

The Insolvency Act 1986

**Administrator's progress report**

Name of Company

Coast Developments (NW) Limited

Company number

06714088

In the  
High Court of Justice, Chancery Division,  
Companies Court

(full name of court)

Court case number  
9609 of 2012(a) Insert full  
name(s) and  
address(es) of  
administrator(s)I/We (a)  
Simon Thomas  
Moorfields  
88 Wood Street  
London  
EC2V 7QFNicholas O'Reilly  
Moorfields  
88 Wood Street  
London  
EC2V 7QF

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

From

To

(b) Insert date

(b) 6 November 2016

(b) 13 December 2016

Signed

Joint / Administrator(s)

Dated

14/12/16

**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

Simon Thomas  
Moorfields  
88 Wood Street  
London  
EC2V 7QF

DX Number

0207 186 1144  
DX Exchange

\*A5XM96EO\*

A27 07/01/2017 #159  
COMPANIES HOUSEA16 16/12/2016 #136  
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**

SATURDAY

**Coast Developments (NW) Limited  
(In Administration)**

**Joint Administrators' Final Progress Report**

**in accordance with**

**Rule 2.110 of the Insolvency Rules 1986 (as amended)**

**13 December 2016**

**Coast Developments (NW) Limited – In Administration (“the Company”)  
Joint Administrators’ Final Progress Report**

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**Disclaimer**

*This report has been prepared for the sole purpose of updating creditors for information purposes. 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 updating them for information purposes or by any other person for any purpose whatsoever*

## **Coast Developments (NW) Limited – In Administration ("The Company")**

### **1. Background and Statutory Information**

This is the Joint Administrators' ninth and final progress report on the conduct of the Administration from 6 November 2016 to 13 December 2016 in accordance with the requirements of Rule 2.110 of the Insolvency Rules 1986 (as amended- "the Rules"). This report should be read in conjunction with the Joint Administrators' previous reports dated 11 February 2013, 16 July 2013, 18 December 2013, 8 May 2014, 19 November 2014, 5 May 2015, 30 November 2015, 12 May 2016 and 21 November 2016.

The Joint Administrators have completed their Administration and achieved objective C as set out in their proposals dated 11 February 2013. It is now the Joint Administrators' intention to exit the Administration by way of dissolution as there are insufficient funds to enable a distribution to unsecured creditors.

The Company entered administration on 19 December 2012 and Simon Thomas and Shelley Bullman, both Licensed Insolvency Practitioners of Moorfields Advisory ("Moorfields"), 88 Wood Street, London EC2V 7QF were appointed to act as Joint Administrators.

On 20 November 2013, Shelley Bullman was replaced, by an Order of the Court, as Joint Administrator of the Company by Nicholas O'Reilly, who is also a licensed Insolvency Practitioner at Moorfields.

Fees of £214,968.64 have been drawn in respect of the Administration. Further information regarding fees is given in Section 3.

Statutory information relating to the Company and the Joint Administrators' appointment is attached at Appendix I.

In accordance with Rule 2.110(2)(a), I attach a Summary Statement of the Joint Administrators' Proposals at Appendix II. A full copy of the Proposals may be found on the website at [www.moorfieldscr.com](http://www.moorfieldscr.com), full details of which have been provided. I can confirm during the course of the administration there have been no major amendments to or deviations from these proposals.

### **2. Progress of the Administration**

The affairs, business and property of the Company are managed by the Joint Administrators who act as agents of the Company and contract without personal liability.

There has been no change to the strategy outlined in the proposal report. Delays realising the principal asset have resulted in the Administration being extended on four occasions.

The Joint Administrators' receipts and payments account for the period from 19 December 2012, being the date of appointment, to date is attached at Appendix II.

Coast Developments (NW) Limited – In Administration ("the Company")  
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I would comment specifically on the following developments during the period and I refer creditors to my previous reports for comment on historic matters and realisations

**2 1    *Realisation of assets***

There have been no assets realised during the reporting period

**2 2    *Assets still to be realised***

I can confirm that the Joint Administrators have completed their investigations and do not anticipate any further asset realisations to be made in the Administration

**2 3    *Sale of assets to a connected party***

In accordance with Statement of Insolvency Practice 13 (SIP 13), the Joint Administrators confirm there have been no transactions with connected parties in the period of the administration or the two years preceding the Administration Order

**2 4    *Joint Administrators' Expenses***

The expenses paid by the Joint Administrators in the period of this report are reflected in the Receipts and Payments account at Appendix II

Expenses totalling £2,074 81 have been paid

No expenses have been incurred by the Joint Administrators' in the period

**Coast Developments (NW) Limited – In Administration (“the Company”)  
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**2.5 Professional Advisers**

