

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company Milestone Homes (Burgess Hill) Limited	Company number 06397117
In the High Court – Newcastle upon Tyne District Registry [full name of court]	Court case number 75 of 2009

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

We (a) Simon Bonney and Geoff Rowley of Vantis, 81 Station Road, Marlow, Bucks.

SL7 1NS

* Delete as applicable

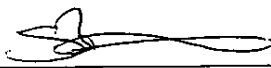
attach a copy of our proposals in respect of the administration of the above company.

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 12 March 2009

Signed


Joint / Administrator(s)

Dated

12/03/09

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

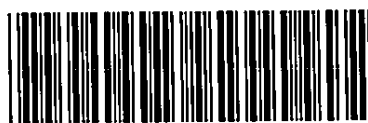
Vantis plc, 81 Station Road, Marlow, Bucks, SL7 1NS

Tel: 01628 478100

DX Number

DX Exchange

SATURDAY



A01

AJICL85L

14/03/2009

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COMPANIES HOUSE

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



**Vantis Business
Recovery Services**
81 Station Road
Marlow
Buckinghamshire SL7 1NS
Tel: +44(0)1628 478 100
Fax: +44(0)1628 472 629
www.vantisplc.com

To All Known Creditors

your ref:

our ref: AO047d/J/SB/CN

date: 12 March 2009

Please ask for: Chris Newell

Dear Sirs

MILESTONE HOMES (BURGESS HILL) LIMITED (IN ADMINISTRATION)

I write further to my appointment as Joint Administrator of the above company on 16 January 2009 and now enclose a copy of the Joint Administrators' report for your information. This report incorporates the Joint Administrators' proposals for the outcome of the administration.

A meeting of creditors under paragraph 51, schedule B1 of the Insolvency Act 1986 would not be appropriate in this case as it appears that there is no prospect of a dividend to unsecured creditors.

Creditors are entitled to requisition a meeting in the manner prescribed by the Insolvency Act 1986. A requisitioned meeting will be held provided that a number of creditors totalling more than 10% of the total debts of the company concur with the requisition.

Yours faithfully
For and on behalf of
Milestone Homes (Burgess Hill) Ltd

Simon James Bonney
Joint Administrator
Licensed by the Insolvency Practitioners Association

The Joint Administrators act as agents of the company and without personal liability.

The affairs, business and property of the company are being managed by Simon James Bonney and Geoffrey Paul Rowley who were appointed Joint Administrators on 16 January 2009.

AO047

Issue 1 31/03/94 QP



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Fax: +44(0)1628 472 629
www.vantisplc.com

**TO ALL MEMBERS AND ALL KNOWN
CREDITORS**

your ref:

our ref: AO051/J/SB/CN

date: 12 March 2009

please ask for: Chris Newell

Dear Sir/Madam

MILESTONE HOMES (BURGESS HILL) LIMITED (IN ADMINISTRATION) ("THE COMPANY")

1. Introduction

I write further to my appointment as Joint Administrator of the company, with Geoffrey Paul Rowley, to inform creditors of the Joint Administrators' proposals under Paragraph 49 of Schedule B1 to the Insolvency Act 1986. Statutory information about the company and the Administrators together with details from the company accounts is attached as Appendix A.

2. The Administration

The appointment of the Joint Administrators took place on 16 January 2009. The appointment was by Mr Rob Burnham, the director of the company.

5 business days' written notice was given to the qualifying floating charge holder.

The objective(s) of the administration are:-

1. To rescue the company as a going concern, failing which
2. To achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), failing which
3. To realise property in order to make a distribution to one or more secured or preferential creditors.

The appointment of the Joint Administrators included a declaration that during the period of the administration they may act jointly or severally as the Administrators of the company.

3. Circumstances giving rise to the appointment of the Administrator.

The company is a SPV for the development of 10 houses in Burgess Hill, West Sussex.

The company was incorporated on 11 October 2007 with Mr Rob Burnham, Mr Andrew Atkins and Mr Edward Cookson as directors.

The company had one ordinary £1 share which was owned by Milestone Homes (South East) Limited, its parent company, which I understand is shortly due to be placed into liquidation.

The development at Burgess Hill was jointly funded by the Bank of Scotland plc ("BOS"), Wolsey Securities Limited ("Wolsey") and Aurelian Property Finance Limited ("Aurelian").

