

Liquidator's Progress Report

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

S.192

To the Registrar of Companies

Company Number

05275831

Name of Company

(a) Insert full name of
company

(a) Pubfolio Limited

(b) Insert full name(s)
and address(es)

We (b) David Christian Chubb and Robert Jonathan Hunt of
PricewaterhouseCoopers LLP, 7 More London Riverside, London,
SE1 2RT,

the Liquidators of the company attach a copy of our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 3 October 2013 to 2
October 2014

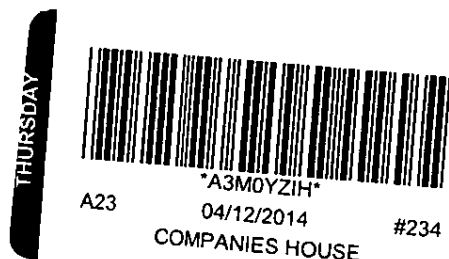
Signed



Date 1 December 2014

Presenter's name,
address and
reference
(if any)

David Christian Chubb
PricewaterhouseCoopers LLP
7 More London Riverside
London, SE1 2RT



Pubfolio Limited and Goldtry Limited – both in Liquidation

First report to Members & Creditors

Introduction

In accordance with Rule 4 49C of the Insolvency Rules 1986 (“IR86”), this is the first progress report to members and all known creditors on the liquidations of Pubfolio Limited (“Pubfolio”) and Goldtry Limited (“Goldtry”) (together the “Companies”)

Attached at Appendix A is a summary of the financial information relating to the liquidations, including summary receipts and payments accounts for the period from 3 October 2013 to 2 October 2014.

Background to the liquidations

On 28 September 2010 David Chubb and Robert Hunt of PricewaterhouseCoopers LLP were appointed Joint Administrators of the Companies. The administrations were concluded on 3 October 2013, being the date the Companies moved into Creditors’ Voluntary Liquidation, at which time David Chubb and Robert Hunt were appointed Joint Liquidators (the “Liquidators”)

The purpose of the liquidations is for the Companies remaining assets to be realised and the claims of creditors agreed in order to allow distributions to be made to them

Asset realisations

The closing cash balances in the administrations of £308,866 in respect of Pubfolio and £97,656 in respect of Goldtry were released to the Liquidators following the closure of the administrations

The responsibility for the sale of the remaining 153 primarily freehold pubs, of which 138 were owned by Pubfolio and 15 owned by Goldtry, was also transferred to the Liquidators

Property sales and disposals

The Liquidators have successfully completed the sale of 58 Pubfolio pubs and 5 Goldtry pubs realising £6.16m and £393k respectively

In addition, two long leasehold Pubfolio pubs which had no value to the estate were disposed of, one being assigned to a third party and one being surrendered back to the landlord

Of the remaining pubs to be sold, there are currently 21 in a sales process or under offer, of which 18 are owned by Pubfolio and 3 are owned by Goldtry

Trading

The Liquidators continue to engage third party specialist managing agents (GRS Pubs Ltd & GRS Pub Investments Ltd) to supervise trading, whilst they manage a controlled sale of the Companies’ pubs

This enables the liquidations to benefit from cost savings and a more focussed asset management process

Total income from pub tenants during the period of this report was £2.0m. This comprises £1.75m from Pubfolio and £250k from Goldtry

Bank interest

During the year interest of £1,017 and £263 was received for Pubfolio and Goldtry respectively

Outcome for creditors

Secured creditors

The Companies were subject to first ranking secured debt owed to Irish Bank Resolution Corporation – in Special Liquidation (“IBRC”) (formerly Anglo Irish Bank Corporation Ltd) The Liquidators have distributed a further £4,611,850 to IBRC in respect of its security of which £4,348,151 relates to Pubfolio and £263,699 relates to Goldtry

On 16 May 2014, a sale of these secured debts was completed by IBRC to LSREF III Wight Ltd (“LSREF”), a limited liability company incorporated in Ireland (an affiliate of Lone Star Real Estate Fund II) All associated charges previously in favour of IBRC in respect of the Companies were assigned to LSREF

Based upon present information, there will be no monies available for the subordinated, second ranking secured creditors under their respective securities

Preferential creditors

There are no preferential creditors

Unsecured creditors

The dividends to unsecured creditors of the Companies will be limited to monies available by virtue of the Prescribed Part (as defined by Section 176A of the Insolvency Act 1986) Creditors are reminded that the Prescribed Part of distributable floating charge funds (before allowable costs) is calculated as follows

