

**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

04982661

Name of Company

Porchester Homes Limited

I / We
Susan Rosemary Staunton
Latimer House
5 Cumberland Place
Southampton
SO15 2BH

Alan Peter Whalley
Latimer House
5 Cumberland Place
Southampton
SO15 2BH

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 08/12/2011 to 07/12/2012

Signed

Date

21 January 2013

James Cowper LLP
Latimer House
5 Cumberland Place
Southampton
SO15 2BH

Ref JPOR945L/SRS/PW/TR/IR

FRIDAY



A19

A20RKPE3

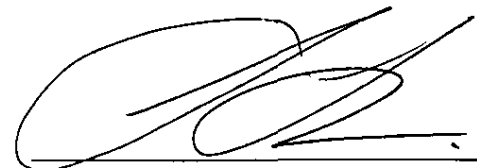
25/01/2013

COMPANIES HOUSE

#162

Porchester Homes Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

| Statement of Affairs | | From 08/12/2011 To 07/12/2012 |
|-----------------------|-----------------------------------|----------------------------------|
| | ASSET REALISATIONS | |
| 100 00 | Uncalled Share Capital | NIL |
| | Council Refund | 1,750 00 |
| 91 66 | Cash at Bank | 71 66 |
| 275,000 00 | Preference | 97,511 50 |
| | Bank Interest Net of Tax | 124 35 |
| | | <u>99,457 51</u> |
| | COST OF REALISATIONS | |
| | Office Holders Fees | 18,928 50 |
| | Office Holders Expenses | 86 60 |
| | Statutory Advertising | 223 90 |
| | | <u>(19,239 00)</u> |
| | UNSECURED CREDITORS | |
| (1,836 14) | Trade & Expense Creditors | NIL |
| Uncertain | Contingent claims | NIL |
| (2,009,144 69) | Cadugan Developments Limited Loan | NIL |
| (46,141 97) | Sub Contractor Retention Claims | NIL |
| | | <u>NIL</u> |
| | DISTRIBUTIONS | |
| (100 00) | Ordinary Shareholders | <u>NIL</u> |
| | | <u>NIL</u> |
| <u>(1,782,031 14)</u> | | <u><u>80,218 51</u></u> |
| | REPRESENTED BY | |
| | Current Account | 76,373 64 |
| | Vat Control Account | 3,844 87 |
| | | <u>80,218 51</u> |



Sue Staunton
Joint Liquidator

Porchester Homes Limited (In Liquidation)

First annual progress report to members and creditors pursuant to Section 104A of
the Insolvency Act 1986

Sue Staunton & Peter Whalley
James Cowper LLP
Latimer House
5 Cumberland Place
Southampton
SO15 2BH

SUMMARY INFORMATION

| | |
|----------------------------------|---|
| The Company | Porchester Homes Limited |
| Registered Number | 04982661 |
| Registered Address | Latimer House 5 Cumberland Place Southampton SO15 2BH |
| Trading Address | Inhurst House Brimpton Road Baughurst Hampshire RG26 5JJ |
| Activity of the Company | A property development company |
| Date of the Liquidation | 8 December 2011 |
| Liquidator Details | Sue Staunton & Peter Whalley James Cowper LLP Latimer House 5 Cumberland Place Southampton SO15 2BH |
| Changes to Office Holders | N/A |
| Dividend Prospect | A first distribution to unsecured creditors is due to be made shortly Any further dividend prospects are currently unknown |

Introduction

This progress report has been prepared in accordance with Rule 4.49C of the Insolvency Rules 1986 to provide creditors with an update on the work undertaken by me as joint liquidator during the first year of the liquidation.

The following attachments accompany this report:

Appendix A – Receipts and payments account for the period of the liquidation

Appendix B – Statement of remuneration and expenses

Appendix C – Analysis of liquidators' time costs during the period of liquidation

Appendix D – Creditor rights to request information and challenge the liquidators' remuneration and expenses

Assets

Council Refund of Deposit

A refund of £1,750 has been received from Portsmouth Council in relation to a deposit held by the Council on behalf of the company.