During progress of the development, there were cost overruns on the site which were not envisaged when the original funding was agreed. At the same time, the economic downturn meant that there was unlikely to be any surplus from the completion and sale of the units which could justify further funding.

Therefore, with the knowledge that the company was unable to complete the developments and pay all creditors, the directors sought professional advice from Vantis and resolved that they had no option but to place the company into administration in order to safeguard the development.

Geoff Rowley and I were duly appointed Joint Administrators on 16 January 2009.

4. The conduct of the administration

Since the company was placed into administration security and insurance have been maintained on site.

BOS instructed CBRE, Chartered Quantity Surveyors, to conduct a review of the development in order to assess whether the site is to be sold as a part completed development or whether development is to be continued.

This review has been completed and the secured creditors have agreed that the development will be continued. Accordingly the contracts has gone out to tender and a contractor is anticipated to be appointed shortly to complete the development.

The further funding is to be agreed directly between the secured creditors and Bond Davidson, Chartered Quantity Surveyors, are to be instructed in order to monitor the development process going forward.

No receipts and payment account is attached due to the fact that no payments have been received nor expenses incurred to date.

5. The directors' statement of affairs

Shortly after the appointment, the directors of the company were asked to submit a statement of affairs under paragraph 47 of Schedule B of the Insolvency Act 1986. A copy of this statement of affairs is attached as Appendix B to this report.

6. Outcome for secured creditor

BOS has a fixed and floating charge in its favour dated 16 April 2008 and is owed £2,575,000.00

Wolsey has a second charge in its favour dated 16 April 2008 and is owed £910,074.24. Wolsey ranks behind BOS as a secured creditor.

Aurelian has a legal charge in its favour dated 16 April 2008 and is owed £180,000. Aurelian ranks behind both BOS and Wolsey.

The outcome for secured creditors of the company is uncertain due to the fact that future realisations from the sale of a part completed development or the future realisations from completed properties after the cost of finalising the development are uncertain.

7. Outcome for preferential creditors

The company had no employees and therefore it is not anticipated that there will be any preferential creditors.

8. Outcome for unsecured creditors and prescribed part for unsecured creditors

The statement of affairs indicates that, subject to costs, a dividend is unlikely to be available to unsecured creditors in due course. This is, however, uncertain as described above.

The Administrators have further considered the possibility of a prescribed part for unsecured creditors under S176A of the Insolvency Act 1986.

The estimated net property available for the prescribed part is less than £10,000 and is not expected to apply in this case.

9. Creditors' meeting

Based on information currently available, the Joint Administrators think that the company has insufficient property to enable a distribution to be made to unsecured creditors, except from the prescribed part. They are therefore not required to call a creditors' meeting pursuant to Paragraph 51 of Schedule B1 of the Insolvency Act 1986. The Administrators must however summon a meeting if requested to do so by creditors whose debts amount to at least 10% of the total debts of the company. The request must be in the prescribed form and be made within 12 days of the date of this notice, in accordance with Rule 2.37 of The Insolvency (Amendment) Rules 2003.

In accordance with Rule 2.33(5) of The Insolvency (Amendment) Rules 2003, where the Administrators have not called a creditors' meeting, the proposals set out above will be deemed to have been approved by the creditors unless at least 10% by value of the creditors requisition a meeting of creditors within 12 days of the date of this report.

10. Administrators' proposals

The Administrators' proposals in accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 to achieve the remaining purposes of the administration, are attached as Appendix C.

11. Administrators' Remuneration

The company did not pay Vantis for assisting with the placing of the company into administration.

The Administrators' remuneration after the date of appointment will be drawn from the company assets and it is proposed that it will be charged on a time cost basis. Details of Vantis' charge out rates are included with the creditors' guide to remuneration at Appendix D. Only direct disbursements will be drawn by the Administrators.

Details of the time charged to this case to date, analysed between the different types of work undertaken, are enclosed at Appendix D. The basis of the Administrators' remuneration has not yet been approved by creditors, and the Administrators have accordingly not drawn any remuneration in this case.

The Administrators' fees for dealing with the assets subject to the fixed charge will be agreed with the secured chargeholder's and will be drawn on a time cost basis.

12. Directors' Conduct

Finally, as part of the Joint Administrators' statutory duties, we have to report on the conduct of the directors under the Company Directors Disqualification Act 1986. Should you have any information concerning matters to which reference should be made in that report, then we should be grateful if

you would write to us formally setting out any facts which you believe should be considered for inclusion.