- 50% of net property up to £10,000
- 20% of net property in excess of £10,000
- Subject to a maximum amount of £600,000

Creditors are asked to note that the timing and quantum of any dividend from the Companies is subject to the costs of the liquidations, the amount of admissible unsecured claims and the conclusion of asset realisations

Creditors who have not yet submitted a claim and wish to do so should provide written details to Nadine Chambers, PricewaterhouseCoopers LLP, Waterfront Plaza, 8 Laganbank Road, Belfast, BT1 3LR. Statement of Claim forms are also available from this address

Investigations

The Liquidators have reviewed the Companies’ affairs prior to the liquidations and have also considered the points raised by creditors in discharging their duties under the Company Directors’ Disqualification Act 1986

Creditors are reminded that the Liquidators have a statutory obligation to consider the directors’ conduct and to submit a return/report to the Insolvency Service The Liquidators can confirm that they have complied with this requirement

Professional advisers

The Liquidators have used the professional advisers listed below

Professional adviser	Nature of work	Basis of fee arrangement
GRS Pubs Ltd & GRS Pub Investments Ltd	Managing agents	Fixed fee
Christie + Co	Property agents	Commission
Addleshaw Goddard LLP	Legal	Time costs
Freeths LLP	Legal	Time costs
Matthew Arnold & Baldwin LLP	Legal - conveyance	Fixed fee

The Liquidators' choice of professional advisers was based upon their perception of the advisers' experience and ability to perform this type of work, the complexity and nature of the assignments and the basis of the fee arrangement with them. The Liquidators have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the cases.

Liquidators' remuneration

You may recall that during the Administrations the former Administrators' fees were approved by the secured creditor in accordance with Rule 2.106 IR86, fixed by reference to time properly given by the Administrators' and their staff in attending to matters arising.

In accordance with Rule 4.127 IR86, the remuneration basis agreed in the Administrations will continue in the liquidations.

For the period covered by this report, the Liquidators have incurred time costs of £391k in respect of Pubfolio and £126k in respect of Goldtry. This represents 1,453 hours at an average rate of £269 for Pubfolio and 444 hours at an average rate of £283 for Goldtry. An analysis of the Liquidators' time costs is provided at Appendix B to this report.

The Liquidators have drawn fees totalling £61k (net of VAT) for the period from the commencement of the liquidations to 31 December 2013, of which £43k relates to Pubfolio and £18k relates to Goldtry.

Former Administrators' fees

During the period, the balance of the former Joint Administrators' fees has been drawn - £40k in respect of Pubfolio and £109k in respect of Goldtry.

Additional information

If any creditor requires further explanations on any aspect of the Liquidators' progress report, then please telephone or write to Conal McPhillips on 020-7212-6755 or conal.mcphillips@uk.pwc.com who will be pleased to deal with such enquiries, however, any request for further information regarding the Liquidators' remuneration or disbursements should be made in writing (Rule 4.49E IR86).

Creditors' rights

A statement of creditors' rights in relation to the Liquidators' remuneration and expenses pursuant to IR86 can be found online at

<http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-to-administrators-fees-england-and-wales-apr-10.pdf>

Next report and enquiries

The Liquidators will circulate their next report in 12 months' time or at the conclusion of the liquidations, whichever is earliest. If any creditor has any queries in the meantime, please contact Conal McPhillips as above.



D C Chubb
Joint Liquidator

DC Chubb and RJ Hunt have been appointed as Joint Liquidators of Pubfoko Limited and Goldtry Limited. DC Chubb and RJ Hunt are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

The Joint Liquidators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the Liquidation.

Pubfolio Ltd

Receipts and payments account for the period 3 October 2013 to 2 October 2014

	Fixed Charge £	Floating Charge £	Total £	Notes
Receipts				
Transfer from Administration	265,838	43,028	308,866	
Freehold Property	6,164,295	-	6,164,295	
Pub income	1,739,257	11,493	1,750,750	
Debtors/sundry refunds	630	90	720	
Bank interest	218	799	1,017	
VAT receipt	35,750	-	35,750	
VAT payable	906,384	2,299	908,683	
Total receipts	9,112,372	57,709	9,170,081	
Payments				
Trade funding	1,351,007	11,493	1,362,500	
Rent	116,448	-	116,448	
Balance of Administrators' fees	39,909	-	39,909	
Liquidators' fees	43,273	-	43,273	
Agents fees	214,518	-	214,518	
Agents disbursements	22,117	-	22,117	
Legal fees	41,561	-	41,561	
Statutory advertising	151	-	151	
Third party funding	129,255	-	129,255	
Bank charges	135	135	270	
VAT payment	699,946	-	699,946	
VAT recoverable	346,479	2,299	348,778	
Total payments	3,004,799	13,927	3,018,726	
Distributions				
IBRC	4,348,151	-	4,348,151	
Cash in Hand	1,759,422	43,782	1,803,204	1