Cash at Bank

Cash was transferred from the company's account to the joint liquidators' estate account to the value of £71.66. This was slightly less than the £91.66 estimated to be received due to bank charges of £20.

Preference

Prior to the appointment of liquidators, the company transferred two properties to a connected company in part settlement of an intercompany debt. The directors accepted the transfer was preferential under section 239 of the Insolvency Act 1986 and undertook to restore the position to that which it would have been had the transaction not taken place.

The value of the preference was deemed to be £640,000. The beneficiary of the preference is also the majority creditor with approximately 90% of the total creditor value. It was not, therefore, deemed necessary to require repayment of the whole amount to then pay back the majority of the funds by means of a dividend. A settlement was agreed whereby £97,511, being sufficient to allow a pari passu distribution to the remaining creditors, would be paid over and these funds have been received and are being held.

One potentially significant creditor claim, relating to Quay House, Portsmouth, remains uncertain due to ongoing negotiations with insurers. When this claim is agreed, it will be possible to finalise the dividend procedure.

Other Assets

Bank interest of £124.35 has been earned on the cash balances held in the joint liquidators' estates account. There have been no other realisations and no further realisations are expected.

Liquidators' Remuneration

The meeting of creditors held on 8 December 2012 approved the basis of the joint liquidators' remuneration, pursuant to Rule 4.127(2)(b) of the Insolvency Rules 1986, by reference to time properly given by the joint liquidators and their staff.

The time costs for the first year of the liquidation total £19,252.50, which represents 98.9 hours at an average hourly charge out rate of £194.67. In the course of the liquidation, I have drawn remuneration of £18,928.50 plus VAT. A summary of the major activities that the joint liquidators have undertaken in this period are given above. A report which complies with Statement of Insolvency Practice 9 (SIP9) detailing a breakdown of the joint liquidators' time costs is set out at Appendix B.

In the reporting period the joint liquidators have drawn disbursements of £102 44

The joint liquidators have reviewed the work undertaken and reported here and consider this level of costs to be appropriate bearing in mind the nature and complexity of the case

Charging Policy

The firm's policy is to recharge the following

- a Cash disbursements such as company searches, legal notices, postage, external photocopying and subsistence where appropriate at cost
- b Mileage in relation to the assignment at rates comparable with those advised by motoring organisations for the vehicles used by firm and its staff
- c No charge is made for office overheads, the use of rooms in house, or for incidental expenses

Statutory Rights

Creditors have certain rights to request information and challenge the liquidators' remuneration and expenses Details of these rights can be found at Appendix C

Creditors

Prescribed Part

No funds are to be set aside under the provisions of Section 176A of the Insolvency Act 1986, as no charges have been registered after the relevant date

Preferential creditors

The Statement of Affairs indicated that there were no preferential creditors and no preferential claims have been received

Secured creditors

The Statement of Affairs indicated that there were no secured creditors and no secured creditors have been identified

Unsecured creditors

The joint liquidators have to date received unsecured claims totalling £2,335,383 from ten creditors in comparison to an estimated level of £2,057,122 as per the Statement of Affairs

This includes an estimated claim in relation to defects on a property the company developed at Quay House, Portsmouth This claim is currently being considered by the company's insurance provider and as yet has not been agreed by the liquidators

Dividends

Based on current projections there will be a distribution to creditors due to the repayment of the preference payment The amount to be distributed will vary depending on the result of the insurance claim in relation to Quay House, Portsmouth

The major creditor has received a payment on account of their initial dividend by virtue of not having repaid the full value of their preference

Investigation

I have a statutory duty to consider and report to the Insolvency Service on the conduct of any person who had been a director of the company in the three years preceding my appointment. I also have to consider whether any civil proceedings should be taken against the directors or others for the recovery of company assets or contributions to its estate.

I can report that I have complied with my obligations under the Company Directors Disqualification Act 1986. To enable me to do this I have undertaken a review of the company's records.