Yours faithfully
For and on behalf of
Milestone Homes (Burgess Hill) Ltd



Simon James Bonney
Joint Administrator
Licensed by the Insolvency Practitioners Association

The Joint Administrators act as agents of the company and without personal liability.

The affairs, business and property of the company are being managed by Simon James Bonney and Geoffrey Paul Rowley who were appointed Joint Administrators on 16 January 2009.

Milestone Homes (Burgess Hill) Ltd**Appendix A****Statutory Information**

Court in which administration proceedings were brought: High Court – Newcastle upon Tyne District Registry

Court reference number: 75 of 2009

Other trading names: N/A

Date of incorporation: 11 October 2007

Company number: 06397117

Registered office: 81 Station, Road, Marlow, Bucks, SL7 1NS

Previous registered office: Chancery Court Queen Street, Horsham, West Sussex

Business address: Chancery Court Queen Street, Horsham, West Sussex

Directors: Mr Rob Burnham
Mr Andrew Atkins
Mr Edward Cookson

Company secretary: Mr Rob Burnham

The directors and company secretary have no shareholdings in the company.

No financial statements of the company are available.

EC regulations apply to the administration and if the proceedings are main proceedings.

Rule 2.29

Form 2.14B

Statement of Affairs

Name of Company Milestone Homes (Burgess Hill) Limited	Company Number 06397117
In the High Court – Newcastle upon Tyne District Registry [full name of court]	Court Case Number 75 of 2009

(a) Insert name and
address of registered
office of the company

Statement as to the affairs of (a)
Milestone Homes (Burgess Hill) Limited
Chancery Court Queen Street
Horsham
West Sussex

(b) Insert date On the (b) 16 January, 2009, the date that the company entered administration

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b), the date that the company entered administration.

Full Name: ANDREW JON ATKINS

Signed: - *Andrew Jon Atkins*

Dated: 7th FEB 2009

Statement of Affairs

Name of Company Milestone Homes (Burgess Hill) Limited	Company Number 06397117
In the High Court – Newcastle upon Tyne District Registry [full name of court]	Court Case Number 75 of 2009

(a) Insert name and
address of registered
office of the company

Statement as to the affairs of (a)
Milestone Homes (Burgess Hill) Limited
Chancery Court Queen Street
Horsham
West Sussex

(b) Insert date On the (b) 16 January, 2009, the date that the company entered administration

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b), the date that the company entered administration.

Full Name: ANDREW JON ATKINS

Signed: - Andrew J. Atkins

Dated: 7th FEB 2009

A – Summary of Assets

Assets

Assets subject to fixed charge:

Freehold Property at 36-38 Folders Lane, Burgess Hill, West Sussex, Land Registry Title No's SX86905, SX104649 together with all plans, copyright, book debts, agreements, interests, income as detailed in charging agreements in favour of Bank of Scotland, Wolsey Residential Finance, Aurelian Property Finance

Less: Bank of Scotland

Less: Wolsey Residential Finance

Less: Aurelian Property Finance

Assets subject to floating charge:

Uncharged assets:

Estimated total assets available for preferential creditors

Book Value £	Estimated to Realise £
£2,575,000.00	Unknown
(2,726,889.51)	(2,726,889.51)
(910,074.24)	(910,074.24)
(180,000.00)	(180,000.00)
Nil	Nil
Nil	Nil
(1,241,963.75)	(3,816,963.75)

Signature _____

Date _____

A1 – Summary of Liabilities

		Estimated to Realise £
	£	(3,816,963.75)
Liabilities	£Nil	
Preferential creditors:-		
Estimated deficiency/surplus as regards preferential creditors	£	(3,816,963.75)
Estimated prescribed part of net property where applicable (to carry forward)	£Nil	
Estimated total assets available for floating charge holders	£	(3,816,963.75)
Debts secured by floating charges	£Nil	
Estimated deficiency/surplus of assets after floating charges	£	(3,816,963.75)
Estimated prescribed part of net property where applicable (brought down)	£Nil	
Total assets available to unsecured creditors	£	(3,816,963.75)
Unsecured non-preferential claims	£(376,298.97)	
Estimated deficiency after floating charge where applicable (brought down)		
Estimated deficiency/surplus as regards creditors	£	(4,193,262.72)
Issued and called up capital	£(1.00)	
Estimated total deficiency/surplus as regards members	£	(4,193,263.72)

