

The Insolvency Act 1986

Notice of extension of period of administration

Name of Company
Balfour Homes (Chisworth) Limited

Company number
05566313

In the
Birmingham District Registry

[full name of court]

Court case number
8007 of 2010

a) Insert name(s) and address(es)
of administrator(s)

I / We (a) Nigel Price of Begbies Traynor (Central) LLP, 10th Floor, Temple Point, 1 Temple Row
Birmingham B2 5LG and Paul Stanley of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3
4LY

(b) Insert name and address of

having been appointed administrator(s) of (b) Balfour Homes (Chisworth) Limited, 10th Floor, Temple
Point, 1 Temple Row, Birmingham, B2 5LG ("the company")

(c) Insert date of appointment

on (c) 08/01/2010 by (d) Allied Irish Bank (GB) Plc

(d) Insert name of appointor
/ applicant

hereby give notice that the administration has been extended

*Delete as applicable

* by order of the court

~~* with the consent of the company's creditors~~

(e) Insert date

until (e) 7 July 2015

Signed

Joint / Administrator(s)

Dated 28 June 2013

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

Begbies Traynor (Central) LLP

10th Floor, Temple Point, 1 Temple Row, Birmingham B2 5LG

Tel Number 0121 200 8150

Fax Number 0121 200 8160

DX Number



Q2C7W22R

QIQ 09/07/2013 #129

COMPANIES HOUSE

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

TUESDAY

Nigel Price and Paul Stanley were appointed joint administrators on 8 January 2010

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

Balfour Homes (Chisworth) Limited (In Administration)

Progress report of the joint administrators pursuant to Rules 2.47 and 2.112 of The Insolvency Rules 1986

Period: 8 January 2013 to 7 June 2013

TUESDAY

A10

A2C81LUH
09/07/2013
COMPANIES HOUSE

#76

Important Notice

This progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. 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 this report to them, or by any other person for any purpose whatsoever.

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 - 2 Time costs and expenses

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 8 January 2010 to 7 June 2013 incorporating a period account for the period from 8 January 2013 to 7 June 2013

Receipts

AIB Group (UK) Plc ("the Bank") have continued to make further contributions during the period to cover the costs incurred in completing and maintaining the development. During the period contributions of £204,979.11 have been made bringing total contributions to £4,420,466.17.

Payments

The site contains a pumping station which requires inspection on an annual basis, costs incurred in the period in this regard total £1,440 bringing total payments to £2,880.

As detailed in my previous report dated 1 February 2013, Kendal Byrne Developments Limited ("Kendal Byrne") completed the works on Blocks A, C and E. Payments to Kendal Byrne during the period total £142,590 bringing total payments to £294,880. These payments are in line with the valuation certificates as issued by Naismiths Limited ("Naismiths") against works completed.

Electricity charges totalling £26,032.12 have been paid in the period bringing total payments to £109,847.56. Telephone charges totalling £405.78 have also been paid in the period. These payments relate to phone lines installed in the lifts in Block C.

The sum of £6,603.20 was paid to the Arley Consulting Company Limited for their assistance in reporting on a potential contamination issue of a piece of land behind Block E. The land was found not to be contaminated.

Water charges totalling £71.53 have been paid in the period in relation to water usage for Blocks A, C and E.

Further payments have been made to Naismiths totalling £7,625 for their work during the period as employer's agent bringing total expenditure to date in relation to agents' fees to £223,743.

Payments totalling £15,253.23 have been made to AUA Insolvency Risk Services for providing insurance for the site bringing total insurance payments to date to £156,037.61.

A sum of £12,385.61 was paid to the Bank during this period. This represents VAT due back to them from the payments detailed above.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals.

Secured creditor

The Bank has a fixed and floating charge over the undertakings and all property and assets of the Company dated 5 June 2006.