Notes

1 Held in interest bearing accounts

Statement of expenses

The following expenses have been incurred during the period of this report, irrespective of whether payment has been made

Category	Amount £
Agent's fees and disbursements	194,665 00
Liquidators' remuneration	83,558 45
Printing	207 39
Postage	118 76
Total	278,549.60

Goldtry Ltd

Receipts and payments account for the period 3 October 2013 to 2 October 2014

	Fixed Charge £	Floating Charge £	Total £	Notes
Receipts				
Transfer from Administration	54,127	43,529	97,656	
Freehold property	393,500	-	393,500	
Pub income	251,882	-	251,882	
Debtors/sundry refunds	219	-	219	
Bank interest	162	101	263	
Third party funding	105,692	-	105,692	
VAT payable	96,285	-	96,285	
Total receipts	901,867	43,630	945,497	
Payments				
Trade funding	170,833	-	170,833	
Bank fees	182	-	182	
Repairs/maintenance	262	-	262	
Agents fees	15,525	-	15,525	
Agents disbursements	816	-	816	
Balance of Administrators' fees	109,000	-	109,000	
Liquidators' fees	18,000	-	18,000	
Legal fees	4,484	-	4,484	
Statutory advertising	151	-	151	
VAT payment	64,692	-	64,692	
VAT recoverable	63,454	-	63,454	
Total payments	447,399	-	447,399	
Distributions				
IBRC	263,669	-	263,669	
Cash in hand	190,799	43,630	234,429	1

Notes

1 Held in interest bearing accounts

Statement of expenses

The following expenses have been incurred during the period of this report, irrespective of whether payment has been made

Category	Amount £
Liquidators' remuneration	52,003 55
Printing	104 00
Postage	6 55
Total	52,114.10

Pubfolio Ltd and Goldtry Ltd – in liquidation

Appendix B

Analysis of Liquidators' time costs for the period 3 October 2013 to 2 October 2014

Pubfolio Ltd	Classification of function	Hours					Total Cost (£)	Average hourly rate (£/h)
		Partner / Director	Senior Manager	Manager	Senior Associate	Associate		
	Asset management / trading supervision							
	Asset disposals	5 2	76 6	60 5	778 1	20 5	252,531 64	268 39
	Asset management / trading supervision	-	3 0	7 6	11 0	90 6	28,893 45	257 52
	Administration and planning							
	Accounting and treasury	0 1	2 0	6 2	33 6	112 6	36,202 70	234 32
	Creditors	-	-	0 2	0 6	4 9	1,386 80	243 30
	Statutory and other compliance	-	3 5	11 5	2 8	56 7	20,660 90	277 33
	Strategy, planning and team management	1 3	1 7	5 9	1 6	53 4	17,142 10	268 26
	Tax and VAT compliance	2 6	6 3	17 0	6 6	47 8	25,163 71	313 37
	Reporting / liaison with appointor	-	1 5	17 2	0 3	2 7	9,131 10	421 76
	Total	9 2	94 6	126 1	834 6	389 2	391,112 40	269 06

Goldtry Ltd	Classification of function	Hours					Total Cost (£)	Average hourly rate (£/h)
		Partner / Director	Senior Manager	Manager	Senior Associate	Associate		
	Asset management / trading supervision							
	Asset disposals	0 8	12 0	9 5	122 3	3 2	39,678 38	268 46
	Asset management / trading supervision	-	2 5	4 6	0 2	7 5	5,135 90	347 02
	Administration and planning							
	Accounting and treasury	0 1	1 6	4 8	32 6	79 7	28,600 00	240 80
	Creditors	-	-	0 2	-	4 0	997 30	237 45
	Statutory and other compliance	-	2 8	6 4	0 5	53 7	16,673 95	263 00
	Strategy, planning and team management	-	1 8	5 7	2 4	28 9	10,657 05	274 67
	Tax and VAT compliance	1 3	5 7	10 9	12 5	5 3	15,405 85	431 54
	Reporting / liaison with appointor	-	1 0	17 3	0 3	2 5	8,859 50	419 88
	Total	2 2	27 4	59 4	170 8	184 8	126,007 93	283 44