Conclusion

Should any creditor have any queries regarding this report, please do not hesitate to contact my assistant, Ian Robinson, or me.



Peter Whalley
Joint Liquidator

22 January 2013

Appendix A

Porchester Homes Limited
(In Liquidation)

JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

| | Note | Statement of affairs | From 08/12/2011 To 07/12/2012 |
|-----------------------------------|------|-------------------------|-------------------------------------|
| | | £ | £ |
| RECEIPTS | | | |
| Uncalled Share Capital | | 100 00 | - |
| Council Refund | | - | 1,750 00 |
| Cash at Bank | | 91 66 | 71 66 |
| Preference | 1 | 275,000 00 | 97,511 50 |
| Bank Interest Net of Tax | | - | 124 35 |
| | | | <u>99,457 51</u> |
| PAYMENTS | | | |
| Office Holders Fees | | | 18,928 50 |
| Office Holders Expenses | | | 86 60 |
| Statutory Advertising | | | 223 90 |
| Vat Receivable | | | 3,844 87 |
| | | | <u>23,083 87</u> |
| BALANCE - 07 December 2012 | | | <u>76,373 64</u> |
| | | | <u>99,457 51</u> |

Note

- 1 The £97,511 received is the settlement of a preference payment of £640,000 described in more detail in the body of the report

Appendix B

**Porchester Homes Limited
(In Liquidation)
Statement of Remuneration / Expenses**

For period 08/12/2011 to 07/12/2012

| Account | Incurred In Period | Accrued In Period For Last Period | Accrued In Period | Total In Period |
|--------------------------|-------------------------------|--|------------------------------|----------------------------|
| Bank Interest Net of Tax | 27 27 | - | - | 27 27 |
| Office Holders Fees | 18,928 50 | - | 324 00 | 19,252 50 |
| Office Holders Expenses | 86 60 | - | 15 84 | 102 44 |
| Statutory Advertising | 223 90 | - | - | 223 90 |
| Bank Charges | 3 24 | - | - | 3 24 |
| | <u>18,814 51</u> | <u>-</u> | <u>-</u> | <u>19,609 35</u> |

Porchester Homes Limited in Liquidation
Progress Report dated 7 December 2012

Appendix C

Porchester Homes Limited in Liquidation, - 517183

SIP 9 - Time & Cost Summary

From: 08/12/2011

To: 07/12/2012

Analysis of time costs:

| Classification of Work Function | Hours | | | | | Total | Time | Av |
|-------------------------------------|--------------|--------------|-------------|--------------|--------------|--------------|------------------|----------------|
| | Partner | Manager | Senior | Assistant | Support | Hours | Cost | hourly Rate |
| | | | | | | | £ | £ |
| Administration and Planning | | | | | | | | |
| Accounting - Other | | | | 0 10 | | 0 10 | 8 50 | 85 00 |
| Administration and planning | 0 60 | 2 30 | 0 20 | 0 70 | 14 10 | 17 90 | 2,494 50 | 139 36 |
| Statutory reporting | 0 40 | | 0 90 | 1 60 | | 2 90 | 433 50 | 149 48 |
| Appointment notification | | | | 0 50 | | 0 50 | 42 50 | 85 00 |
| Set up | | | | 1 10 | | 1 10 | 93 50 | 85 00 |
| Taxes Post Appointment | 1 10 | 1 30 | 0 20 | 1 40 | | 4 00 | 943 00 | 235 75 |
| File reviews | 1 60 | 2 10 | 2 00 | 1 10 | | 6 80 | 1,568 00 | 230 59 |
| Planning and strategy | 2 30 | 1 00 | 0 60 | | | 3 90 | 1,160 00 | 297.44 |
| Records | | 4 40 | 2 30 | 8 50 | | 15 20 | 2,307 50 | 151 81 |
| Investigations | | | | | | | | |
| Directors investigation | 2 00 | 16 60 | 0 30 | 1 60 | | 20 50 | 5,168 00 | 252 10 |
| Realisation of Assets | | | | | | | | |
| Assets - Debts | | 0 10 | | 0 50 | | 0 60 | 67 50 | 112 50 |
| Assets - Property | 0 90 | 1 60 | 0 20 | 0 60 | | 3 30 | 808 50 | 245 00 |
| Assets - Other | 0 60 | 1 60 | 0 10 | | | 2 30 | 637 50 | 277 17 |
| Insuring | | 0 30 | | | | 0 30 | 75 00 | 250 00 |
| Legal correspondence re asset sales | 0 50 | | | | | 0 50 | 175 00 | 350 00 |
| Creditors | | | | | | | | |
| Creditors Unsecured | 0 60 | 6 10 | 1 10 | 4 90 | | 12 70 | 2,532 50 | 199 41 |
| Reporting to members and creditors | | | | 1 80 | | 1 80 | 165 00 | 91 67 |
| Creditors - Committee | | 0 20 | | | | 0 20 | 50 00 | 250 00 |
| Dividends - Creditors | | 0 30 | | | | 0 30 | 82 50 | 275 00 |
| Case Specific Matters | | | | | | | | |
| Case specific | | | | 4 00 | | 4 00 | 440 00 | 110 00 |
| Total Hours /Costs | 10.60 | 37 90 | 7.90 | 28.40 | 14.10 | 98.90 | 19,252.50 | 194.67 |
| Total Fees Claimed (£) | | | | | | | 18,928.50 | |