Signature _____

Date _____

Vantis Business Recovery Services
Milestone Homes (Burgess Hill)
B - Company Creditors

Key	Name	Address	£
CA00	AGP Graphico Limited	The Studio , 9 The Ourtyard, Holmbush Farm, Faygate, Horsham, RH12 4SE	90.09
CA01	Allsigns Limited	Goss Works, 122 Connaught Road, Brookwood, GU24 0AS	2,530.72
RA00	Andrew Atkins	26 Hayne Road, Beckenham, Kent, BR3 4AJ	0.00
CA02	AS Designs	12 Bell Lane, Byfield, Daventry, NN11 6US	13,383.25
CA03	Aurelian Property Finance Limited	Priory House, Priory Street, USK, NP15 1BJ	180,000.00
		Security Given: Fixed Charge Date Given: 28/04/2008	
CB00	Ballpoint	21 The Bell Centre, Newton Road, Crawley, RH10 9FZ	52.85
CB05	Bank of Scotland Corporate	Bank of Scotland Corporate, 4th Floor, Citymark, 150 Fountainbridge, Edinburgh EH3 9PE	2,726,889.51
		Security Given: Fixed and Floating Charge Date Given: 18/04/2008	
CB01	Beacon Fencing Limited	3 Tilers Close, Burgess Hill, West Sussex, RH15 0TL	2,040.95
CB02	Beacon Roofing Limited	Tillingbourne Farm, The Street, Albury, Surrey, GU5 9AG	49,844.00
CB03	BT	BT UK Business Accounts, Providence Row, Durham, DH98 1BT	924.82
CB04	Builders Beams	1 Rutherford Way, Crawley Industrial Estate, Crawley, West Sussex, RH10 9PF	829.00
CD00	Darren Waterer	3 Coulsdon Court Road, Coulsdon, Surrey, CR5 2LL	1,269.00
CE00	EDF	EDF Payment Processing Centre, P O Box 61, Plymouth, PL3 5YL	118.06
RC00	Edward Cookson	Flat 15, 17 First Avenue, Hove, East Sussex, BN3 2FH	0.00
CE01	Evans Design	Unit 5, Jackson Industrial Estate, Wessex Road, Bourne End, Buckinghamshire, SL8 5DT	9,400.00
CF00	Ferrier Pearce	Maybrook House, 97 Godstone Road, Caterham, Surrey, CR3 6RE	3,288.86
CF01	Flooring Installations Limited	Lower Lodge farm, The Haven, Nr Billinghamurst, West Sussex, RH14 9BE	7,458.64
CF02	Furniture @ Work Limited	333 Bath Street, Glasgow, G2 4ER	449.75
CF03	Furnituremost Limited	The Pyramid Centre, Airport Service Road, Portsmouth, Hants, PO3 5SH	21,686.37
CG00	Gap Solutions Limited	Ash House, 26 Tongdean Lane, Brighton, BN1 5JE	1,040.00
CG02	Gregson & Hart Building & Scaffolding	46/48 Gorham Avenue, Rottingdean, Brighton, East Sussex, BN2 7DP	6,907.00
CG01	Gregson & Hart Contractors Limited	46/48 Gorham Avenue, Rottingdean, Brighton, East Sussex, BN2 7DP	12,474.87
CH00	HGH Groundworks Limited	Washington House, Old London Road, Washington, West Sussex RH20 3BN	72,317.33
CH01	Home Office Fire Extinguisher Limited	Unit 6, Saffronm Business Centre, Elizabeth Close, Saffron Walde, Essex, CB10 2NL	207.98
CI00	ICA Electrical Contractors Limited	Unit 15, Blatchford Close Industrial Estate, Horsham, RH13 5RG	11,797.55
CJ00	Jackson Plumbing & Heating (Contractors) Limited	2nd Floor, Unit 9, English Business Park, English Close, Hove, BE3 7ET	17,026.00
CJ01	Jewson Limited	P O Box 7357, Glasgow, G51 9AB	16,700.97
CJ02	Joanna Pegler	Teagues Farm, Lewes Road, Scaynes Hill, West Sussex, RH17 7NG	1,050.00
CK00	Keith Spencer & Company Limited	Sundown, Milton Street, Polegate, East Sussex, BN26 5RP	26,198.81
CM00	Mark Group Limited	Head Office, 70 Boston Road, Beaumont Leys, Leicester, LE4 1AW	2,102.15

