

# Liquidator's Progress Report

# S.192

Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

04645818

Name of Company

BMB Property Developments Limited

~~By~~ We

Guy Robert Thomas Hollander  
Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD

Neil John Mather  
Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD

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

The Progress Report covers the period from 18/12/2015 to 17/12/2016

Signed



Date

17/2/2017

Mazars LLP  
Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD

Ref BMB001/GZH/NJM/MZM/JZB/AZH

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COMPANIES HOUSE

## **BMB PROPERTY DEVELOPMENTS LIMITED - IN LIQUIDATION**

### **Progress Report to Members**

This is the Liquidators' second annual progress report to the members and should be read in conjunction with my first annual report dated 16 February 2016

#### **1. Introduction**

- 1 1 The purpose of this report is to provide members with details of the progress of the Liquidation during the 12 month period from 18 December 2015 to 17 December 2016 ("the *current reporting period*")
- 1 2 I was appointed Joint Liquidator of BMB Property Developments Limited ("the Company") together with Roderick John Weston by written resolution of the members held on 18 December 2014
- 1 3 Roderick John Weston retired from the firm and was replaced as Joint Liquidator by Neil Mather of Mazars LLP by Court Order dated 5 September 2016
- 1 4 Both myself and Neil Mather are authorised to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales
- 1 5 Statutory information regarding the Company and the Liquidation appointment is attached at Appendix A

#### **2. Liquidators' Receipts and Payments**

- 2 1 A summary of receipts and payments covering the current reporting period is attached at Appendix B. The receipts and payments account also covers the cumulative period from the date of appointment to 17 December 2016. A comparison of the figures provided in the directors' declaration of solvency to actual realisations made to date is included to assist the members in assessing progress to date
- 2 2 The receipts and payments account confirms that the balance in the liquidation account is currently £1,485
- 2 3 Additional amounts from the sale of Pearl Works are currently held by Graphute London Limited in relation to cost and tax provisions. Further details are provided in section 3.1 below
- 2 4 An explanation of the assets realised and the expenses paid is provided below

#### **3. Asset realisations and details of progress**

The following asset realisations have been made in the current reporting period

##### **3 1 *Loan to Clareville Grove***

The Company issued a loan to Clareville Grove in respect of the following development

Pearl Works The sum of £1,041,250 was loaned to Pearl Works under an agreement dated 1 July 2013

The property was sold in March 2016 and the sum of £1,278,517 was received from the sale. Of this amount, around £457,000 was interest on the loan and corporation tax was payable on that amount at a rate of 20%. The amount due is being held in a separate account controlled by Graphite London Limited as a tax retention to settle the tax liability when it falls due. A further account is controlled by them with funds of c £23,000 to cover any unexpected costs that may still arise from this transaction. The balance of the sale proceeds totalling £1,164,028 was distributed to the members.

#### **4. Assets still to be realised**

##### **4.1 *Assisted Development Loan***

The directors of the Company are members of Assisted Developments LLP. A loan of £20,000 was issued to the partnership and the amount remains outstanding. A new partner is being sought for the venture which is in progress and we understand from the directors that they are hopeful that one will be found shortly.

##### **4.2 *Lots Road Property LLP (Chelsea Harbour) profit share***

Lots Road Property LLP owned the commercial site at Chelsea Harbour which has now been sold but the sales contract is with the Company.

PC Mayfair (Lots Road) LLP and Marcol are due an equal split of the profits of the sale proceeds. The Company will receive a profit share of 80% from PC Mayfair (Lots Road) LLP's entitlement.

The sale of the commercial property was deferred. The sale price is £2.5m and therefore PC Mayfair (Lots Road) LLP will receive £1.25m of which BMB is entitled to receive 80% (£1m). The directors have advised that they do not expect to receive any funds in this respect for around 18 months.

#### **5. Liabilities**

##### **5.1 Secured Creditors**

5.1.1 There are no secured or preferential creditors.

##### **5.2 Unsecured Creditors**

5.2.1 According to the directors' declaration of solvency, the Company had unsecured creditors with debts totalling £19,484.

5.2.2 A Notice to claim was advertised in the London Gazette 23 December 2014 and total claims received to date are £1,460. All claims have been paid in full plus statutory interest.



**5 3 Corporation Tax**

- 5 3 1 The sum of £103,830 was paid to HM Revenue and Customs during the current period in respect of post-appointment tax. This was made up of the £63,000 transferred into the bank account by the directors with the balance made up of funds held in the liquidation account.
- 5 3 2 An additional amount in the sum of £21,527 was paid to HMRC in respect of interest owing for the pre-appointment liability of £2,072,727.

