.00	5.50	1,595.50	290.09
Pension Issues	0.00	0.10	0.30	0.00	0.40	74.50	186.25
Shareholders - Distribution	0.00	0.00	0.00	0.20	0.20	25.00	125.00
Shareholders - Communication	39.60	7.00	0.20	9.70	56.50	15,969.50	282.65
Statutory Reporting to Members	2.20	0.20	0.00	1.30	3.70	926.00	250.27
Shareholders - Clarification	15.70	6.70	0.00	0.00	22.40	6,878.00	307.05
Creditors	121.70	153.10	115.00	105.10	494.90	113,326.50	228.99
Case Specific	6.00	0.80	8.00	13.80	28.60	5,367.00	187.66
Case Specific 1	41.20	20.00	0.00	0.50	61.70	18,740.00	303.73
Case Specific 2	3.60	3.50	0.00	0.00	7.10	2,097.50	295.42
Case Specific 3	11.20	0.30	0.00	1.20	12.70	3,869.50	304.69
Case specific matters	62.00	24.60	8.00	15.50	110.10	30,074.00	273.15
Total Hours	310.20	408.30	254.10	325.90	1,298.50	291,356.00	224.38

**Bournston Property Limited  
(IN ADMINISTRATION)**

**THE JOINT ADMINISTRATORS' CHARGE-OUT RATES AND BASIS OF CATEGORY 2 DISBURSEMENTS**

**Category 1 disbursements**

Category 1 disbursements comprise specific expenditure which relates to the Administration and which are paid to an independent third party. Details of Category 1 disbursements incurred and paid during the Review Period and for the Administration as a whole were as follows:-

	<b>Incurred during the Review Period £</b>	<b>Total incurred to 17 January 2020 £</b>	<b>Paid during the Review Period £</b>	<b>Paid at 17 January 2020 £</b>	<b>To be paid at 17 January 2020 £</b>
<b>Category 1 disbursements</b>					
Re-direction of mail	Nil	54.40	Nil	54.40	Nil
Search fees	Nil	55.00	Nil	55.00	Nil
Land Registry fee	Nil	4.00	Nil	4.00	Nil
Other travel	Nil	5.44	Nil	5.44	Nil
Parking	Nil	8.50	Nil	8.50	Nil
Hire of Room	Nil	79.08	Nil	79.08	Nil
Statutory Bond	Nil	8.40	Nil	8.40	Nil
Statutory Advertising	Nil	470.76	Nil	470.76	Nil
Bank charges	Nil	16.72	Nil	16.72	Nil
<b>Total</b>	<b>Nil</b>	<b>702.30</b>	<b>Nil</b>	<b>702.30</b>	<b>Nil</b>

Category 1 disbursements totalling £108.84 were settled directly from Receivership funds prior reporting periods.

**Category 2 disbursements**

Category 2 disbursements include elements of shared or allocated costs. Details of how these costs are calculated are set out in Appendix V. Details of Category 2 disbursements incurred and paid during the Review Period and the Administration as a whole were as follows:-

	<b>Incurred during the Review Period £</b>	<b>Total incurred to 10 November 2019 £</b>	<b>Paid during the Review Period £</b>	<b>Paid at 10 November 2019 £</b>	<b>To be paid at 10 November 2019 £</b>
<b>Category 2 disbursements</b>					
Postage, stationery & telephone	40.50	486.00	40.50	486.00	Nil
Mileage	Nil	298.15	Nil	298.15	Nil
<b>Total</b>	<b>40.50</b>	<b>784.15</b>	<b>40.50</b>	<b>784.15</b>	<b>Nil</b>

Category 2 disbursements totalling £258.16 were settled directly from Receivership funds in prior reporting periods.

**CHARGING AND DISBURSEMENTS POLICY (LEEDS OFFICE)****Time costs**

The firm's hourly charge out rates are revised annually from 1 May. The rates currently in use are within the following banks:

	£
Appointment Taker	325
Associate	285
Manager	220 – 285
Senior Administrator	140 – 185
Junior Administrator and Support Staff	65 – 120

Secretarial and cashiers time is charged to the case and their rates are included within the above hourly rates identified above as appropriate. Time is charged in units of 6 minutes.

**Disbursements**

A disbursement charge relating to the recovery of overhead costs is levied at the rate of £6.75 per creditor. This sum is drawn at the outset of the case and on each anniversary thereafter and covers printing, postage, stationery, photocopying, telephone and fax usage.

Company Searches and Electronic Verification of Identify (charges between 1 March 2012 and 28 February 2013):-

Where these were undertaken on a case, the cost was recharged to the case as follows:

Company Searches - £1 plus VAT per document searched.

Electronic Verification of Identify - £2 plus VAT for each search.

From 1 March 2013 Company Searches and Identify Verifications are charged at cost.

Outsourced printing and/or photocopying will be charged at cost in addition to the above.

Travelling expenses are charged at the rate of 45p per mile.

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