Vantis Business Recovery Services
Milestone Homes (Burgess Hill)
B - Company Creditors

Key	Name	Address	£
CM01	Mark Thompson Design	Whitehorn Cottage, Guildford Road, Cranleigh, Surrey, GU6 8PF	2,379.37
CM02	Merronbrook Limited	Hazeley Bottom, Hartley Witney, Hants, RG27 8LU	7,027.86
CM03	Millstone Landscapes Limited	Unit 4, Kingley Centre, Downs Road, West Stoke, Chichester, PO18 9BQ	7,544.09
CP00	Parker Merchandising Limited	Unit 4, Westpoint Business Park, New Hythe Lane, Larkfield, Kent, ME20 4XJ	300.65
CP01	Peake & Thorpe Decorating	117 Nevill Avenue, Hove, East Sussex, BN3 7NE	4,295.00
CP02	Premier Energy Limited	4 The Courtyard, pondtail Farm, West Grinstead, West Sussex, RH 13 8LN	2,309.12
CP04	Premier Loft Ladders	2 Dawson Drive, Trimley St Mary, Felixstowe, Suffolk, IP11 0YW	552.25
CP03	Property House Marketing	170 Epsom Road, Guildford, Surrey, GU1 2RP	522.29
CR00	RM Industries Limited	Unit 8 Durban Road, South Bersted Business Park, Bognor Regis, PO22 9QT	2,939.55
RB00	Rob Burnham	Flat 12, 75 Holland Road, Hove, East Sussex, BN3 1JN	0.00
CR01	Robert Clarke Associates	Willow Cottage, Herne Lane, Rustington, West Sussex, BN16 3EE	1,335.98
CR02	Roy Allen Supplies Limited	Unit 21, Westmead Industrial Estate, Westlea, Swindon, SN5 7YT	691.79
CR03	Rullion Alltrades Limited	P O Box 47, Trafalgar House, Altrincham, Cheshire, WA14 1FG	2,559.61
C500	Saloni	52 Upper Street, London, N1 0QH	32.31
C501	Sandiford Son & Bannister Limited	Fairlight Works, 153 Croydon Road, Caterham, CR3 6PF	14,495.98
C502	Speedy Hire Centres (Southern) Limited	Northern Way, Bury St Edmunds, IP32 6NL	466.77
C503	Sussex Blinds & Awnings	55 East Street, Horsham, RH12 1HR	130.00
C504	Sussex Carpentry Contractors	120 Upper Brighton Road, Worthing, West Sussex, BN14 9JB	29,020.00
C505	Sussex Wall & Floor Tiling	Unbit 1B, Portland Business Park, Portland Road, Hove, BN3 5RY	4,073.29
CT00	Taylor Maxwell & Co Limited	Taylor Maxwell House, The Promenade, Clifton, Bristol, BS8 3NW	8,429.25
CU00	UK Forks	VP Pic, Central House, Beckwith Knowle, Otley Road, Harrogate, HG3 1UD	2,175.79
CW00	Weber Brown	Church Road, Newick, East Sussex, BN8 4JX	1,380.00
CW01	Wendy Dutton	145 High Street, Lindfield, West Sussex, RH16 2HT	1,500.00
CW02	West Country Fires Limited	42 Bedford Close, Southampton, Hants, SO15 2DG	949.00
CW03	Wolsey Securities	Munro House, Portsmouth Road, Cobham, Surrey, KT11 1PA	910,074.24
Security Given: Fixed and Floating Charge Date Given: 18/04/2008			
55 Entries Totalling			4,193,262.72

Milestone Homes (Burgess Hill)
C - Shareholders

Key	Name	Address	Pref	Ord	Other	Total
HM00	Milestone Homes (South East) Limited		0	1	0	1
1 Entries Totalling						1

Signature _____

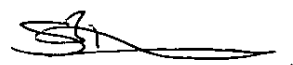
THE INSOLVENCY ACT 1986

**STATEMENT OF THE PROPOSALS OF THE JOINT ADMINISTRATORS
OF MILESTONE HOMES (BURGESS HILL) LTD (IN ADMINISTRATION)**

PURSUANT TO PARAGRAPH 49(1) OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986