**6. Distributions to members**

**6 1 Cash distributions**

- 6 1 1 Distributions to members in the current period comprise a cash payment of £1,164,028. As referred to above, this related to the net proceeds from the sale of Pearl Works after accounting for the tax charge and cost provision.

**7. Liquidators' Remuneration**

- 7 1 The liquidators' remuneration was fixed on a time costs basis not to exceed £15,000 plus VAT by written resolution of the members on 18 December 2014. This amount was paid in full from the surplus funds in the accounts on 30 June 2015.
- 7 2 Attached at Appendix C1 is a summary of the Liquidators' time costs for the current reporting period. These costs total £6,118, which represents 27.5 hours at an average hourly rate of £222.
- 7 3 Due to changes in Statement of Insolvency Practice 9, I am now required to provide you with additional, proportionate information regarding my costs, to include an explanation as to why certain tasks were carried out and whether the work carried out provided a financial benefit to creditors and members. Accordingly, please find attached at Appendix C2 a narrative summary of the work carried out during the current reporting period.
- 7 4 Total time costs incurred in the Liquidation to date amount to £32,447. This represents 149.3 hours at an average hourly rate of £217. Attached at Appendix C3 are details of the Liquidators' cumulative time costs since appointment.
- 7 5 Routine administration of the liquidation has been dealt with by junior staff wherever possible in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the Joint Liquidators. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Joint Liquidators.
- 7 6 Charge out rates are reviewed annually on 1 September and in common with other professional firms, may increase over the period of the administration of the case. The rates are appropriate to the skills and experience of the team member and the work that they perform. All staff that work on the case, including cashiers, support and any secretarial staff charge their time directly to the assignment. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

- 7 7 The charge out rates of the team members employed on the assignment during the period covered by this report remain the same as the rates initially provided to the members

## **8. Liquidators' Disbursements**

- 8 1 Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds
- 8 2 There have been no disbursements incurred or paid during the current reporting period

## **9. Members' Rights**

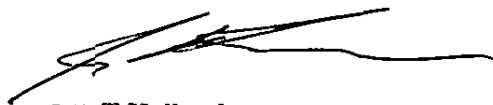
### **9 1 Further information**

- 9 1 1 I would advise you that pursuant to rule 4 49E of the Insolvency Rules 1986, a member with concurrence of at least 5% of the total voting rights or a member with permission of the court, may, within 21 days of receipt of this progress report, ask the liquidator for further information about the remuneration and expenses set out in this progress report

### **9 2 Apply to Court**

- 9 2 1 Additionally, pursuant to rule 4 148C of the Insolvency rules 1986, a member with concurrence of at least 10% in value of the total voting rights or a member with the permission of the court may, within 8 weeks of the receipt of this progress report, apply to the court on one or more of the following grounds
- the remuneration charged by the liquidator, or
  - the basis fixed for the liquidator's remuneration, or
  - expenses incurred by the liquidator
- is or are in all of the circumstances, excessive or inappropriate

I trust that this is sufficient information for your requirements but please do not hesitate to contact me should you need anything further



**G R T Hollander**  
Joint Liquidator

**Dated 17 February 2017**

*Authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales and bound by the Insolvency Code of Ethics*

**BMB Property Developments Limited**  
**In Liquidation**

**Statutory Information**

<b>Company name</b>	BMB Property Developments Limited
<b>Company number</b>	04645818
<b>Registered office</b>	2 Physic Place, Royal Hospital Road, London, SW3 4HQ
<b>Date of appointment</b>	18 December 2014
<b>Joint Liquidators</b>	G R T Hollander and N J Mather
<b>Joint Liquidators' address</b>	Tower Bridge House, St Katharine's Way, London, E1W 1DD