The Bank also has a legal mortgage dated 5 June 2006 over the land and property at Kinderlee Mill. There is also a second legal charge in favour of PJKI Limited ("PJKI") over the land and property at Kinderlee Mill. All realisations from the sale of the properties will fall, in the first instance, under the Bank's fixed charge. The insurance refund, as detailed in my report dated 3 February 2012, will fall under their floating charge.

On present information we anticipate a significant shortfall to the Bank under its charge.

Accordingly it is anticipated there will be no return to PJKI under their second fixed charge

Preferential creditors

As far as we are aware, the Company has no preferential creditors

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows

- ☐ 50% of the first £10,000 of net property,
- ☐ 20% of net property thereafter,
- ☐ Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the prescribed part of net property if

- ☐ the net property is less than £10,000 and the administrator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- ☐ the administrator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

On present information we anticipate the net property to be less than the minimum prescribed by the Insolvency Act 1986 (Prescribed Part) Order 2003 and we consider, in accordance with Section 176A(3)(b) of the Act, that the costs of making a distribution of the prescribed part to unsecured creditors would be disproportionate to the benefits

Unsecured creditors

As mentioned above, based upon realisations to date and our estimate of future realisations there will be no funds available to enable a dividend to be paid to the unsecured creditors as the costs of distributing a prescribed part fund will be disproportionate to the benefits to unsecured creditors. Accordingly, we do not anticipate any return to this class of creditor

6. REMUNERATION AND DISBURSEMENTS

As previously reported our remuneration is fixed by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the administration and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with our firm's policy, details of which accompanied the *Statement of Proposals of the Joint Administrators for Achieving the Purpose of the Administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986*

The relevant resolutions were approved by the secured creditor on 8 March 2010 pursuant to Rule 2.106 of the Rules

Our time costs for the period 8 January 2013 to 7 June 2013 amount to £13,315 which represents 61 50 hours at an average rate £216 50 per hour. Total time costs incurred from appointment to 7 June 2013 amount to £210,024 75 which represents 798 10 hours at an average rate of £263 16 per hour.

To date, we have drawn the total sum of £50,000 plus disbursements of £551 33 on account which has been approved by the Bank. Furthermore, following Bank approval we have raised an invoice for a further £50,000, which remains unpaid. Therefore, total time billed to date is £100,000.

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been drawn since the necessary approval was obtained in the total sum of £362 90 are provided in the narrative summary of time costs incurred which is at Appendix 2 which leaves a balance to be drawn of £741 15.

The following further information as regards time costs and expenses is set out at Appendix 2.

- ☐ Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 8 January 2013 to 7 June 2013
- ☐ Cumulative table of time spent and charge-out value for the period of the administration, being 8 January 2010 to 7 June 2013

A copy of 'A Creditors' Guide to Administrators' Fees (E&W) 2010' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. ASSETS THAT REMAIN TO BE REALISED

The only known asset of the Company is the development at Kinderlee Mill which is currently under construction. Blocks A, C and E have been completed and Blocks B and D have been 'mothballed' at the Bank's request.

However, the Bank has recently expressed an interest in finding a buyer for the entire site and completing Blocks B and D. We have instructed Colliers International to market the site and are liaising with Naismiths with regard to the costs involved in the completion of Blocks B & D.

8. OTHER RELEVANT INFORMATION

Report on Directors conduct

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Innovation and Skills on the conduct of the directors. We have complied with our duties in this respect.

Investigations carried out during the period of this report

As explained in our Statement of Proposals, we have undertaken an initial assessment of the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect. We can confirm there are no recoveries to be made from these investigations.

Extension of Administration

A previously reported, the administration was extended until 7 July 2013. We are now seeking a further extension until 7 July 2015.

9. CONCLUSION

Paragraph 76 of Schedule B1 to the Act provides that the appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, the administrator's term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding six months.

In order to ensure that the objective of the administration is achieved, i.e. to sell Kinderlee Mill and that we have fully discharged our duties as administrators, it is necessary to extend the period of the administration. We have now obtained an extension to the administration with the approval of the court for two years up to 7 July 2015.

