

Notice of extension of period of administration

Name of Company
Chilton New Homes Limited

Company number
04847317

In the High Court of Justice, Chancery Division Leeds District Registry <small>[full name of court]</small>

Court case number
868 of 2008

We Richard Dixon Fleming
KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Mark Granville Firmin
KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

having been appointed Joint Administrators of Chilton New Homes Limited

on 17 June 2008 by

hereby give notice that the administration has been extended, with the consent of the Company's creditors until 16 December 2009

Signed



Joint Administrator

Dated

11 June 2009

Contact Details:

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

Dave Collins KPMG LLP 1 The Embankment Neville Street Leeds LS1 4DW	
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When you have completed and signed this form, please send it to the Registrar of Companies at:-

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

FRIDAY



PC2 "PEAG4ANU" 1249
12/06/2009
COMPANIES HOUSE



Chilton New Homes Limited
(in administration)

Progress Report to
Creditors pursuant to
Rules 2.47 and 2.112 of
the Insolvency Rules 1986

KPMG LLP

11 June 2009

This report contains 7 pages

rdf/jr/mjl/mn



Notice: About this Report

This Report has been prepared by Richard Dixon Fleming and Mark Granville Firmin, the Joint Administrators of Chilton New Homes Limited solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Chilton New Homes Limited.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Richard Dixon Fleming is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association. Mark Granville Firmin is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

The Joint Administrators act as agents for Chilton New Homes Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law; KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administration.



Glossary

Administration Order	The Administration Order granted by the High Court of Justice, Chancery Division, in respect of Chilton New Homes Limited dated 17 June 2008. Court Administration Order number 868 of 2008.
the Company	Chilton New Homes Limited (company registered number 04847317)
Administrators or the Joint Administrators	Richard Dixon Fleming and Mark Granville Firmin of KPMG LLP
the Bank	Barclays Bank plc
the Directors	David Durling Capricorn Homes Limited



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1 Introduction

Further to my Proposals dated 8 August 2008 and my Report dated 14 January 2009, I set out below my second Report. This Report provides an update on the progress of the administration since my appointment and covers the period from 17 June 2008 to 27 May 2009.

As previously reported, pursuant to the filing of the intention to appoint an Administrator by the Company's Director, Richard Dixon Fleming and Mark Granville Firmin of KPMG LLP were appointed Joint Administrators by an Order granted by the High Court Justice, Chancery Division on 17 June 2008.

Richard Dixon Fleming is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association. Mark Granville Firmin is authorised to act as insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

In accordance with Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, the functions of the Joint Administrators may be exercised by either or both of them.

In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators set out their Proposals for achieving the purpose of the Administration and for the conduct of the administration which are attached in Appendix 4 of this Report.

The Report also includes certain information required to be provided to creditors in accordance with Rule 2.33 of the Insolvency (Amendment) Rules 2003.

The appropriate statutory information is set out in Appendix 1.

Receipts and payments period account up to 27 May 2009 is enclosed in Appendix 2 and form 2.24 – Abstract of receipts and payment up to 27 May 2009 is included in Appendix 3.

The Joint Administrators estimate that there will be no funds available to the unsecured creditors under the Prescribed Part rules. Therefore, in accordance with Paragraph 52 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators did not hold an initial creditors' meeting.

2 Background and events leading to the Administration Order

For background and events leading to the Administration Order, please refer to my Proposals and previous Report.

3 Purpose, initial strategy and progress of the Administration to 27 May 2009

3.1 Purpose of the Administration

Paragraph 3(1) of Schedule B1 of the Insolvency Act 1986 states that the Administrator of a company must perform his functions with the objective of:

- (a) rescuing the company as a going concern; or*
- (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up; or*
- (c) realising property in order to make a distribution to one or more secured or preferential creditors.*

The objective as set out in Paragraph 3(1)(a) rescuing the Company (legal entity) as a going concern is not possible due to the high level of liabilities incurred.

The Joint Administrators do not anticipate any dividend to unsecured creditors and so the objective as set out in Paragraph 3(1)(b) is unlikely to be achieved.

The objective of this administration is therefore that which is set out in Paragraph 3(1)(c), realising property in order to make a distribution to one or more secured or preferential creditors.

3.2 Initial strategy

For the initial strategy, please refer to my previous Report.

3.3 Sale of completed properties

The completed properties consist of four 3-bedroom houses and one 4-bedroom house.