**APPENDIX B**

**BMB Property Developments Limited (In Liquidation)**  
**Joint Liquidators' Summary of Receipts and Payments**

RECEIPTS	Declaration of Solvency (£)	From 18/12/2014 to 17/12/2015 (£)	From 18/12/2015 to 17/12/2016 (£)	Total (£)
Facility Agreement Loan-Graphite London		113,000	-	113,000
Sales Commission - Swiss Cottage Props		307,750	-	307,750
Motor Vehicles	545	-	-	-
Office Furniture	1,547	-	-	-
Directors' Loan Account	1,202,089	1,200,000	-	1,200,000
Assisted Development Loan	20,000	-	-	-
Loan to Clareville Grove - Melbourne Hse	162,000	189,069	-	189,069
Book Debts	161,877	-	-	-
Shares & Investments	3	-	-	-
Loan to Clareville Grove re Yvon House	1,362,924	1,493,343	-	1,493,343
Loan to Clareville Grove re Pearl Works	1,821,250	-	1,278,517	1,278,517
Insurance Refund		68	-	68
Cash at Bank	11,351,824	9,448,811	63,000	9,511,811
Lowndes Square LLP - Profit Share		40,417	-	40,417
Deloitte emp recharge-Swiss Cottage		33,953	-	33,953
Rates Refund		6,395	-	6,395
Bank Interest Gross		6,915	60	6,975
Non-executive Directors fees		1,500	-	1,500
	<u>16,084,059</u>	<u>12,841,221</u>	<u>1,341,577</u>	<u>14,182,798</u>
<b>PAYMENTS</b>				
Refund payment to The Final Step Ltd		14,342	-	14,342
Refund payment to Crescent 74 Ltd		1,247	-	1,247
Specific Bond		960	-	960
Rates Refund Commission		273	-	273
Liquidators' Fees		15,000	-	15,000
Accountancy fees		11,757	-	11,757
Professional services		-	53	53
Solicitor's Certifying costs		10	-	10
Directors & Officers Insurance		2,117	-	2,117
Corporation Tax	(3,323,398)	2,072,727	124,598	2,197,325
Statutory Advertising		254	-	254
Wages & Salaries		23,433	-	23,433
PAYE & NI		55,829	-	55,829
Bank Charges		15	15	30
Courier Costs		25	-	25
Trade & Expense Creditors	(19,484)	1,472	-	1,472
Pearl Works Cost Account		-	23,035 *	23,035
Pearl Works Corporation Tax account		-	91,453 *	91,453
Other Liabilities	(2,013)	-	-	0
Ordinary Shareholders	(1,000)	10,575,412	1,164,028	11,739,440
	<u>(3,345,895)</u>	<u>12,774,872</u>	<u>1,403,183</u>	<u>14,178,055</u>
<b>Net Receipts/(Payments)</b>		<u>66,349</u>	<u>(61,606)</u>	<u>4,743</u>

Note VAT is recoverable All transactions are shown net of VAT

All liquidation funds are held in an interest bearing current account

Funds held as follows

Current Account	1,485
VAT Receivable	3,258
	<u>4,743</u>

\*Funds in respect of Pearl Works costs and Pearl Works tax are held in a separate account controlled by Graphite London

**BMB Property Developments Limited  
In Liquidation**

**Analysis of Liquidators' time costs for the period 18/12/2015 to 17/12/2016**

Classification of Work Function	Hours					Total Hours	Time Cost	Av hourly Rate
	Partner	Director	Manager	Administrator	Support			
2 Admin & Planning				0 60		0 60	£ 96 00	£ 160 00
3 Taxation	3 30	0 30	0 30	2 30		6 20	2,073 50	334 44
5 Realisation of Assets				1 20		1 20	192 00	160 00
8 Creditors	0 30					0 30	141 00	470 00
9 Reporting	0 70	0 30		2 80		3 80	888 00	233 68
10 Distributions	0 70		1 20	1 20		3 10	809 00	260 97
11 Cashiering				2 30	0 80	3 10	423 10	136 48
12 Statutory & Compliance			0 50	5 70		6 20	1,025 50	165 40
Other		1 10		1 90		3 00	469 70	156 57
<b>Total Hours</b>	<b>5 00</b>	<b>1 70</b>	<b>2 00</b>	<b>18 00</b>	<b>0 80</b>	<b>27 50</b>		
<b>Total Time Costs (£)</b>	<b>2,350 00</b>	<b>496 00</b>	<b>480 00</b>	<b>2,703 70</b>	<b>88 10</b>		<b>6,117 80</b>	
<b>Av Hourly Rate</b>	<b>470 00</b>	<b>291 76</b>	<b>240 00</b>	<b>150 21</b>	<b>110 12</b>			<b>222 47</b>