1. These are the proposals of Simon James Bonney and Geoffrey Paul Rowley, the Joint Administrators of Milestone Homes (Effingham) Ltd pursuant to paragraph 49(1) of schedule B1 to the Insolvency Act 1986.
2. The Joint Administrators think that objective (a) of the administration, as detailed in paragraph 3(1) of Schedule B1 of the Insolvency Act 1986, will not be achieved due to the extent of the company's debts. As such, it is envisaged that objective (b) will be achieved, a better result for the company's creditors as a whole than would be likely if the company had been wound-up (without first being in administration).
3. The Joint Administrators propose that:
 - a) they will continue to realise the assets of the company.
 - b) if they think the company has no property which might permit a distribution to its unsecured creditors, they will send a notice to the Registrar of Companies in accordance with paragraph 84 of schedule B1 to the Insolvency Act 1986 and three months after the filing of the notice the company will be deemed to be dissolved having given due consideration to point (a) above.
 - c) the company may be placed into creditors voluntary liquidation to enable a distribution to be made to creditors if appropriate. Pursuant to Paragraph 83 Schedule B1 Insolvency Act 1986, should the creditors not nominate a liquidator; the proposed liquidators are to be Simon James Bonney and Geoffrey Paul Rowley. Pursuant to Rule 2.33 and 2.117 (3) Insolvency Rules 1986, creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of these proposals and before these proposals are approved.
 - d) the Joint Administrators' fees plus VAT should be approved on a time cost basis in accordance with their charge out rates as detailed in Appendix F, together with those disbursements known as category 2 disbursements, to be drawn when the Joint Administrators see fit.
 - e) the administration may be extended by six months prior to the one year anniversary should further time be needed to complete any development/sale process.
 - f) The Joint Administrators be granted their discharge from liability in accordance with Paragraph 98(2)(b) of Schedule B1 to the Insolvency Act 1986, 21 days after ceasing to act.

Dated this 12 March 2009



Simon James Bonney

Joint Administrator

Licensed by the Insolvency Practitioners Association

The Joint Administrators act as agents of the company and without personal liability.

The affairs, business and property of the company are being managed by Simon James Bonney and Geoffrey Paul Rowley who were appointed Joint Administrators on 16 January 2009.

Appendix D

MILESTONE HOMES (BURGESS HILL) LIMITED– IN ADMINISTRATION							
JOINT ADMINISTRATOR'S TIME COSTS FOR THE PERIOD FROM THE 16 JANUARY 2009 TO 12 MARCH 2009							
SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partner	Senior Manager/ Manager	Other Senior Professional	Assistants And Support Staff	Total Hours		
Admin and Planning	9.70	0.00	12.75	11.45	33.90	6,474.50	190.99
Creditors	0.30	0.00	3.25	0.00	3.55	713.50	200.99
Reviews/Meetings	0.00	0.00	2.00	0.00	2.00	380.00	190.00
Realisation of Assets	0.40	0.00	0.00	0.00	0.40	122.00	305.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Statutory Work	0.00	0.00	1.75	0.00	1.75	288.75	165.00
Case Accounting	0.00	0.00	0.00	1.90	1.90	172.00	90.53
Total hours and costs	10.40	0.00	19.75	13.35	43.50	8,150.75	187.37

CHARGE OUT RATES

In accordance with the provisions of Statement of Insolvency Practice 9 (SIP 9), the current hourly charge out rates applicable to this appointment, exclusive of VAT are as follows:

Partner	£335.00
Associate Director	£320.00
Senior Manager	£240.00
Manager	£215.00
Senior Administrator	£190.00
Administrator	£145.00
Assistant Administrator	£95.00
Cashier	£95.00
Secretary	£75.00

DIRECT EXPENSES (Category 1 Disbursements)

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate as cost, with no uplift. These include but are not limited to such items as advertising, bonding and other insurance premiums and properly reimbursed expenses.

Appendix D

DIRECT EXPENSES (Category 1 Disbursements)

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case, will be charged to the estate as cost, with no uplift. These include but are not limited to such items as advertising, bonding and other insurance premiums and properly reimbursed expenses.