In order to sell newly completed properties, the Joint Administrators were required to arrange structural building insurance. These insurance policies are normally tailored to trading companies within the house-building sector and detailed and lengthy negotiations

were necessary in order to register the Company and the Joint Administrators under an approved warranty scheme. A policy was finalised in January 2009 which has enabled the Joint Administrators to progress with selling the houses.

To date, three of the five properties have been sold, resulting in realisations of £895,000. The remaining two properties are currently under offer, however completion dates are yet to be set.

3.4 **Statutory investigations**

In accordance with the Joint Administrators' statutory duties, an investigation into the conduct of the Directors has been undertaken, and a return submitted to the Department of Trade and Industry.

4 **Cost of realisations**

4.1 **Administrators' remuneration**

The basis of the Administrators' fees is time properly spent at KPMG LLP's standard hourly rates. These rates are included in Appendix 5 to this Report.

In the period from 17 June 2008 to 5 May 2009, we have incurred time costs of £103,104 representing 487 hours at an average rate of £212 per hour. This includes tax, VAT, employee, pensions and health and safety advice from KPMG LLP in-house specialists.

In the period to 5 May 2009, fees of £65,000 have been drawn. The Joint Administrators do not envisage there being sufficient realisations to cover their time costs in full.

In accordance with Statement of Insolvency Practice 9, a breakdown of these costs and expenses for each grade of staff is attached as Appendix 5.

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Insolvency Rules 1986. Further information is given in the Association of Business Recovery Professionals' publication a Creditors' Guide to Administrators' Fees, a copy of which can be obtained by logging onto the R3 website at [http://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007\(1\).pdf](http://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007(1).pdf). However, if you are unable to access this guide and would like a copy, please contact Dave Collins on 0113 254 2951.

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent. However, the cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates.

4.2 Professional fees

We have engaged DLA Piper LLP as our legal advisers. Their fees have been incurred as a result of work in connection with asset realisations and in support of the Administrators' fulfilling their statutory duties. To date, fees of £19,938 have been paid in respect of their services.

Trend and Thomas Estate Agents have been retained by the Joint Administrators to market the properties. Further to the sale of the three properties, they have received £13,425 in fees.

We have also engaged GVA Grimley as our agents to assist with the valuations of the properties and to date we have paid them £3,050 in fees.

5 Estimated outcome for creditors

5.1 Secured creditors

Given the uncertainty in the UK housing market, it is difficult to currently estimate the total realisations to the Company's secured creditor, Barclays Bank Plc. However, given the level of the amounts due to the secured lender, we anticipate the Bank to suffer a shortfall.

5.2 Preferential creditors

The Joint Administrators are not aware of any preferential claims against the Company as the Company had no employees at the time of their appointment.

5.3 Non-preferential creditors and prescribed part

As previously reported, there will be insufficient funds available for a dividend payment to be made to the unsecured creditors of the Company.

The Prescribed Part which applies to non-preferential, unsecured creditors may apply in this case as the debentures held by the secured creditor were registered after 15 September 2003.

The availability of distribution via a Prescribed Part is directly dependent on the floating charge realisations. However, given the shortfall to the secured creditor, the Joint Administrators do not anticipate any dividend to unsecured creditors under the Prescribed Part rules.

6 Initial creditors' meeting

As stated above, on the basis of current information the Joint Administrators do not anticipate that there will be sufficient funds to enable a distribution to be made to unsecured creditors.

Therefore, in accordance with Paragraph 52(1) of Schedule B1 of the Insolvency Act 1986, a meeting of creditors is only convened if 10% in value of creditors request it, within 12 days of the Proposals.

No such request was received and accordingly, the Proposals attached in Appendix 4 are deemed accepted.

7 Extension of the Administration

Prior to closing the Administration, the Joint Administrators still have the following issues to resolve:

- sale of the two remaining houses in Rickmansworth;
- dealing with statutory reporting and compliance obligations; and
- case closure and final reporting duties to dissolve the Company at Companies House.

Given that completion dates have not been set on the two remaining properties, it is likely that the Joint Administrators will not be able to complete the sale of the properties prior to the anniversary of the Administration, when the Administration will automatically end.

Therefore, in accordance with Paragraph 76(2)(b) of Schedule B1 of the Insolvency Act 1986, the Joint Administrators have requested an extension of the Administration for six months from the Company's secured creditor.

The secured creditor granted the extension and the Administration was extended for a period of six months commencing to 16 December 2009, when it will automatically expire.

The Joint Administrators believe this to be the most cost effective way to realise the remaining assets.