**BMB Property Developments Limited  
In Liquidation**

**NARRATIVE SUMMARY OF THE JOINT LIQUIDATORS' TIME COSTS  
FOR THE CURRENT REPORTING PERIOD**

<b>Introduction</b>
<p>This summary should be read together with the Joint Liquidators' Time Costs Analysis at Appendix C1. The costs incurred in relation to each category are set out in the attached Time Cost Analysis. This shows the time spent by each grade of staff by work category and provides the total cost and average hourly rate charged for each work category.</p>
<b>Work carried out in the current period</b>
<p><b><u>Administration and planning - £96*</u></b></p> <ul style="list-style-type: none"> <li>Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system,</li> <li>Filing</li> </ul>
<p><b><u>Taxation - £2,074*</u></b></p> <p>The following activities were undertaken in order to ensure the Company is compliant with tax requirements</p> <ul style="list-style-type: none"> <li>Liaising with former management regarding preparation of post appointment corporation tax return,</li> <li>Liaising with former management regarding requirements for tax on sale of Pearl Works,</li> <li>Liaising with tax teams within Mazars for advice,</li> <li>Review of documentation and emails and meetings with directors regarding issue with pre-appointment corporation tax</li> <li>Location of documents by tax team in relation to Entrepreneurial relief for a new venture and sending to directors,</li> <li>Liaising with former management regarding pre-appointment VAT refund,</li> <li>Preparing post Liquidation VAT returns, as required by statute</li> </ul>
<p><b><u>Realisation of Assets - £192</u></b></p> <p>The work undertaken in respect of the realisation of the Company's assets is detailed in Section 3 of the report</p> <p>The work undertaken has added value for the benefit of members by enabling the realisation of funds in the estate and bringing the liquidation closure to finalisation</p>
<p><b><u>Creditors - £141*</u></b></p> <p>All creditors were paid during the period of my first annual report</p> <p>During the current reporting period, the following work has been undertaken</p> <ul style="list-style-type: none"> <li>Responding to a creditor query regarding a possible claim</li> </ul>
<p><b><u>Distributions - £809</u></b></p> <p>A distribution was made to the members in the current period (See section 6 of the report)</p> <p>The work involved paying distributions and providing the appropriate paperwork and provides a financial benefit through ensuring that the appropriate funds are distributed to the members</p>

**Reporting - £888\***

Reporting requirements during the period as prescribed by statute have included the following

- First Annual progress report to members with attachments

**Cashiering - £423**

Cashiering work undertaken includes

- Bank account maintenance, including periodic reconciliations,
- Issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions

**Statutory and Compliance - £1,016\***

The work undertaken as required by statute and our internal procedures involves

- Case monitoring and statutory compliance, including internal case reviews at six monthly intervals,
- Reviewing file and assets in order to provide documents to company to enable answers to queries

\* The majority of this work derived no financial benefit for members. However, appropriate case administration and planning ensures that the case is managed coherently and efficiently, with minimisation of costs and avoidance of duplication of work. A clear case strategy and strong internal processes aid to add value through the efficient management of the case and the majority of this work is required in order to comply with regulatory requirements.

**BMB Property Developments Limited  
In Liquidation**

**Analysis of Liquidators' time costs for the period 18/12/2014 to 17/12/2016**

Classification of Work Function	Hours					Total Hours	Time Cost	Av hourly Rate
	Partner	Director	Manager	Administrator	Support			
2 Admin & Planning	2 80		2 00	2 10	0 10	7 00	£ 2,021 50	£ 288 79
3 Taxation	3 60	0 30	13 10	4 70	0 10	21 80	5,581 50	256 03
5 Realisation of Assets	1 40		18 10	1 20		20 70	5,101 00	246 43
7 Employees			6 00			6 00	1,356 00	226 00
8 Creditors	0 90		6 40			7 30	1,649 00	225 89
9 Reporting	0 90	0 40		2 80		4 10	957 00	233 41
10 Distributions	1 10		11 20	1 90	0 20	14 40	3,478 00	241 53
11 Cashiering	0 90		16 20	8 80	16 50	42 40	7,055 60	166 41
12 Statutory & Compliance	0 60	0 40	11 10	7 00		19 10	4,002 00	209 55
Other		1 10	3 20	1 90		6 20	1,103 90	178 05
<b>Total Hours</b>	<b>12 50</b>	<b>2 20</b>	<b>87 30</b>	<b>30 40</b>	<b>16 90</b>	<b>149 30</b>		
<b>Total Time Costs (£)</b>	<b>5,379 00</b>	<b>681 00</b>	<b>20,083 20</b>	<b>4,386 70</b>	<b>1,917 10</b>		<b>32,447 00</b>	
<b>Av Hourly Rate</b>	<b>430 32</b>	<b>309 55</b>	<b>230 05</b>	<b>144 30</b>	<b>113 44</b>			<b>217 33</b>