

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company Harlow Stratford Limited	Company number 06020898
In the Birmingham District Registry	Court case number 9150 of 2008

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

We (a) Ian J Gould and Brian J Hamblin of PKF (UK) LLP, New Guild House, 45 Great Charles Street, Queensway, Birmingham B3 2LX

The joint administrators of the above company attach a progress report for the period

	From	to
(b) Insert dates	(b) 7 March 2009	(b) 16 September 2009

Signed 
Joint Administrator(s)

Dated 16 September 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.

Kaye O'Reilly PKF (UK) LLP	
New Guild House 45 Great Charles Street	
Queensway Birmingham B3 2LX	Tel 0121 212 2222
DX Number	DX Exchange

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



AIQ 13/10/2009 18
COMPANIES HOUSE
A34 19/09/2009 124
COMPANIES HOUSE

SATURDAY
TUESDAY

TO:
THE HIGH COURT
THE REGISTRAR OF COMPANIES
ALL KNOWN CREDITORS

Our ref: IJG/4012096/2400/KOR



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16 September 2009

Dear Sirs

Harlow Stratford Limited ("the Company") In Administration
High Court No. 9150 of 2008

1. Introduction

- 1.1. I write further to my appointment as Joint Administrator of the Company on 9 April 2008.
- 1.2. This is my third progress report on the Administration of the Company, prepared in accordance with Rule 2.112 of the Insolvency Rules 1986 ("the Rules"). This report should be read in conjunction with my report dated 2 June 2008 enclosing the Administrators' proposals, my first progress report dated 5 November 2008 and my second progress report dated 6 March 2009.
- 1.3. As you will be aware in my last report, a six month time extension was sought. I would confirm that the secured creditor approved the extension up to 9 October 2009.
- 1.4. You will recall that a meeting of creditors was not convened, however, the Administrators' Proposals, prepared and distributed in accordance with the provisions of Schedule B1 Paragraph 49 of the Insolvency Act 1986 ("the Act") and Rule 2.33 of the Rules were deemed approved in accordance with Rule 2.33(5) of the Rules because no request for an initial creditors' meeting was received in accordance with Paragraph 52(2). The following resolutions were also approved:
 - The Administrators do all such things and generally exercise all of their powers as administrators contained in Schedule 1 of the Insolvency Act 1986, as they in their discretion consider desirable or expedient in order to achieve the purposes of the Administration, to protect and preserve the assets of the Company or maximise the realisation of those assets or for any purpose incidental to these proposals.

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Email kaye.o'reilly@uk.pkf.com : www.pkf.co.uk

PKF (UK) LLP : New Guild House : 45 Great Charles St : Queensway : Birmingham : B3 2LX : DX 712080 Birm. 29

Important notice Partners and staff of PKF (UK) LLP acting as administrative receivers or administrators contract without personal liability. All insolvency appointment takers of PKF (UK) LLP are authorised by The Institute of Chartered Accountants in England and Wales, except R Barclay, W Duncan and B Jackson who are authorised by The Institute of Chartered Accountants of Scotland.

PKF (UK) LLP is a limited liability partnership registered in England and Wales with registered number OC310487.

A list of members' names is open to inspection at Farringdon Place, 20 Farringdon Road, London EC1M 3AP, the principal place of business and registered office. PKF (UK) LLP is authorised and regulated by the Financial Services Authority for investment business activities. The PKF International Association is an association of legally independent firms.

- That the Joint Administrators make application to Court to end the Administration pursuant to Paragraph 79 of Schedule B1 of the Insolvency Act 1986, following which, the Joint Administrators request that the Company be compulsorily wound-up and Ian James Gould and Brian James Hamblin (the Joint Administrators) may be appointed Joint Liquidators, if they so desire, OR,
 - That the Joint Administrators, at their sole discretion and at a time they see fit, are empowered to file the necessary returns at Court and with the Registrar of Companies to dissolve the Company pursuant to Paragraph 84 of Schedule B1 of the Insolvency Act 1986, OR,
 - That the Joint Administrators file the necessary returns at Court and with the Registrar of Companies to extend the period of the Administration for a period not exceeding six months pursuant to Paragraph 76 of Schedule B1 of the Insolvency Act 1986.
 - In the event that an extension of the Administration is sought under proposal IV above, the Joint Administrators remain empowered to proceed with other actions at the appropriate time under the proposals without further reference to the fixed and floating charge holder.
 - That the Joint Administrators shall be remunerated on a time cost basis by reference to PKF (UK) LLP's normal rates for the time spent by them and their staff in attending to matters arising in the Administration.
 - That the Joint Administrators be discharged from liability in accordance with Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 28 days after filing their final progress report in the Administration.
 - No creditors' committee has been formed.
- 1.5. As previously advised, the Joint Administrators anticipate that there will be a distribution to the secured creditor. It is currently estimated that they will receive a return of approximately 68 pence in the pound, however, this amount should be treated as indicative only. The Joint Administrators are acutely aware of the current state of the market and that the outcome to the secured creditor is totally reliant upon the amounts realised from sale of the properties.

1.6. I also enclose the following for your information:

- Appendix A - Form 2.24B Administrators' progress report.
- Appendix B - Period account from 7 March 2009 to 16 September 2009.
- Appendix C - Summary receipts and payments to 16 September 2009.
- Appendix D - Estimated outcome statement dated 16 September 2009.
- Appendix E - Analysis of PKF (UK) LLP's time costs in the Administration to 31 August 2009
- Appendix F - A schedule of Administrators' charge out rates.

2. Rule 2.47 of the Insolvency Rules 1986

- 2.1. The provisions of the above rule oblige me to provide you with the following information, all of which has been provided previously:
- The Administration order was made in the High Court of Justice, Chancery Division, Birmingham District Registry, on 9 April 2008 under the case reference 9150 of 2008.
 - The Company's registered office is situated at New Guild House, 45 Great Charles Street, Queensway, Birmingham, B3 2LX and its registered number is 6020898.
 - Brian James Hamblin and I were appointed Joint Administrators of the Company on 9 April 2008 by the qualifying floating chargeholder. Brian James Hamblin and I are required to exercise all of the powers and functions as Administrators of the Company both jointly and severally.
 - A six month time extension was sought and approved by the secured creditor up to 9 October 2009.

- A further twelve month time extension is being sought pursuant to paragraph 76(2) (a) of Schedule B1.

3. Receipts and Payments Account

- 3.1. Attached at Appendix C is a summary receipts and payments account covering the period from the date of Administration to 16 September 2009. As you will see there have been no realisations or payments to date.
- 3.2. Attached at Appendix D is an estimated outcome statement dated 16 September 2009.

4. Asset Realisations

- 4.1. The Company's only known asset is a site located in Stratford, London, comprising of 2 freehold properties known as 58 and 70/72 Leyton Road and a leasehold property known as 60/68 Leyton Road. The site is close to the area that is currently being developed for the 2012 Olympic Games. As a consequence, London Borough of Newham Council acquired part of the site by Compulsory Purchase Order. The Council subsequently transferred this land to the London Development Agency ("LDA") who are currently stalling settlement negotiations with the Administrators, as they are claiming betterment.
- 4.2. It has been necessary for the Joint Administrators to enter into substantial negotiations with the relevant local authorities, planning authorities, adjoining land owners, planners and architects so that an appropriate strategy could be put together in order to realise the property.
- 4.3. The Joint Administrators have also had to conclude the Company's interest in the leasehold title at 60/68 Leyton Road and to enter into a tenancy at will agreement with the tenant who was in occupancy of part of the site.
- 4.4. As a consequence of the above issues, it has not been possible to realise the property during the current Administration period. I would advise that our agents Messrs Colliers CRE ("Colliers") have now commenced a marketing campaign with a call for bids by the end of October 2009.
- 4.5. I would advise that rent is outstanding from the tenant currently in occupation of a section of one of the building's and part of the land.
- 4.6. I am not aware of any other assets owned by the Company.

5. Secured Creditor

- 5.1. The Company had one debenture outstanding at the date of our appointment granting fixed and floating charges in favour of Luminus Properties Limited now known as Almaren Plc. At the date of appointment the sum of £4,640,200 was outstanding to them.
- 5.2. As previously advised the estimated realisation in respect of the freehold site is £3,500,000 therefore we are predicting a substantial shortfall to Almaren Plc.

6. Preferential Creditors

- 6.1. There are no preferential claims in the Administration.

7. Non-preferential creditors

- 7.1. There are no known non-preferential creditors.

8. Administrators Remuneration and Disbursements

- 8.1. Time costs incurred from the date of Administration to 31 August 2009 amount to £50,286 which represents 192 hours at an average hourly rate of £261.90. A detailed analysis of the time costs is attached to this report at Appendix E. A summary of Administrators' charge-out rates is attached at Appendix F.

- 8.2. I would advise that no fees have been drawn to date by PKF (UK) LLP in respect of these time costs, in accordance with the Administrators' Proposals.
- 8.3. These amounts are derived by reference to PKF (UK) LLP's normal rates for time properly given by me and my staff in attending to matters arising in this insolvency. Where members of my staff have been employed on this insolvency they have been so based on their experience and abilities in dealing with a case of this nature. Where appropriate, certain staff dealt with a specific area of the Administration due to their specialist skills in that area. I should advise you that our scale rates increase from time to time over the period of the administration of each insolvency.
- 8.4. A creditors' guide to fees, which provides information regarding creditors' rights in relation to insolvency practitioners' fees, can be obtained by visiting our website. The relevant guide can be accessed through www.pkf.co.uk/crj, then click on the link to "Creditors' guides to fees". A copy of the guide can be provided upon request by contacting this office.
- 8.5. The estimates for further costs and disbursements to be charged to the estate in concluding the Administration are shown in the estimated outcome statement attached at Appendix D.
- 8.6. No disbursements have been charged to the estate to 16 September 2009 as indicated on the attached abstract of receipts and payments account.

9. Extension of the administration

- 9.1. As discussed above, as part of the Administrators' Proposals, the secured creditor approved the resolutions detailed in 1.4.
- 9.2. The secured creditor subsequently consented to the extension of the Administration pursuant to paragraph 76(2) (b) of schedule B1 for the six month period up to 9 October 2009.
- 9.3. The Company's only known assets are the 2 freehold properties and the leasehold property and as advised in section 4, the Joint Administrators together with Colliers are working on a strategy to realise the properties and achieve the best outcome for the secured creditor. Given the current climate, it has not been possible to realise these properties in the first 18 months of the Administration.
- 9.4. I therefore consider it necessary to extend the Administration for a further period of twelve months in order to conclude the strategy for realisation of the Company's assets.
- 9.5. The extension will enable me to achieve the statutory objective of the Administration and to exit the Administration appropriately whilst at all times acting in the best interest of the secured creditor.
- 9.6. I trust you find this report sufficiently provides you with an update of the position of the Administration of the Company, however, should you require any further information please do not hesitate to contact Kaye O'Reilly of this office.

Yours faithfully



Ian J Gould
Joint Administrator

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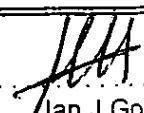
APPENDIX B

PERIOD ACCOUNT FROM 7 MARCH 2009 to 16 SEPTEMBER 2009

Harlow Stratford Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 07/03/2009 To 16/09/2009	From 09/04/2008 To 16/09/2009
(4,640,200.00)	GENERAL FIXED CHARGE Almaren Plc	<u>NIL</u> <u>NIL</u>	<u>NIL</u> <u>NIL</u>
<u>(4,640,200.00)</u>		<u>NIL</u>	<u>NIL</u>

REPRESENTED BY

NIL

.....
Ian J Gould
Joint Administrator

Harlow Stratford Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 16/09/2009

S of A £		£	£
(4,640,200.00)	GENERAL FIXED CHARGE Almaren Plc	<u>NIL</u>	NIL
<u>(4,640,200.00)</u>			<u>NIL</u>
	REPRESENTED BY		<u>NIL</u>

Harlow Stratford Limited in Administration

16 09 09

Estimated outcome statement

	Realised /(Paid) to date £	Estimated future movements £	Estimated final outcome £
Assets specifically pledged			
Freehold property	-	3,500,000	3,500,000
Less Office holder fees and expenses	-	(90,000)	(90,000)
less Agents fees and disbursements	-	(60,000)	(60,000)
Less legal fees and disbursements	-	(100,000)	(100,000)
General rates	-	(10,000)	(10,000)
Insurance	-	(40,000)	(40,000)
Contingency Charges	-	(10,000)	(10,000)
Surplus available to Almaren Plc		<u>3,190,000</u>	<u>3,190,000</u>
Amounts due to Almaren Plc		<u>(4,640,200)</u>	<u>(4,640,200)</u>
Deficit for fixed charge holder	-	<u><u>(1,450,200)</u></u>	<u><u>(1,450,200)</u></u>

APPENDIX E

ANALYSIS OF PKF (UK) LLP's TIME COSTS IN THE ADMINISTRATION TO 31 AUGUST 2009

Time From / To Dates: 09/04/2008-31/08/2009
Disbursements From / To Dates: 09/04/2008-31/08/2009
WIP Status: WIP, PreBill
Matter Codes: All matters selected
Client: 4012096 Harlow Stratford Limited

Summary Section (overall summary)

Corporate Recovery Main Phase 1

Grade:

Narrative	Code	Partner / Director		Manager		Supervisor / Senior Administrator		Administrator / Assistant		Total	
		Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours	Amount (£)	Hours
Phase Tasks											
Partner/Senior Manager Review	CR000	449.85	1.35	1,986.20	7.55	0.00	0.00	0.00	0.00	2,436.05	8.90
Planning & Monitoring	CR002	689.50	1.90	1,651.00	6.50	539.30	3.60	0.00	0.00	2,879.80	12.00
Cashiering Function Generally	CR004	0.00	0.00	51.90	0.30	0.00	0.00	61.75	0.75	113.65	1.05
Office Holders Tax Liabilities	CR006	72.20	0.20	0.00	0.00	85.40	0.60	0.00	0.00	157.60	0.80
CDDA 1986 Work	CR008	113.70	0.30	493.00	1.90	600.60	4.20	0.00	0.00	1,207.30	6.40
Secured Creditors (reporting/accounting for	CR010	685.90	1.90	1,591.40	5.90	0.00	0.00	0.00	0.00	2,277.30	7.80
Non Preferential Creditors	CR013	0.00	0.00	0.00	0.00	72.10	0.50	0.00	0.00	72.10	0.50
Employee Claims	CR014	0.00	0.00	106.80	0.40	0.00	0.00	0.00	0.00	106.80	0.40
Fixed Asset Realisation	CR015	3,085.25	8.45	2,730.80	10.70	70.00	0.50	0.00	0.00	5,886.05	19.65
Book Debt Realisations	CR017	72.20	0.20	0.00	0.00	0.00	0.00	0.00	0.00	72.20	0.20
Post Appointment Trading	CR019	418.75	1.15	0.00	0.00	0.00	0.00	0.00	0.00	418.75	1.15
Insurance & Bonding	CR020	0.00	0.00	514.60	2.00	1,249.50	8.90	51.30	0.45	1,815.40	11.35
Legal Correspondence/Litigation	CR021	1,263.50	3.50	1,492.90	5.65	85.40	0.60	0.00	0.00	2,841.80	9.75
Correspondence with other Office Holders	CR022	0.00	0.00	38.10	0.15	0.00	0.00	0.00	0.00	38.10	0.15
General Administration	CR023	1,660.60	4.60	4,000.50	15.75	364.00	2.60	83.70	1.10	6,108.80	24.05
Statutory Compliance (including CRO return	CR024	583.00	1.60	2,471.50	9.50	749.00	5.35	39.20	0.60	3,842.70	17.05
Investigations	CR033	1,998.10	5.50	2,585.02	10.08	0.00	0.00	0.00	0.00	4,583.12	15.58
Liasing with Agents/Solicitors/Other Profess	CR036	4,620.80	12.80	10,560.56	40.64	35.00	0.25	0.00	0.00	15,216.36	53.69
Annual/Periodic Reporting/Meeting (ie S48)	CR038	36.10	0.10	0.00	0.00	0.00	0.00	0.00	0.00	36.10	0.10
Preparation of Information/Sales Memoranc	CR041	108.30	0.30	0.00	0.00	0.00	0.00	0.00	0.00	108.30	0.30
Secretarial	CR044	0.00	0.00	0.00	0.00	0.00	0.00	67.45	0.95	67.45	0.95
Total Actual Costs:		15,857.75	43.85	30,274.28	117.02	3,850.30	27.10	303.40	3.85	50,285.73	191.82
TOTAL:		15,857.75	43.85	30,274.28	117.02	3,850.30	27.10	303.40	3.85	50,285.73	191.82

CREDITORS' GUIDE TO ADMINISTRATORS' FEES

Where Petition Presented or Appointment Made On or After 15 September 2003

ENGLAND AND WALES

A creditors' guide to fees, which provides information regarding creditors' rights in relation to insolvency practitioners' fees, can be obtained by visiting our website. The relevant guide can be accessed through www.pkf.co.uk/crj, then click on the link to "Creditors' guide to fees". A copy of the guide can be provided upon request by contacting this office.

SCHEDULE OF ADMINISTRATORS' CHARGE-OUT RATES

The table detailed below sets out the current charge-out rates utilised by PKF (UK) LLP for charging staff time.

Partner	£391 per hour
Director	£351 per hour
Senior Manager	£276 per hour
Manager	£188 - 234 per hour
Supervisor	£165 per hour
Administrator	£124 - 152 per hour
Assistants & Support Staff	£42 - 100 per hour

In common with most professional services firms, PKF (UK) LLP's charge-out rates change from time to time, although each individual change is not material. The rates charged reflect various changes over the course of each assignment.

Disbursements

Category 1 Disbursements

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

All category 1 disbursements will be charged at the actual cost incurred.

Category 2 Disbursements

Category 2 disbursements will comprise cost allocations which may arise on some of the category 1 expense where supplied internally: typically, items such as room hire and document storage. Also typically included will be routine or more specialist copying and printing, and allocated communication costs provided by the officeholder or his firm.

Category 2 Disbursements will not be charged by PKF (UK) LLP in connection with this matter.