The Joint Administrators have used the professional advisers listed below

<b>Name of Adviser</b>	<b>Brief description of services provided</b>	<b>Basis of fee arrangement</b>	<b>Estimated fees payable to date</b>	<b>Current term of fee</b>	<b>Amount paid to date</b>
Savills plc	Submitting proposals to the council in respect of the proposed planning amendments	Fixed fee (£50,000) 50% of which paid by the Estate, balance paid by the secured creditor	N/A	25,000	Nil
Savills plc	Project management and disposal advice	Fixed and capped fee	N/A	83,000	Nil
Savills plc	Day-to-day management of the site and leisure centre	£20,000 per annum payable through service charge	20,000	14,814	Nil (balance written off)
Coastal Engineering UK Limited	Coastal reports	Fixed fee	7,200	7,200	Nil
Marsh	Insurance	Insurance premiums	78,705	78,705	Nil
Eversheds LLP	Legal advice encompassing all aspects of the Administration	Time costs	213,289	213,289	Nil

Savills were appointed due to their prior involvement with the site having advised Allied Irish Bank (“AIB”) generally and provided pre appointment valuations

Eversheds were appointed as they have sufficient expertise to advise across the broad range of legal issues arising

The Joint Administrators’ choice was based upon their perception of the advisers’ experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. The Joint Administrators have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the case.

All professional costs have been paid in full and no further costs remain outstanding

### 3. Joint Administrators’ Remuneration

The Joint Administrators sought to realise assets subject to a fixed charge on behalf of the secured creditor, (AIB), and have received a fee in respect of work undertaken in accordance with the Joint Administrators proposals, and pursuant to Rule 2.106, the Joint Administrators sought authorisation for their fees from the secured creditor by reference to time properly given by the Joint Administrators’ and their staff in attending to matters arising in the administration. The secured creditor approved the basis of the fee as requested.

It is the Joint Administrators’ policy to delegate the routine administration tasks to less senior staff in order to maximise the cost effectiveness of the work performed. These staff are supervised by senior staff and the Joint Administrators. Any matter of complexity or significance is dealt with by the senior staff on the team and the Joint Administrators.

- 3.1 I have attached as Appendix IV a SIP9 Time & Cost Analysis, which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the administration. Our time costs for the Administration of the estate, for the period from 6 November 2016 to date are £4,773.75. This represents 15.95 hours at an average rate of £299.29 per hour.

£89,968.64 has been drawn in respect of the Joint Administrators’ remuneration in the period of this report. No further bills will be drawn.

The following activities have been undertaken during the reporting period:

#### *Administration and Planning*

- Statutory reporting
- Pre closure reviews
- Final Progress Report
- Tax clearance
- Final VAT refund

#### *Asset Realisations*

- Correspondence with purchasers of Middleton Towers following the sale
- Correspondence with utility companies following sale of Middleton Towers

- 3.2 I have also attached as Appendix IV a detailed SIP9 Time & Cost Analysis for the cumulative period from the date of my appointment, 19 December 2012, to the date of this report. Time costs to 5 November 2016 have previously been reported and the cumulative figure of £479,188.18 represents 1,729.80 hours at an average rate of £277.02 per hour.

**Coast Developments (NW) Limited – In Administration ("the Company")  
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- 3 3 I can confirm that fees drawn in the administration total £214,968 64, exclusive of VAT plus disbursements of £2,074 81. This fee was approved by the fixed charge holder.
- 3 4 I can confirm that no further fees or disbursements will be drawn and any remaining time will be written off.
- 3 5 I have attached as Appendix VI additional information in relation to this firm's policy on staffing, disbursements and details of our current charge-out rates by staff grade.
- 3 6 The statutory provisions relating to remuneration are set out in Rule 2.106 of the Insolvency Rules 1986. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Insolvency Practitioners Association at [www.insolvency-practitioners.org.uk](http://www.insolvency-practitioners.org.uk) (follow 'Regulation and Guidance' then 'Creditors' Guides to Fees'), or is available in hard copy upon written request to the Joint Administrators offices.

**4. Joint Administrators' Disbursements**

All expenses and disbursement paid by the Joint Administrators are reflected in the receipts and payments account at Appendix II. In accordance with Statement of Insolvency Practice No. 9, where expenses are incurred in respect of the insolvent estate they may be recharged. Such expenses can be divided into two categories:

**4.1 Category 1 Disbursements**

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling, postage, photocopying (if external provider), statutory advertising and other expenses made on behalf of the assignment. Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

The Joint Administrators' have incurred no disbursements during the period.

The Joint Administrators' have incurred and drawn disbursements of £2,074 81 since appointment.