INDIRECT EXPENSES (Category 2 Disbursements)

It is normal practice to also charge the following indirect disbursements (Category 2 Disbursements, as defined by SIP 9) to the case, where appropriate. These costs are as follows:

Stationery / photocopying	Cost per page/ envelope
1 page of headed paper	0.09
1 page of continuation paper	0.06
1 page of photocopying paper (includes cost of photocopying)	0.01
Envelope (all sizes)	0.08
Postage	Postage rate
Postage – 1 st class	0.34
Postage – 2 nd class	0.24

Travel Mileage incurred as a result of necessary travel is charged at the Inland Revenue approved rate of 40p per mile.

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

ENGLAND AND WALES

1 Introduction

- 1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees and explains the basis on which fees are fixed.

2. The nature of administration

- 2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court in order to achieve the following statutory purposes:-

- to rescue the company as a going concern; or
- to achieve of a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration; or
- to realise property in order to make a distribution to one or more secured or preferential creditors.

Administration may be followed by a company voluntary arrangement or liquidation.

3 The Creditors' Committee

- 3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is established at the meeting of creditors which the administrator is required to hold within 10 weeks of the commencement of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee ask for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide such information as it may require.

4 Fixing the administrator's fees

- 4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either:

- as a percentage of the value of the property which the administrator has to deal with, or
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration.

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is fixed as a percentage, to fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties.
- the value and nature of the property which the administrator has to deal with.

- 4.2 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.

5 What information should be provided by the Administrator?

5.1 When seeking fee approval

5.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought;
- the stage during the administration of the case at which is being sought; and
- the size and complexity of the case.

5.1.2 Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

5.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Director
- Manager
- Other senior professionals
- Assistants and support staff.

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy.
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

- 5.1.4 Where the fee is to be charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by a administrator or his staff.

5.2 After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

5.3 Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

6 What if a Creditor is Dissatisfied?

- 6.1 If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration.

7 What if the Administrator is Dissatisfied?

- 7.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

8 Other matters relating to fees

- 8.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.
- 8.2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

8.3 In a case where the administrator has made a statement that the company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part, a resolution of the creditors shall be taken as passed if (and only if) passed with the approval of:

- (a) each secured creditor of the company; or
- (b) if the administrator has made or intends to make a distribution to preferential creditors:-
 - (i) each secured creditor of the company; and
 - (ii) preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval.

**TO ALL MEMBERS AND ALL KNOWN
CREDITORS**

your ref:

our ref: AO051/J/SB/CN

date: 12 March 2009

please ask for: Chris Newell

Dear Sir/Madam

MILESTONE HOMES (BURGESS HILL) LIMITED (IN ADMINISTRATION) ("THE COMPANY")

1. Introduction

I write further to my appointment as Joint Administrator of the company, with Geoffrey Paul Rowley, to inform creditors of the Joint Administrators' proposals under Paragraph 49 of Schedule B1 to the Insolvency Act 1986. Statutory information about the company and the Administrators together with details from the company accounts is attached as Appendix A.

2. The Administration

The appointment of the Joint Administrators took place on 16 January 2009. The appointment was by Mr Rob Burnham, the director of the company.

5 business days' written notice was given to the qualifying floating charge holder.

The objective(s) of the administration are:-

1. To rescue the company as a going concern, failing which
2. To achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), failing which
3. To realise property in order to make a distribution to one or more secured or preferential creditors.

The appointment of the Joint Administrators included a declaration that during the period of the administration they may act jointly or severally as the Administrators of the company.

3. Circumstances giving rise to the appointment of the Administrator.

The company is a SPV for the development of 10 houses in Burgess Hill, West Sussex.

The company was incorporated on 11 October 2007 with Mr Rob Burnham, Mr Andrew Atkins and Mr Edward Cookson as directors.

The company had one ordinary £1 share which was owned by Milestone Homes (South East) Limited, its parent company, which I understand is shortly due to be placed into liquidation.

The development at Burgess Hill was jointly funded by the Bank of Scotland plc ("BOS"), Wolsey Securities Limited ("Wolsey") and Aurelian Property Finance Limited ("Aurelian").

During progress of the development, there were cost overruns on the site which were not envisaged when the original funding was agreed. At the same time, the economic downturn meant that there was unlikely to be any surplus from the completion and sale of the units which could justify further funding.

Therefore, with the knowledge that the company was unable to complete the developments and pay all creditors, the directors sought professional advice from Vantis and resolved that they had no option but to place the company into administration in order to safeguard the development.

Geoff Rowley and I were duly appointed Joint Administrators on 16 January 2009.

