

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

We, Bob Maxwell 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

14 December 2011

13 June 2012

Signed

  
Bob Maxwell  
Joint Administrator

Dated

12/7/12

**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

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



A42 19/07/2012 #235  
COMPANIES HOUSE

THURSDAY



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

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## **Cookson Homes WG2 Limited (In Administration)**

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Progress report pursuant to Rule 2.47 of the  
Insolvency Rules 1986

Period: 14 December 2011 to 13 June 2012

### **Important Notice**

This progress report has been produced to comply with our 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" "we" "our" and "us"	Bob Maxwell 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 "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"	<ul style="list-style-type: none"><li>(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and</li><li>(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)</li></ul>
"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. COMPANY INFORMATION

Trading name	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

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.

## 4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 14 December 2011 to 13 June 2012.

### Receipts

#### **Plot 7, Whitley Willows**

The Administrators completed the sale of Plot 7 on 24 November 2011, for the sum of £205,000, and our solicitors have now accounted to us with the sale proceeds.

#### **Plot 10, Whitley Willows**

The sale of Plot 10 completed for the sum of £750,000 in February 2011 and this has been detailed in previous reports.

The sum of £6,000 in respect of escrow monies held by the purchaser for a period of six months following the sale has now been received by the Administrators and is included within the above amount

**Amenity area recharge**

We have received £250 in respect of an amenity area recharge in relation to the sale of Plot 7

**Rent recharge**

The sum of £1 has been received in respect of a rent recharge in relation to the sale of Plot 7

**Bank interest**

The sum of £1 70 has been received in bank interest during the period

**Deferred consideration**

During the period of this report, a total of £7,500 has been received by way of the agreed deferred consideration due from the owners of Plot 4 as detailed later in this report

**Payments**

**Secured creditor distribution**

The sum of £43 has been paid in this period to Begbies Traynor in respect of the Joint Administrators' disbursements incurred

**Agents' fees**

We have paid the sum of £2,050 to our agents, Sanderson Weatherall, in relation to their assistance on the sale of Plot 7

**Legal fees and disbursements**

We have paid the sum of £7,555 on account to our solicitors, Eversheds, as a contribution to their outstanding fees on this assignment

**Amenity area charge**

We have paid out £250 in respect of an amenity area recharge in relation to the sale of Plot 7

## **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. REMUNERATION & DISBURSEMENTS

Our remuneration has been 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 in 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 for achieving the purpose of administration and which are attached at Appendix 2 of this report

Our time costs for the period from 3 August 2010 to 13 June 2012 amount to £113,504 which represents 566 hours at an average rate of £201 per hour

The following further information in relation to our time costs and disbursements is set out at Appendix 2

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 3 August 2010 to 13 June 2012
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

The relevant resolutions were approved by the secured creditor on 24 January 2011 pursuant to Rule 2.106 of the Rules

To date, we have drawn total disbursements of £458 on account

## 7 ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3

## 8. ASSETS THAT REMAIN TO BE REALISED

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

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

A statutory demand was issued in relation to the outstanding money and the matter was heard on 1 July 2011 in this respect. At a further hearing on 12 July 2011 the debtor successfully applied to have this set aside at further hearing.

The Joint Administrators' subsequently had this judgement overturned at a hearing on 5 September 2011 together with an award for costs, bringing the total amount outstanding to approximately £38,000.

The debtors agreed to initially pay equal monthly instalments of £1,500. I can confirm that a total of £7,500 has now been received. In addition to this the debtors are also looking to raise some additional finance from the sale of another property they own to reduce the outstanding balance further.

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

As previously reported, the sale of Plots 5 and 6 completed to a single purchaser in mid 2008 and following the build out of the property there has been an encroachment on to land that previously formed part of Plot 7

Our solicitors, Eversheds, have recently written to the owner of Plots 5 and 6 following the completion of the sale of Plot 7 and in turn the registration of the relevant documents at the land registry. The parcel of land remaining under the ownership of the Company is evident and it is this land which has been encroached upon. To date we have not received a response and we are considering our options as to the next course of action.

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

Our agents, Sanderson Weatherall, have conducted marketing of the above plots and offers have been received from interested parties for Plots 2 and 3 and Plot 11, which have been accepted. Contracts for the sale of Plots 2 and 3 should proceed to exchange shortly. The offer for Plot 11 is subject to the outcome of a footpath diversion order that has yet to be concluded, however the Administrators are hopeful it will be resolved in their favour.

The quantum of any anticipated realisations from this source will not be disclosed as to do so may be detrimental to future sale negotiations.

## **9. 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.

### **Extension of administration**

The administration was initially extended for a period of six months with the consent of the Company's secured creditor, Clydesdale Bank Plc, and for a further 24 months up to 2 February 2014 with the consent of the Court. This is to ensure that there is sufficient time to allow the remaining assets of the Company to be realised.

### **Proposed exit route from Administration**

Following the conclusion of asset realisations, the Administrators intend on closing the administration and dissolving the Company.

## **10. 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 we provide further information about our 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 as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate

## 11. 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 Administrators' 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 and that we have fully discharged our duties as Administrators, it was necessary to extend the period of the administration. Accordingly, as detailed previously in this report, we now have consent of the Court to extend the period of administration for a further period of 24 months up to 2 February 2014.

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 12 July 2012

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period 14 December 2011 to 13 June 2012

	Receipts and payments from 3 August 2010 to 13 December 2011	Receipts and Payments from 14 December 2011 to 13 June 2012	Total Receipts and Payments
		£	£
<b>Receipts</b>			
Freehold land and property	750,000 00	205,000 00	955,000 00
Miscellaneous income	47 00	0 00	47 00
Amenity area charge	0 00	250 00	250 00
Contribution to costs from Clydesdale Bank	1,500 00	-	1,500 00
Bank interest	0 00	1 70	1 70
Rent recharge	1 00	1 00	2 00
Deferred consideration	0 00	7,500 00	7,500 00
	<b>751,548.00</b>	<b>212,752.70</b>	<b>964,300 70</b>
<b>Payments</b>			
Secured creditor distribution	610,000 00	195,946 00	805,946 00
Administrators' disbursements	457 77	0 00	457 77
Legal fees & disbursements	20,178 00	7,554 58	27,732 58
Agents fees	3,000 00	2,050 00	5,050 00
Agents disbursements	725 00	-	725 00
Amenity area charge	20 69	250 00	270 69
Building warranty	13,750 00	-	13,750 00
Property costs	15,589 08	-	15,589 08
Bank charges	208 59	-	208 59
Statutory advertising	151 20	-	151 20
Stationery & Postage	20 69	-	20 69
Specific Bond	36 00	-	36 00
	<b>664,137 02</b>	<b>205,800 58</b>	<b>869,937.60</b>

## MADE UP AS FOLLOWS

Bank account	94,363 10
Vat receivable	1,919 75
	<b>96,282.85</b>

\*The above figures are net of VAT

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## 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 13 June 2012

## **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</b>
	<b>1 July 2008 –</b>
	<b>until further notice</b>
	<b>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 ADMINISTRATION      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 sales of Plot 7 and Plot 10 have 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 Plots 7 and 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 creditor 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 14 December 2011 and 13 June 2012 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 reports dated 25 February 2011, 15 August 2011 and 13 December 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

Sanderson Weatherall have been appointed as our agents to assist with the sale of the remaining Plots

**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 7,
- Marketing of remaining plots, and
- Debt collection relating to completed plots

[illegible]



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## STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Mileage	Begbies Traynor (Central) LLP	9 00	Nil	9 00
Storage costs	Archive Solutions	1 92	Nil	1 92