

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company

Milestone Homes (Burgess Hill) Limited

Company number

06397117

In the

High Court - Newcastle upon Tyne

(full name of court)

Court case number

75 of 2009

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

I/We (a)

Simon James Bonney
RSM Tenon Recovery
81 Station Road
Marlow
Bucks
SL7 1NSFrank Wessely
RSM Tenon Recovery
81 Station Road
Marlow
Bucks
SL7 1NS

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

From


To

(b) Insert date

(b) 16 July 2010

(b) 15 January 2011

Signed


Joint / Administrator(s)

Dated

10/2/11

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 ~~some~~

Simon James Bonney
RSM Tenon Recovery
81 Station Road
Marlow
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SL7 1NS

DX Number

01628 478100
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

TUESDAY



A15
15/02/2011
COMPANIES HOUSE

Private and Confidential

To All Known Creditors

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Our ref SB/CN/CH/M0819MAR

11 February 2011

**When telephoning or emailing please contact Sushil Patel on +44 (0)1628 478 100 or
sushil.patel@rsmtenon.com**

Dear Sirs

Milestone Homes (Burgess Hill) Limited – in administration (“The Company”)

Further to my appointment as Joint Administrator of the above Company on 16 January 2009, I report on the progress of the Administration under Rule 2.47 of the Insolvency Rules 1986. Statutory information regarding the Company and the appointment of the Joint Administrators is given at Appendix A.

1. The Administrators' Proposals

The primary objective of the Administration was -

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)

The full proposals are given at Appendix B. It should be noted that the proposals have not been amended.

It should also be noted that the Administration was initially extended with the consent of the secured creditors for a period of 6 months. The Administration has since been further extended, until 15 July 2011, by Order of the Court.

2. Progress of the Administration

As per my previous progress reports please note that the primary secured chargeholder, Bank of Scotland plc (“BOS”) and the secondary chargeholder, Wolsey Securities Limited (“Wolsey”), jointly funded the completion of the development. Greenplan Construction Limited (“Greenplan”) was instructed to complete the development.

Greenplan commenced contract works with regard to development of 10 houses on 22 June 2009. Bond Davidson (“BD”) a Chartered Quantity Surveyor was instructed to provide regular progress reports in regard to the works being carried out.

As further time was required to sell the remaining properties and to complete the option on the additional 3 plots I successfully applied to Court as detailed in my last progress report in order to extend the administration for a further 12 months to 15 July 2011

Please note that construction work in regard to plots 1 to 10 is now complete

With regard to the sale of the properties I can confirm that plots 1 to 10 have been sold for a total of £4,899,823

No receipts and payment account is attached due to the fact that no payments have been received nor expenses incurred by the Joint Administrators to date. Funds have been made available by secured creditors in order for the Company to continue with the development

3. Estimated Outcome

Secured Creditors

BOS has a fixed and floating charge in its favour dated 9 April 2008 and is owed approximately £2,600,000 before taking into account any expenditure incurred regarding the development during the Administration

Wolsey has a second legal charge in its favour dated 9 April 2008 and is owed approximately £910,000 before taking into account any expenditure incurred regarding the development during the Administration

Aurelian has a legal charge in its favour dated 9 April 2008 and is owed £180,000. Aurelian ranks behind both BOS and Wolsey

It should be noted that the secured creditors agreed that the funding of the administration and completion of the development, which has been provided by BOS and Wolsey, is to be recovered in priority to fixed charge realisations

The primary secured charge holder, BOS, has received full repayment of the initial facility provided to the Company and the further facility provided to fund the completion of the development

Wolsey, as the secondary secured charge holder has to date received £678,432 under its security for repayment of the initial facility provided to the Company and the further funds provided to the Company regarding completion of the development totaling £1,017,530. Wolsey is expected to suffer a shortfall in the sum of circa £781,008

There are insufficient funds with which to make a distribution to Aurelian which ranks behind BOS and Wolsey as the third secured charge holder

Preferential Creditors

The Company had no employees and therefore it is not anticipated that there will be any preferential claims

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 Joint 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.

4 Joint Administrators' Remuneration

The Joint Administrators' proposals were agreed on 24 March 2009 which included a resolution that remuneration should be calculated on a time cost basis. Remuneration of £34,000 has been drawn to date. 208.00 hours have been spent on this case to date, giving a total of £38,907.75 charged to the Administration. An analysis of the time charged, showing different grades of staff and the type of work undertaken, is attached at Appendix C.

All remuneration has to date been agreed by the secured creditors.

Yours faithfully



Simon Bonney

Joint Administrator

Licensed in the United Kingdom to act as an insolvency practitioner by the Insolvency Practitioners Association

Appendix A

Milestone Homes (Burgess Hill) Ltd Statutory Information

Court in which administration proceedings were brought	High Court – Newcastle upon Tyne District Registry
Appointor	The Directors of Milestone Homes (Burgess Hill) Limited ("the Company") formerly of Chancery Court Queen Street Horsham, West Sussex, RH13 5AD The Company's registered office is now 81 Station Road, Marlow, Bucks, SL7 1NS
Court reference number	75 of 2009
Joint Administrators Details	<p>Simon Bonney & Frank Wessely licensed by the Insolvency Practitioners Association and the Secretary of State for Business, Innovation and Skills</p> <p>The Joint Administrators will act jointly & severally so that all functions may be exercised by any or all of the Joint Administrators</p>
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	

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

Appendix C

MILESTONE HOMES (BURGESS HILL) LIMITED – IN ADMINISTRATION							
JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD FROM THE 16 JANUARY 2009 TO 11 FEBRUARY 2011							
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	27 50	43 45	40 15	6 20	117 30	22,741 25	193 87
Creditors	0 30	14 45	4 45	0 00	19 20	3,589 75	186 96
Reviews/Meetings	2 70	2 50	2 00	0 00	7 20	1,721 50	239 09
Realisation of Assets	1 90	4 80	0 30	0 00	7 00	1,826 50	260 93
Investigations	0 00	1 00	0 00	0 00	1 00	215 00	215 00
Statutory Work	1 50	10 45	9 70	0 00	21 65	3,600 75	166 31
Case Accounting	0 00	0 00	0 00	12 50	12 50	1,725 25	138 20
Trading	5 90	0 00	16 25	0 00	22 15	3,487 75	157 46
Total hours and costs	39 80	76 65	72 85	18 70	208 00	38,907 75	187 06

RSM TENON RECOVERY 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

Director	£395 00
Senior Manager	£315 00
Manager	£275 00
Assistant Manager	£235 00
Senior Administrator	£210 00
Administrator Level 2	£195 00
Administrator Level 1	£170 00
Junior Administrator	£110 00
Case Accountant	£140 00
Assistant Case Accountant	£125 00
Administration Assistant	£95 00

On occasions it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment any material changes will be notified to creditors as part of the normal fee reporting procedures

Appendix C

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 36
Postage – 2 nd class		0 25
Travel	Mileage incurred as a result of necessary travel is charged at the Inland Revenue approved rate of 40p per mile	