8 **End of administration**

When the issues set out above have been resolved, the Joint Administrators will send a final Report to creditors and file a notice at Companies House that the Company will be dissolved. At this point, the Joint Administrators will cease to act and will be discharged of all liabilities as detailed in Paragraph 98 of Schedule B1 of the Insolvency Act 1986 and as it is set out in their proposals.

9 **Administrators' Proposals**

Administrators' Proposals are stated in Appendix 4 to this Report.

10 **Statement concerning the EC Regulations**

The EC Council Regulations on Insolvency Proceedings apply to this Administration and the proceedings are main proceedings. This means that this Administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union Member State.

Should you have any queries regarding this Report please contact Dave Collins on 0113 254 2951.

This concludes the Report.


Richard Dixon Fleming
Joint Administrator



Appendix 1 – Statutory Information

Company Name	Chilton New Homes Limited
Date of Incorporation	28 July 2003
Company number	04847317
Previous registered office	63 Curzon Street London W1 8PD
Present registered office	KPMG LLP 1 The Embankment Neville Street Leeds LS1 4DW
Trading address	53 Queen Street Sheffield S1 2DU
Authorised share capital	100 Ordinary Shares of £1 each
Called up share capital	99 Ordinary Shares of £1 each
Shareholders	Capricorn Homes Limited
Directors	Capricorn Homes Limited David Durling
Company secretary	Kumar Vakil
Employees	None
Previous names	Chiltern New Homes Limited



Appendix 2 – Receipts and payments period account from 17 June 2008 to 27 May 2009

Statement of Affairs	From 17/12/2008 To 27/05/2009	From 17/06/2008 To 27/05/2009
1,500,000.00		
FIXED CHARGE ASSETS		
Freehold property	895,000.00	893,000.00
Bank interest, gross	33.19	33.19
Property Income	<u>46.38</u>	<u>46.38</u>
	895,079.57	893,079.57
FIXED CHARGE COSTS		
Administrators' fees	65,000.00	65,000.00
Legal fees	19,938.03	19,938.03
Direct Property Expenses	4,127.55	8,612.77
Agents'/Valuers' fees	14,975.00	14,975.00
Agents'/Valuers' fees (2)	1,500.00	1,500.00
Statutory Advertising	NIL	236.95
Sundry Refunds	NIL	(167.13)
Bank charges	273.56	390.76
Insurance of Assets	<u>3,225.08</u>	<u>26,718.83</u>
	(109,039.22)	(137,205.21)
FIXED CHARGE CREDITORS		
Fixed charge creditor	<u>660,000.00</u>	<u>660,000.00</u>
	(660,000.00)	(660,000.00)
1,500,000.00	<u>126,040.35</u>	<u>95,874.36</u>
REPRESENTED BY		
Fixed charge current		82,136.61
Fixed charge VAT rec'able		15,779.93
Fixed charge VAT control		<u>(2,042.18)</u>
		<u>95,874.36</u>
	 Richard Dixon Fleming Administrator



Appendix 3 – Form 2.24 Abstract of Receipts and payments up to 27 May 2009

ABSTRACT OF RECEIPTS AND PAYMENTS - 17/12/2008 to 27/05/2009 Appendix to Form 2.24
Chilton New Homes Limited Page 1

RECEIPTS		£
Brought forward from previous Abstract (if Any)		208.60
Freehold property		895,000.00
Bank interest, gross		33.19
Property Income		46.38
Fixed charge VAT control		2,000.71
Carried forward to		897,288.88
* Delete as appropriate * continuation sheet / next abstract		
PAYMENTS		£
Brought forward from previous Abstract (if Any)		30,407.86
Administrators' fees		65,000.00
Legal fees		19,938.03
Direct Property Expenses		4,127.55
Agents'/Valuers' fees		14,975.00
Agents'/Valuers' fees (2)		1,500.00
Bank charges		273.56
Insurance of Assets		3,225.08
Fixed charge creditor		660,000.00
Fixed charge VAT reclaimable		15,705.19
Carried forward to		815,152.27
* Delete as appropriate * continuation sheet / next abstract		

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the administrator since he was appointed.