4. The conduct of the administration

Since the company was placed into administration security and insurance have been maintained on site.

BOS instructed CBRE, Chartered Quantity Surveyors, to conduct a review of the development in order to assess whether the site is to be sold as a part completed development or whether development is to be continued.

This review has been completed and the secured creditors have agreed that the development will be continued. Accordingly the contracts has gone out to tender and a contractor is anticipated to be appointed shortly to complete the development.

The further funding is to be agreed directly between the secured creditors and Bond Davidson, Chartered Quantity Surveyors, are to be instructed in order to monitor the development process going forward.

No receipts and payment account is attached due to the fact that no payments have been received nor expenses incurred to date.

5. The directors' statement of affairs

Shortly after the appointment, the directors of the company were asked to submit a statement of affairs under paragraph 47 of Schedule B of the Insolvency Act 1986. A copy of this statement of affairs is attached as Appendix B to this report.

6. Outcome for secured creditor

BOS has a fixed and floating charge in its favour dated 16 April 2008 and is owed £2,575,000.00

Wolsey has a second charge in its favour dated 16 April 2008 and is owed £910,074.24. Wolsey ranks behind BOS as a secured creditor.

Aurelian has a legal charge in its favour dated 16 April 2008 and is owed £180,000. Aurelian ranks behind both BOS and Wolsey.

The outcome for secured creditors of the company is uncertain due to the fact that future realisations from the sale of a part completed development or the future realisations from completed properties after the cost of finalising the development are uncertain.

7. Outcome for preferential creditors

The company had no employees and therefore it is not anticipated that there will be any preferential creditors.

8. Outcome for unsecured creditors and prescribed part for unsecured creditors

The statement of affairs indicates that, subject to costs, a dividend is unlikely to be available to unsecured creditors in due course. This is, however, uncertain as described above.

The Administrators have further considered the possibility of a prescribed part for unsecured creditors under S176A of the Insolvency Act 1986.

The estimated net property available for the prescribed part is less than £10,000 and is not expected to apply in this case.

9. Creditors' meeting

Based on information currently available, the Joint Administrators think that the company has insufficient property to enable a distribution to be made to unsecured creditors, except from the prescribed part. They are therefore not required to call a creditors' meeting pursuant to Paragraph 51 of Schedule B1 of the Insolvency Act 1986. The Administrators must however summon a meeting if requested to do so by creditors whose debts amount to at least 10% of the total debts of the company. The request must be in the prescribed form and be made within 12 days of the date of this notice, in accordance with Rule 2.37 of The Insolvency (Amendment) Rules 2003.

In accordance with Rule 2.33(5) of The Insolvency (Amendment) Rules 2003, where the Administrators have not called a creditors' meeting, the proposals set out above will be deemed to have been approved by the creditors unless at least 10% by value of the creditors requisition a meeting of creditors within 12 days of the date of this report.

10. Administrators' proposals

The Administrators' proposals in accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 to achieve the remaining purposes of the administration, are attached as Appendix C.

11. Administrators' Remuneration

The company did not pay Vantis for assisting with the placing of the company into administration.

The Administrators' remuneration after the date of appointment will be drawn from the company assets and it is proposed that it will be charged on a time cost basis. Details of Vantis' charge out rates are included with the creditors' guide to remuneration at Appendix D. Only direct disbursements will be drawn by the Administrators.

Details of the time charged to this case to date, analysed between the different types of work undertaken, are enclosed at Appendix D. The basis of the Administrators' remuneration has not yet been approved by creditors, and the Administrators have accordingly not drawn any remuneration in this case.

The Administrators' fees for dealing with the assets subject to the fixed charge will be agreed with the secured chargeholder's and will be drawn on a time cost basis.

12. Directors' Conduct

Finally, as part of the Joint Administrators' statutory duties, we have to report on the conduct of the directors under the Company Directors Disqualification Act 1986. Should you have any information concerning matters to which reference should be made in that report, then we should be grateful if

you would write to us formally setting out any facts which you believe should be considered for inclusion.

Yours faithfully
For and on behalf of
Milestone Homes (Burgess Hill) Ltd

Simon James Bonney
Joint Administrator
Licensed by the Insolvency Practitioners Association

The Joint Administrators act as agents of the company and without personal liability.

The affairs, business and property of the company are being managed by Simon James Bonney and Geoffrey Paul Rowley who were appointed Joint Administrators on 16 January 2009.