A handwritten signature in black ink, appearing to read 'Nigel Price', with a stylized flourish at the end.

Nigel Price
Joint Administrator

Dated 28 June 2013

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 8 January 2013 to 7 June 2013

**Balfour Homes (Chisworth) Limited
(In Administration)**

Summary of Receipts & Payments

RECEIPTS	Statement of Affairs (£)	From 08/01/2010 To 07/01/2013 (£)	From 08/01/2013 To 07/06/2013 (£)	Total (£)
Contributions from AIB		4,215,487 06	204,979 11	4,420,466 17
Sundry Receipts		1,268 31	0 00	1,268 31
Insurance Refund from Zurich		17,472 72	0 00	17,472 72
		4,234,228 09	204,979 11	4,439,207 20

PAYMENTS

Purchases for Kinderlee Mill	224,473 05	0 00	224,473 05
Sundry Items for Kinderlee Mill	6,000 00	0 00	6,000 00
Structural Engineers	9,550 00	0 00	9,550 00
Maintenance Contracts	1,440 00	1 440 00	2,880 00
Alpha Construction	3,165,011 83	0 00	3,165,011 83
Kendal Byrne	152,290 00	142,590 00	294,880 00
Electricity	83,815 44	26,032 12	109,847 56
Telephone	605 42	405 78	1,011 20
Marketing/Advertising	450 00	0 00	450 00
Landscape Architect	1,500 00	0 00	1,500 00
Contamination Consultant	0 00	6,603 20	6,603 20
Water	0 00	71 53	71 53
Office Holders Fees	50,000 00	0 00	50,000 00
Office Holders Expenses	551 33	0 00	551 33
Legal Fees	22,149 99	0 00	22,149 99
Agents/Valuers Fees	216,118 00	7,625 00	223,743 00
Insurance	140,784 38	15,253 23	156,037 61
Security	32,767 00	0 00	32,767 00
VAT due back to AIB from their contribs	78,984 45	12,385 91	91,370 36
Stationery & Postage	15 00	0 00	15 00
Bank Charges	600 00	0 00	600 00
	4,187,105 89	212,406 77	4,399,512.66

Net Receipts/(Payments)	47,122 20	(7,427 66)	39,694 54
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MADE UP AS FOLLOWS

Vat Receivable	61,453 70	1,824.61	63,278 31
Bank 1 Current	35,736.29	0 00	35,736 29
Fixed Ch Vat Receivable	28,919 29	3,133.64	32,052 93
Vat Control Account	(78,987 08)	(12,385 91)	(91,372.99)
	47,122.20	(7,427 66)	39,694 54

TIME COSTS AND EXPENSES

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred, and
- d Table of time spent and charge-out value

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 per meeting.
- Car mileage is charged at the rate of 45 pence per mile.
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² *Ibid* 1

held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,

- Displaying properties for sale on the 'Accelerated Property Sales from Begbies Traynor' section of the Begbies Traynor website is charged at the rate of £75 00 per property,
- *Expenses which should be treated as Category 2 disbursements (approval required)* – in addition to the 2 categories referred to above, best practice guidance indicates that where payments are made to outside parties in which the office holder or his firm or any associate has an interest these should be treated as Category 2 disbursements

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Birmingham office as at the date of this report are as follows

	Standard 1 May 2011 – until further notice Regional
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Prior to 1 May 2011, the following rates applied

Grade of staff	Charge-out Rate (£ per hour)
Partner 1	395
Partner 2	350
Director	325
Senior Manager	295
Manager	250
Assistant Manager	195
Senior Administrator	160
Administrator	130
Trainee Administrator	100
Support	100

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	Balfour Homes (Chisworth) Limited
CASE TYPE	ADMINISTRATION
OFFICE HOLDERS	Nigel Price AND Paul Stanley
DATE OF APPOINTMENT	8 January 2010

1 CASE OVERVIEW

1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

1.2 Complexity of the case

Our role has been to oversee the works carried out to date at the Kinderlee Mill site. Alpha Construction and Development Limited ("Alpha") were appointed initially following a tender to complete the works and subsequently Kendal Byrne Developments Limited were then subsequently appointed following Alpha's departure from site.