The firms charge out rates in the course of the liquidation have been;

| Grade of staff | Hourly rate from 1 July 2009 | Hourly rate from 1 November 2010 | Hourly rate from 1 June 2012 |
|-----------------------|---------------------------------|-------------------------------------|---------------------------------|
| Office holder | 325 | 350 | 375 |
| Manager | 200 – 240 | 200 - 275 | 250 - 300 |
| Other grades of staff | 60 – 125 | 85 – 175 | 90 – 185 |

Appendix D

Creditor rights to request information under Rule 4.49E and their right to challenge the liquidator's remuneration & expenses under Rule 4.131

4.49E – Creditors' and members' request for further information

- 1) If –
 - a) Within the period mentioned in paragraph (2)
 - i A secured creditor, or
 - ii An unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - iii Members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - b) With the permission of the court upon an application made within the period mentioned in paragraph (2)–
 - i Any unsecured creditor, or
 - ii Any member of the company in a members' voluntary winding up,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4 49B (1)(e) or (f) (including by virtue of Rule 4 49C(5)) or in a draft report under Rule 4 49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4 49D or a progress report required by Rule 4 108 which (in either case) was previously included in a progress report not required by Rule 4 108

- 2) The period referred to in paragraph (1)(a) and (b) is –
 - a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4 108, and
 - b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report of draft report in any other case
- 3) The liquidator complies with this paragraph by either –
 - a) Providing all of the information asked for, or
 - b) So far as the liquidator considers that –
 - i The time or cost of preparation of the information would be excessive, or
 - ii Disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - iii The liquidator is subject to an obligation of confidentiality in respect of the information,

giving reasons for not providing all of the information
- 4) Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of –
 - a) The giving by the liquidator of reasons for not providing all of the information asked for, or
 - b) The expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just
- 5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4 131 (1B) or 4 148C(2) by such further period as the court thinks just
- 6) This Rule does not apply where the liquidator is the official receiver

4.131 – Creditors' claim that remuneration is or other expenses are excessive

- 1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

1A) Application may be made on the grounds that –

- a) The remuneration charged by the liquidator,
- b) The basis fixed for the liquidators' remuneration under Rule 4 127, or
- c) Expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

1B) The Application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

- 2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

- 3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- 4) If the court considers the application to be well-founded, it must make one or more of the following orders –

- a) An order reducing the amount of remuneration which the liquidator was entitled to charge,
- b) An order fixing the basis of remuneration at a reduced rate or amount,
- c) An order changing the basis of remuneration,
- d) An order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
- e) An order that the liquidator or the liquidators' personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

And may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

- 5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation