

The Insolvency Act 1986

**Administrator's progress report**

Name of Company  
Cookson Homes WG2 Limited

Company number  
06054459

In the  
High Court of Justice, Chancery Division,  
Leeds District Registry

Court case number  
1616 of 2010

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

We (a) Bob Maxwell of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ  
and Rob Sadler of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ

Administrators of the above company attach a progress report for the period

from


to

(b) Insert dates

3 February 2011

2 August 2011

Signed

  
RAH Maxwell  
Joint Administrator

Dated

15 August 2011

**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

9th Floor, Bond Court, Leeds, LS1 2JZ

Tel Number 0113 244 0044

Fax Number 0113 244 5820

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

SATURDAY



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20/08/2011

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COMPANIES HOUSE

Bob Maxwell and Rob Sadler were appointed Joint Administrator on 3 August 2010

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

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## **Cookson Homes WG2 Limited - In Administration**

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Progress report of the Joint Administrators pursuant to Rule 2.47 and 2.112 of The Insolvency Rules 1986

Period: 3 February 2011 to 2 August 2011

## **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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# 1. INTERPRETATION

| <u>Expression</u>                              | <u>Meaning</u>   |
|--|--|
| "the Company"                                  | Cookson Homes WG2 Limited (In Administration)  |
| "the administration"                           | The appointment of Administrators under Schedule B1 to the Insolvency Act 1986 on 3 August 2010  |
| "the Administrators"                           | Bob Maxwell of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ and Rob Sadler of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ   |
| "the Act"                                      | The Insolvency Act 1986 (as amended)   |
| "the Rules"                                    | The Insolvency Rules 1986 (as amended)   |
| "secured creditor" and<br>"unsecured creditor" | Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)  |
| "security"                                     | (i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and<br><br>(ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act) |
| "preferential creditor"                        | Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986   |

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## 2. STATUTORY INFORMATION

|                           |                                       |
|---------------------------|---------------------------------------|
| Name of Company           | Cookson Homes WG2 Limited             |
| Date of Incorporation     | 16 January 2007                       |
| Company registered number | 06054459                              |
| Company registered office | 9th Floor, Bond Court, Leeds, LS1 2JZ |

## 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

|   |  |
|---|--|
| Names of the Administrators             | Bob Maxwell, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ and Rob Sadler, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 9th Floor, Bond Court, Leeds, LS1 2JZ                                       |
| Date of Administrators' appointment     | 3 August 2010  |
| Court                                   | High Court of Justice, Chancery Division, Leeds District Registry  |
| Court Case Number                       | 1616 of 2010   |
| Persons making appointment              | The Directors of the Company   |
| Acts of the Administrators              | The Administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an Administrator may be done by any one or more persons holding the office of Administrator from time to time. |
| EC Regulation on Insolvency Proceedings | The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.  |
| Extensions of the administration period | The Administration has been extended for a period of six months to 2 February 2012.  |

## 4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 3 February 2011 to 2 August 2011

### Receipts

#### **Freehold Land & Property**

The sum of £750,000 has been received in consideration for the sale of Plot 10, Whitley Willows

### Payments

#### **Legal fees and disbursements**

£20,178 has been paid to my solicitors Eversheds LLP in relation to their time costs and disbursements incurred to date

#### **Agents fees and disbursements**

The sum of £3,000 has been paid to my agents Sanderson Weatherall in relation to their time costs. In addition, disbursements of £725 have also been paid to Sanderson Weatherall.

#### **Property costs**

£14,589 has been paid to various contractors in relation to necessary costs incurred to enable the completion of the properties at Whitley Willows, Lepton, Huddersfield ("the Properties")

#### **Building warranty**

MD Insurance Services Limited have been paid £13,750 for the building warranty required for the Properties

#### **Retention monies**

The sum of £6,000 is being held in escrow by the solicitors acting for the purchaser of Plot 10, Whitley Willows in respect of retention issues. This amount is due to be repaid to the Joint Administrators six months following the completion of the sale of the property less the costs of any remedial issues that materialise

#### **Distribution to fixed charge holder**

A distribution of £610,000 has been paid to the Company's fixed charge holder, Clydesdale Bank Plc ("the Bank") from the net proceeds from the sale of Plot 10, Whitley Willows

#### **Administrators' disbursements**

The sum of £415 has been paid to Begbies Traynor Group in relation to the Joint Administrators' disbursements incurred throughout this case

#### **Sundry**

£36 has been paid in relation to the Joint Administrators' specific bond and £209 has been paid in bank interest and charges

## 5. ESTIMATED OUTCOME FOR CREDITORS

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

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

Details of how the prescribed part for unsecured creditors is calculated were provided in the Administrators' statement of proposals

### **Unsecured creditors**

Based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors

## 6. THE ADMINISTRATORS' REMUNERATION & DISBURSEMENTS

As previously reported the Administrators' remuneration is fixed by reference to the time properly given by the Administrators (as Administrators) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the Administration and they are authorised to draw disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with their 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 17 January 2011 pursuant to Rule 2.106 of the Rules

To date, the Administrators have drawn disbursements of £415. No further remuneration has been drawn to date. Total time spent to 2 August 2011 on this assignment amounts to 379 hours at an average composite rate of £202 per hour resulting in total time costs to date of £76,504.

No Category 2 disbursements have been drawn during the period of this report.

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

## 7. ASSETS THAT REMAIN TO BE REALISED

The assets of the Company are centred on a 14 plot part complete building development called Whitley Willows in Lepton, Huddersfield, West Yorkshire

### **Plot 4, Whitley Willows**

The sale of Plot 4 completed on 6 July 2009. The buyer owes the Company £21,000 by way of deferred consideration

Our legal advisors, Eversheds, are continuing to pursue this matter

### **Plot 5 and 6, Whitley Willows**

The sale of Plots 5 and 6 completed to a single purchaser in mid 2008. Following the insolvency of Sandstone Trading Limited, an associated company of Cookson Homes WG2 Limited which carried out the building works at the site, the Property was subsequently completed by a third party building contractor. We have been informed by the Directors that the property has encroached on to land that is part of Plot 7, and therefore owned by the Company. This matter is now in the hands of our solicitors

### **Plots 2, 3, 7 and 11-14 Whitley Willows**

Our agents, Sanderson Weatherall, have conducted marketing of the above plots and have fielded a number of enquiries from interested parties. However, the quantum of any anticipated realisations from this source will not be disclosed as to do so may be detrimental to future sale negotiations

## 8. OTHER RELEVANT INFORMATION

### **Report on Directors conduct**

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

## 9. CREDITORS' RIGHTS

### **Right to request further information**

Pursuant to Rule 2.48A of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court), may request in writing that the Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been detailed in this progress report

### **Right to make an application to court**

Pursuant to Rule 2.109 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court), may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration charged or the expenses incurred by the Administrators as set out in this progress report are excessive or, in relation to the basis fixed for the Administrators' remuneration, inappropriate



## 10. CONCLUSION

In order to ensure that the objective of the Administration is achieved and that we have fully discharged our duties as Administrators, it has been necessary to extend the period of the administration. Accordingly we sought the consent of the Company's secured creditor, Clydesdale bank Plc to extend the period of the Administration for 6 months following the anniversary of our appointment up to 2 February 2012. This request has been granted.

We will report again in approximately six months time or at the conclusion of the Administration, whichever is the sooner.



**BOB MAXWELL**  
Joint Administrator

Dated 15 August 2011

# ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS

Period 3 February 2011 to 2 August 2011 and cumulative from 3 August 2010 to 2 August 2011

|  | Receipts and<br>payments from 3<br>August 2010 to 2<br>February 2011 | Receipts and<br>Payments from<br>3 February 2011<br>to 2 August 2011 | Total<br>Receipts<br>and<br>Payments |
|--|--|--|--------------------------------------|
| Receipts                                   |  | £  | £                                    |
| Freehold land and Property                 | -  | 750,000 00   | 750,000 00                           |
| Contribution to Costs from Clydesdale Bank | 1,500 00   | -  | 1,500 00                             |
| Rent Recharge                              | -  | 1 00   | 1 00                                 |
|  | <u>1,500.00</u>  | <u>750,001.00</u>  | <u>751,501 00</u>                    |

## Payments

|                               |                 |                   |                   |
|-------------------------------|-----------------|-------------------|-------------------|
| Administrators' disbursements | -               | 415 14            | 415 14            |
| Legal fees & disbursements    | -               | 20,178 00         | 20,178 00         |
| Agents fees                   | -               | 3,000 00          | 3,000 00          |
| Agents disbursements          | -               | 725 00            | 725 00            |
| Building warranty             | -               | 13,750 00         | 13,750 00         |
| Retention monies              | -               | 6,000 00          | 6,000 00          |
| Fixed charge distribution     | -               | 610,000 00        | 610,000 00        |
| Property costs                | -               | 14,589 08         | 14,589 08         |
| Bank debit interest           | -               | 8 59              | 8 59              |
| Bank charges                  | -               | 200 00            | 200 00            |
| Statutory advertising         | 151 20          | -                 | 151 20            |
| Stationery & Postage          | 20 69           | -                 | 20 69             |
| Defects Insurance             | 1,000 00        | -                 | 1,000 00          |
| Specific Bond                 | -               | 36 00             | 36 00             |
|                               | <u>1,171 89</u> | <u>668,901 81</u> | <u>670,073 70</u> |

## MADE UP AS FOLLOWS

|                |                  |
|----------------|------------------|
| Bank account   | 73,161 70        |
| Vat receivable | 8,265 60         |
|                | <u>81,427.30</u> |

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# ADMINISTRATORS' TIME COSTS AND DISBURSEMENTS

- 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 for the period from 3 August 2010 to 2 August 2011

## **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 guidance<sup>1</sup> 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. Best practice guidance<sup>2</sup> 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)

- Car mileage is charged at the rate of 40 pence per mile,

(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*.

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

<sup>2</sup> Ibid 1

- 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 Leeds Bond Court office as at the date of this report are as follows:

|                       | <b>Standard<br/>1 July 2008 –<br/>until further notice<br/>Regional</b> |
|-----------------------|---|
| 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 for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units.

## SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME                      Cookson Homes WG2 Limited

CASE TYPE                      Administration

OFFICE HOLDERS                Bob Maxwell and Rob Sadler

DATE OF APPOINTMENT        3 August 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**  
The sale of Plot 10 has been very resource intensive due to the protracted negotiations with the purchasers and their legal advisors and also the undertaking of a range of remedial or snagging works to enable a sale to be completed. As with any land and property related assets the time taken to realise assets and their associated value is uncertain and achieving such a sale, especially on part complete developments, is very resource intensive
- 1.3 **The office holders' effectiveness**  
Following the sale of Plot 10, the focus is now on the sale of the remaining plots of land. This was the strategy at the outset of the Administration and has not changed
- 1.4 **Nature and value of property dealt with by the office holders**  
One freehold residential property at Whitley Willows and seven plots of land at the same site. We are not at liberty to disclose any of the valuations for the properties so as not to be prejudice any realisations
- 1.5 **Anticipated return to creditors**  
We do not anticipate that the secured creditors will be repaid in full. There is therefore no prospect of a dividend to any other class of creditor
- 1.6 **Time costs analysis**  
An analysis of time costs incurred between 3 August 2010 and 2 August 2011 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
- 1.7 **The views of the creditors**  
Creditors were informed of the Appointment of Administrators in a letter dated 9 August 2010 and have subsequently received a copy of the Administrators' proposals dated 24 September 2010 and the Joint Administrators' progress report dated 25 February 2011
- 1.8 **Approval of fees**  
The Joint Administrators have approval from the secured creditor that they may draw their remuneration on a time cost basis and that they may draw their remuneration as and when funds permit.

**1 9 Approval of Expenses and Disbursements**

The Joint Administrators have approval from the secured creditor that they may draw their expenses and disbursements as and when funds permit

**1 10 Other professionals employed & their costs**

Eversheds LLP were appointed as our legal advisors on this case on the basis of experience of similar types of work and capability for specific areas of expertise that we understood would be required

**2 SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT**

Since the date of our appointment, the following work has been carried out

- Liaising with secured and unsecured creditors,
- Liaising with various Company stakeholders including occupants of completed properties at Whitley Willows, the Council and utility companies,
- Preparation of and issue of statutory documents including the Administrators Progress Report,
- Completion of the sale of Plot 10,
- Marketing of remaining plots
- Debt collection relating to completed plots

# Time and Expenses Report - Summary

80CC0067.ADM | ADM - Cookson Homes WG2 Limited | From 03/08/2010 To 02/08/2011

|                                 | Action Code | Partner  | Director | Senior Manager | Manager   | Senior Admin | Admin    | Supp     | Other | Total Hours | Total Cost | Avg Rate |
|---------------------------------|-------------|----------|----------|----------------|-----------|--------------|----------|----------|-------|-------------|------------|----------|
| Administration                  | 1ADMIN      | 0.00     | 0.00     | 0.00           | 0.00      | 7.50         | 5.00     | 15.70    | 0.00  | 28.20       | 3,442.50   | 122.07   |
| Appointment/Activity            | 1APPOI      | 1.00     | 0.00     | 0.00           | 0.00      | 0.00         | 0.00     | 4.50     | 0.00  | 5.50        | 800.00     | 145.45   |
| Banking                         | 1BANK       | 0.00     | 0.00     | 0.00           | 0.00      | 0.00         | 0.00     | 0.30     | 0.00  | 0.30        | 30.00      | 100.00   |
| Bonding                         | 1BOND       | 0.00     | 0.00     | 0.00           | 0.00      | 0.00         | 0.00     | 0.00     | 0.00  | 1.00        | 195.00     | 195.00   |
| Claims, goods and distributions | 1CLAIM      | 2.00     | 0.00     | 0.00           | 1.50      | 0.00         | 0.00     | 4.70     | 0.00  | 8.20        | 1,462.50   | 178.35   |
| Debt Collection                 | 1DTCOL      | 0.00     | 0.00     | 0.00           | 0.00      | 0.00         | 0.00     | 2.50     | 0.00  | 2.50        | 250.00     | 100.00   |
| Employees                       | 1EMPEE      | 0.00     | 0.00     | 0.00           | 0.00      | 0.00         | 0.00     | 1.80     | 0.00  | 1.80        | 180.00     | 100.00   |
| Fixed Charge/Assets             | 1FXCHG      | 0.00     | 0.00     | 0.00           | 72.40     | 1.00         | 5.50     | 6.40     | 0.00  | 85.30       | 16,839.50  | 197.42   |
| Meetings                        | 1MEET       | 2.50     | 0.00     | 0.00           | 2.80      | 3.00         | 4.00     | 0.00     | 0.00  | 12.30       | 2,553.50   | 207.60   |
| Case strategy and planning      | 1PLAN       | 1.00     | 0.00     | 0.00           | 0.00      | 9.80         | 0.00     | 0.00     | 0.00  | 10.80       | 1,918.00   | 177.59   |
| Sale of Business/Assets         | 1SALE       | 9.00     | 0.00     | 0.00           | 131.00    | 13.80        | 0.00     | 0.00     | 0.00  | 153.80      | 36,048.00  | 234.38   |
| Secured Creditors               | 1SECCR      | 0.00     | 0.00     | 0.00           | 23.50     | 5.00         | 0.00     | 0.00     | 0.00  | 28.50       | 5,472.50   | 192.02   |
| Statutory reports and returns   | 1STAT       | 5.50     | 0.00     | 0.00           | 8.30      | 11.10        | 0.00     | 16.10    | 0.00  | 41.00       | 7,312.50   | 178.35   |
| Total Hours                     |             | 21.00    | 0.00     | 0.00           | 240.50    | 51.20        | 14.50    | 52.00    | 0.00  | 379.20      |            |          |
| Total Cost                      |             | 7,642.50 | 0.00     | 0.00           | 53,479.50 | 8,192.00     | 1,942.00 | 5,248.00 | 0.00  | 76,504.00   |            |          |

|                     |           |
|---------------------|-----------|
| Employee/Disb Costs | 427.06    |
| Disb Fees Drawn     | 415.14    |
| Time Fees Drawn     | 0.00      |
| Outstanding Costs   | 76,088.86 |