1.3 Exceptional responsibilities

None

1.4 The office holders' effectiveness

We have overseen the works to date with the assistance of Naismiths Ltd ("Naismiths"), our quantity surveyors.

1.5 Nature and value of property dealt with by the office holders'

It will be necessary to obtain an up-to-date valuation once the site has been completed as the previous valuation by Messrs Reginald Cook & Co of £9million was obtained in December 2009.

1.6 Anticipated return to creditors

On present information, we anticipate a return to the Bank as secured creditor under their fixed and floating charge however they will suffer a significant shortfall. Accordingly, it is unlikely there will be any return to the second chargeholder or the unsecured creditors.

1.7 Time costs analysis

An analysis of time costs incurred for the period 8 January 2013 and 7 June 2013 together with a cumulative analysis of the time for the period 8 January 2010 and 7 June 2013 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type.

The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only.

1.8 The views of the creditors

A progress report was sent to all creditors on 1 February 2013 and any queries raised by creditors have been dealt with as they have arisen.

1.9 Approval of fees

A resolution was passed to approve the Joint Administrators' fees for the Administration period on a time cost basis on 8 March 2010 by the secured creditor.

1 10 Approval of Expenses and Disbursements

A resolution was passed to approve the Joint Administrators' disbursements including Category 2 disbursements for the Administration period on 8 March 2010 by the secured creditor

1 11 Category 2 Disbursements

In accordance with the resolution obtained in relation to expenses and disbursements, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of my appointment

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage – Birmingham to Chisworth	1,104 05
TOTAL	1,104 05

1 12 Other professionals employed & their costs

Gateley LLP were instructed to advise on all legal matters and their costs are based on time spent dealing with the case

Naismiths Ltd were instructed to advise us on the tenders for the completion of the site and general construction matters. They have also been appointed as employer's agent for the purpose of the development. Their costs are based on time spent dealing with the case.

R N Humphrey Associates Limited have been appointed as CDM co-ordinators for the purpose of the development. Their fixed fee is £10,000 plus VAT.

Colliers International have been instructed to market the Kinderlee Mill site. Their fee for marketing the site is fixed and we are in negotiations with the Bank regarding a fee for selling the site.

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 2

2 2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 2

3. SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

Since the date of our last report the following work has been carried out

- Dealing with all statutory matters in connection with the administration,
- Dealing with creditor queries,
- Liaising with the Bank regarding funding of the completion of the site,
- Meetings on site with Naismiths and the Bank for update on progress of the development,
- Meeting and liaising with local authority planners and building control inspectors,
- Liaising with Colliers International regarding the marketing strategy for selling the site

Total fees drawn to date £

The Insolvency Act 1986

Administrator's progress report

Name of Company
Balfour Homes (Chisworth) Limited

Company number
05566313

In the
Birmingham District Registry
[full name of court]

Court case number
8007 of 2010

(a) Insert full name(s) and
address(es) of the
administrator(s)

I / We (a) Nigel Price of Begbies Traynor (Central) LLP, 10th Floor, Temple Point, 1 Temple Row
Birmingham B2 5LG and Paul Stanley of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester,
M34LY

administrator(s) of the above company attach a progress report for the period

(b) Insert dates

from

to

(b) 8 January 2013

(b) 7 June 2013

Signed

Joint / Administrator(s)

Dated

28/6/13

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.

Begbies Traynor (Central) LLP

10th Floor, Temple Point, 1 Temple Row, Birmingham B2 5LG

Tel Number 0121 200 8150

Fax Number 0121 200 8160

DX Number

Companies House receipt date barcode

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