Appendix 4 – Administrators’ Proposals

The Joint Administrators propose the following resolutions:

RESOLUTION (1):

- to continue to do all such things reasonably expedient and generally exercise all their powers as Joint Administrators as they, in their discretion, consider desirable in order to maximise realisations from the assets of the Company;
- to investigate and, if appropriate, pursue any claims that the Company may have;
- to seek an extension to the administration period if deemed necessary by the Joint Administrators;
- when it is anticipated that no better realisations will be made in the administration than would be available in a winding up, to take the necessary steps to put the Company into either Creditors’ Voluntary Liquidation or Compulsory Liquidation or Company Voluntary Arrangement as deemed appropriate by the Joint Administrators; in the event the Joint Administrators deem that liquidation is not appropriate because, for example, no dividend will become available to creditors and there are no other outstanding matters that require to be dealt with in a liquidation, then the Joint Administrators shall file the appropriate notices at Companies House and the Company will subsequently be dissolved;
- in the event that Creditors’ Voluntary Liquidation is deemed appropriate, the Joint Administrators be permitted to seek the appointment of Richard Dixon Fleming and Mark Granville Firmin of KPMG LLP as Joint Liquidators of Chilton New Homes Limited, without any further recourse to creditors and that they may act jointly and severally in their duties. In accordance with paragraph 83(7) and Rule 2.117(3), creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of the proposals and before the proposals are approved; and
- upon the appointment of a Liquidator or Supervisor or the filing of an appropriate notice at Companies House, the Administrators will cease to act and the Administrators will be discharged of all liabilities at that point as detailed in Paragraph 98 of Schedule B1 of the Insolvency Act 1986.

RESOLUTION (2):

- the Joint Administrators be authorised to draw fees on account from the assets of Chilton New Homes Limited from time to time during the period of the administration based on time properly spent at KPMG LLP charge out rates that reflect the complexity of the assignment. Also, that the Joint Administrators be authorised to draw disbursements from time to time to include category two disbursements;



Chilton New Homes Limited (in administration)

Progress Report to Creditors pursuant to Rules 2.47 and 2.112 of the Insolvency Rules 1986

KPMG LLP

11 June 2009

- that any costs incurred by KPMG LLP prior to appointment, but for the sole purpose of assisting and advising the Company in respect of the appointment process, be authorised on the same basis as above; and
- that any costs of KPMG LLP in respect of Tax, VAT, Pensions, Health & Safety and Forensic advice provided to the Joint Administrators be based upon time costs and shall be paid out of the assets of Chilton New Homes Limited.



Chilton New Homes Limited (in administration)

Progress Report to Creditors pursuant to Rules 2.47 and 2.112 of the Insolvency Rules 1986

KPMG LLP

11 June 2009

Appendix 5 – Administrators' time costs to 5 May 2009

Consolidated time spent by grade	Partner/Director	Management	Administrators	Total Hours	Total Cost £	Average Cost £
Activity						
Administration & planning						
Appointment & related formalities	-	-	3.60	3.60	540.00	150.00
Statutory receipts & payments	-	-	0.80	0.80	147.50	184.38
Reports to debenture holders	0.40	7.50	6.50	14.40	3,471.00	241.04
Checklists & reviews	-	3.00	1.50	4.50	1,440.00	320.00
General cashiering	-	-	6.75	6.75	959.00	142.07
Reconciliations (& IPS accounting reviews)	-	-	5.00	5.00	666.00	133.20
Post appointment VAT	-	1.40	3.05	4.45	886.00	199.10
Post appointment tax	1.00	2.50	5.30	8.80	2,370.50	269.38
Shareholder correspondence	-	-	7.30	7.30	1,095.00	150.00
Reports to debenture holders	0.40	-	5.25	5.65	973.50	172.30
Fees & WIP	-	-	1.50	1.50	277.50	185.00
	1.40	14.40	46.05	62.75	12,826.00	204.40
Realisation of assets						
Freehold property	0.20	16.10	42.30	58.60	111,149.00	190.26
	0.20	16.10	42.30	58.60	111,149.00	190.26
Creditors						
General correspondence	-	0.20	13.90	14.10	2,149.00	152.41
	-	0.20	13.90	14.10	2,149.00	152.41
Total hours/cost	2.00	30.70	102.75	135.45	26,124.00	192.87
		Fees Drawn			Hours/Cost to date	
B/f		-		351.05	76,980.00	219.29
In the period		65,000.00		135.45	26,124.00	192.87
C/f		65,000.00		486.50	103,104.00	211.93

Notes

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.



Expenses

	£
Bordereau bond	1,056.00
Total expenses	1,056.00

KPMG Charge out rates as at 5 May 2009

Grade	Hourly rate from	Hourly rate
	1 October 2007 to	from 1 April
	31 March 2009	2009 onwards
	(£)	(£)
Partner	465	515
Director	400	440
Director (Tax)	515	515
Senior Manager	365	405
Senior Manager (Tax)	290	290
Manager	290	320
Manager (Tax)	245	245
Senior Administrator	205	225
Senior Administrator (Tax)	180	180
Administrator	150	165
Support	95	105