* These figures include a change in the charge out rate from 1 July 2014

Narrative of time costs for Pubfolio and Goldtry

The above time costs were incurred in dealing with, but not limited to the following key matters

Asset disposals

- Liaising with sales agents, legal advisors, managing agents and purchasers to progress pub disposals in a timely manner
- Reviewing and agreeing the asset disposal strategy following sale of secured debts
- Meeting with sales agents and secured creditor to implement the disposal strategy
- Monitoring progress of the strategy for the sale of leasehold and freehold property
- Collating and providing trading information to the secured creditor
- Monitoring performance of the pub portfolio

Asset management / Trading supervision

- Review of Temporary Management Agreements and lease agreements with tenants, and other property related documentation
- Liaising with agents regarding non-sale disposals (assignment, surrender, disclaimer)
- Liaising with agents in relation to trading matters
- Dealing with ad hoc queries from third parties in relation to the pub portfolio

Accounting and treasury

- Reviewing, authorising and processing receipts, payments and journals
- Dealing with accounting queries with managing agent / third parties
- Completion of periodic reconciliation of bank accounts
- Internal review of time cost allocations

Statutory and other compliance

- Liaising with secured creditor for fee approval
- Completing filing formalities following move from administration to liquidation
- Preparation of the Liquidators' first progress report
- Review of time costs and work in progress for first progress report

Strategy, planning and team management

- Monitoring of the case strategy to ensure its appropriateness and amending as appropriate
- Strategy discussions between the case team and the secured creditor
- Reviewing and authorising junior staff correspondence and dealing with their queries

Tax and VAT compliance

- Completion of post appointment VAT returns
- Collation of invoices and transaction details for VAT returns
- Liaising with tax specialists and validating invoices for inclusion in VAT returns
- Dealing with queries from HM Revenue & Customs in respect of VAT return submissions
- Liaising with tax specialists regarding preparation of corporation tax returns

Creditors

- Dealing with queries and information requests from unsecured creditors
- Corresponding with creditors in relation to their claims

Reporting / liaison with appointor

- Strategy discussions between the case team and the secured creditor
- Review progress of the liquidation, budget costs and preparing cash statements

Charge-out rate summary

The time charged to the liquidations is fixed by reference to the time properly given by the Liquidators and their staff in attending to matters arising

It is the Liquidators' policy to delegate tasks in the liquidations to appropriate members of staff considering their level of experience and any requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or the Liquidators' themselves

Set out below are the relevant maximum charge-out rates per hour worked for the grades of the Liquidators' staff actually or likely to be involved on these assignments. Time is charged by reference to actual work carried out on the assignments

Grade	Rates per hour from 1 July 2013 to 30 June 2014 £	Rates per hour from 1 July 2014 £
Partner	755	795
Director	680	695
Senior Manager	525	540
Manager	444	460
Senior Associate (qualified)	370	380
Senior Associate (non-qualified)	275	285
Associate	230	240

Specialist departments within the Liquidators' firm such as Tax and VAT are also being used where the Liquidators require their expert advice. Set out below are the maximum charge-out rates per hour worked for specialist departments.

Grade	Rates per hour from 1 July 2013 to 30 June 2014 £	Rates per hour from 1 July 2014 £
Partner	914	960
Director	842	884
Senior Manager	642	676
Manager	463	536
Senior Associate	349	395
Associate	179	191

All staff who work on these assignments (including cashiers, support and secretarial staff) charge time directly to the assignments and are included within any analysis of time charged. Each grade of staff is allocated an hourly charge out rate which is reviewed from time to time. Time is charged by reference to actual work carried out on the assignments and the minimum time chargeable is three minutes (1 e 0 05 units)

Liquidators' disbursements

Category 1 disbursements

The Liquidators' have incurred disbursements in respect of Pubfolio Ltd of £118 76 and £6 55 in respect of Goldtry Ltd during the period of this report, none of which has been drawn

Category 2 disbursements

The Liquidators' current disbursements policy is as follows

- 1 Photocopying for circulars or any other bulk copying is charged at 5p per sheet,
- 2 Mileage is reimbursed at a maximum of 67p per mile (up to 2,000cc) and 80p per mile (over 2,000cc)

All other disbursements are reimbursed at cost The Liquidators' have incurred printing costs of £207 39 in respect of Pubfolio Ltd and £104 00 in respect of Goldtry Ltd, none of which has been drawn