

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

[full name of court]

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

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

from

to

(b) Insert dates

(b) 3 August 2010

(b) 2 February 2011

Signed


Joint Administrator

Dated

25 February 2010

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

I 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

WEDNESDAY



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COMPANIES HOUSE

Bob Maxwell and Rob Sadler were appointed joint administrators on
3 August 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

Cookson Homes WG2 Limited (In Administration)

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

Period: 3 August 2010 to 2 February 2011



COMPANIES HOUSE



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 "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 (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

2. STATUTORY INFORMATION

Name of Company	Cookson Homes WG2 Limited
Trading name(s)	N/A
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 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
Person(s) making appointment / application	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 3 August 2010 to 2 February 2011

RECEIPTS

Clydesdale Bank plc

We have received £1,500 from the secured creditor, Clydesdale Bank plc, to enable the payment of a deposit for an insurance product on Plot 10, Whitley Willows and the funding of other incidental costs relating to Plot 10

PAYMENTS

Postage

We have paid £24 to Mailbox Express in relation to postage costs

Defects Insurance

A payment of £1,000 was made to Watson Laune in respect of defects insurance for Plot 10, Whitley Willows

Necessary Payments

We have made payments of £178 in respect of statutory advertising

We have not provided any Statement of Affairs figures in our abstract of receipts and payments as we believe that to include them would prejudice asset realisations

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. 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

No remuneration has been drawn to date. Total time spent to 2 February 2011 on this assignment amounts to 221 hours at an average composite rate of £189 per hour resulting in total time costs to date of £41,798

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. ADMINISTRATORS' EXPENSES

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

8. 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 £21k by way of deferred consideration which is due and payable immediately

We have written to the buyer enclosing a signed copy of the Deed of Variation, setting out that we believe the money is owed and we have asked for his settlement proposals. We have had no reply to this letter and have instructed our legal advisors, Eversheds, to formally 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. We are looking to quantify any claim we may have in this respect and then pursue the owner for compensation

Plot 10, Whitley Willows

Plot 10 is a completed property. Prior to our appointment prospective purchasers were contractually bound to complete the purchase of Plot 10 at £1.1m, which having already paid £110k deposit left a balance of £990k to pay

The prospective purchasers have informed us through their legal representatives that they still wish to complete the purchase of the property, albeit at a reduced price to reflect snagging works that they feel are required to complete the property

We anticipate completion of the sale of Plot 10 before the end of February 2011 albeit at a level below that which is contractually owed

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

The above plots remain unsold. Once we have addressed the issues above we will look to market these plots for sale through a local agent. We have already received a number of initial enquiries.

9. 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.

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 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.

11. CONCLUSION

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 25 February 2011

ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 3 August 2010 to 2 February 2011

Estimated to realise per Statement of Affairs £	Receipts	Total £
-	Contribution to Costs from Clydesdale Bank	1,500 00
-		<u>1,500.00</u>
	Payments	
	Statutory advertising	151 20
	Stationery & Postage	20 69
	Defects Insurance	1,000 00
		<u>1,171.89</u>
	Balance	<u>328.11</u>
	MADE UP AS FOLLOWS	
	Bank account	298 03
	Vat receivable	30 08
		<u>328.11</u>

ADMINISTRATORS' DISBURSEMENTS	TIME	COSTS	AND
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- 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,
- d Table of time spent and charge-out value for the period from 3 August 2010 to 2 February 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 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. 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)
 - 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*.

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

² 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:

	Standard 1 July 2008 – until further notice Regional
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 prospective purchasers and their legal advisors and also the undertaking of a range of remedial or snagging works to enable a sale to be completed. We anticipate that this sale will take place before the end of February 2011. 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 Exceptional responsibilities

There is nothing that we are aware of at present that we would constitute as being an exceptional responsibility.

1 4 The office holders' effectiveness

We have not yet achieved a sale of any assets of the Administration. Our initial focus has been on the sale of Plot 10 which we hope to achieve by the end of February 2011. The focus will then be on the sale of the remaining plots of land. This was the strategy at the outset of the Administration and has not changed.

1 5 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 6 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 7 Time costs analysis

An analysis of time costs incurred between 3 August 2010 and 2 February 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 8 The views of the creditors

Creditors were informed of the Appointment of administrators in a letter dated 9 August 2010 and subsequently received a copy of the administrators' proposals dated 24 September 2010

1 9 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 10 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 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 – site visits	£155 92
TOTAL	£155 92

1 12 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,
- Negotiating the sale of properties,
- Undertaking remedial works to properties to enable their sale,
- Dealing with various issues relating to the land and access thereon,
- 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 Proposals and reporting to the Department for Business, Innovation and Skills

Cookson Homes WG2 Limited

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STATEMENT OF ADMINISTRATORS' EXPENSES

Statutory Advertising

The sum of £151 20 has been paid in respect of statutory advertising

Stationery & Postage

The sum of £20 69 was paid to Mailbox Express for the transportation of documents

Defects Insurance

Plot 10, Whitley Willows, requires a building defects insurance policy in place before a purchaser can raise a mortgage against it. To date we have paid the deposit of £1,000 for this policy

Administrators' Time Costs

Total time spent to 2 February 2011 on this assignment amounts to 221 hours at an average composite rate of £189 per hour resulting in total time costs to date of £41,798

No fees have been drawn to date due to a lack of funds although we have the approval of the secured creditor, Clydesdale Bank plc, to draw such fees as and when funds allow

Administrators' Disbursements

Disbursements incurred during the period from 3 August 2010 to 2 February 2011 by the Administrators total £155 92 and remain unpaid. These disbursements relate to mileage charges for site visits to Whitley Willows