**4.2 Category 2 Disbursements**

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Moorfields for the provision of services which include an element of recharged overhead, for example, room hire or document storage. Statement of Insolvency Practice No. 9 provides that such disbursements are subject to approval as if they were remuneration. Accordingly, at the aforementioned meeting, creditors passed a resolution authorising the Joint Administrators to recover



**Category 2 expenses and disbursements** It is our policy, in line with the Statement, to advise of any Category 2 disbursements before they are drawn

No category 2 disbursements have been drawn in this period

The following Category 2 disbursements are currently charged by this firm

- Stationery and postage charge for sending out circulars – 5 pence per sheet plus postage at cost
- A set-up charge of £50 per case for online creditor reporting where applicable
- Mileage allowances are paid at HM Revenue & Customs approved rates For personnel using their own vehicles, these are currently 45 pence per mile for the first 10,000 miles and 25 pence per mile thereafter
- A charge of £10 for identification search's per director to comply with Money Laundering Regulations

The Joint Administrators have sought the authority of the secured creditors to drawing these disbursements

## **5. Prescribed Part**

**5 1** Under the provisions of Section 176A of the Insolvency Act 1986 the Joint Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part This provision only applies where the company has granted a floating charge to a creditor after 15 September 2003

**5 2** A floating charge was granted in favour of AIB on 5 June 2009 and the prescribed part would therefore ordinarily apply in this case

The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs and preferential claims (the 'net property'), to be set aside for unsecured creditors This equates to

- 50% of net property up to £10,000
- Plus, 20% of net property in excess of £10,000
- Subject to a maximum of £600,000

The Company's net property is the amount of its property subject to any floating charges created by the Company after allowing for costs and claims of preferential creditors

**5 3** As reflected in the receipts and payments account at Appendix II, and in accordance with the original proposals, after allowing for the costs of realisation and the administration of the estate there is no net property available from which to retain and distribute a prescribed part

## **6. Outcome for creditors**

### **6.1 Secured Creditors**

AIB holds a Legal Mortgage, a Mortgage Debenture and a floating charge over the assets of the Company, all dated 5 June 2009. At the date of the Administration the indebtedness was estimated at £15.6m.

Distributions totalling £607,000 have been paid to AIB under their charges. In addition, an overdraft facility provided by AIB to assist the Joint Administrators trading the site was repaid on completion.

### **6.2 Preferential Creditors**

There were no wage arrears or claims for holiday pay at the date of our appointment. We have not received any claims from preferential creditors.

### **6.3 Unsecured Creditors**

The Joint Administrators have received claims totalling £222,936 from four creditors.

No defined clarification of creditors' claims has been undertaken. In accordance with information available at the time of the Joint Administrators' proposals, and as reflected in the receipts and payments account at Appendix II, after allowing for the costs of realisation and the administration of the estate there are insufficient funds to enable a dividend to be paid to the unsecured creditors of the Company by virtue of the prescribed part or otherwise.

## **7. Investigations**

In accordance with the Company Directors Disqualification Act 1986 we confirm that a report on the conduct of the directors of the Company has been submitted to the Department for Business Innovation & Skills. As this is a confidential report, we cannot disclose the contents.

To complete this report a review of the Company's financial accounts, bank statements and directors' questionnaires was undertaken regarding the period leading up to the Administration to ascertain whether or not there had been any misconduct in the form of any preference payments, transactions at an undervalue or wrongful trading.

If creditors wish to bring any matters they believe to be relevant to the attention of the Joint Administrators, they are invited to do so in writing to Simon Thomas and Nicholas O'Reilly at Moorfields, 88 Wood Street, London EC2V 7QF.

Coast Developments (NW) Limited – In Administration ("the Company")  
Joint Administrators' Final Progress Report

**8. Ending the Administration**

8.1 The Joint Administrators' have now completed their administration. In accordance with the Joint Administrators proposals dated 11 February 2013 objective C has been achieved following a sale of the land and buildings owned by the Company relating to Carr Lane, Middleton, Morecambe to Maplehawk Limited on 10 June 2016

8.2 As outlined in the initial report to creditors as there are no funds to distribute at the end of the Administration, and there are no matters the Joint Administrators consider should be dealt with through the appointment of a Liquidator, it is the Joint Administrators' intention for the Company to exit administration and proceed into dissolution

Form 2 35B Notice of Move from Administration to Dissolution has been sent to the Registrar of Companies. Upon registration of the Notice, the Joint Administrators' appointment will come to an end. In accordance with the provisions of paragraph 84(6) of Schedule B1 to the Insolvency Act 1986 the Company will be deemed to be dissolved three months after the registration of the notice

8.3 In accordance with the authority granted by the creditors/secured creditor, the Joint Administrators were discharged from liability under Paragraph 98(3) of Schedule B1 of the Act immediately upon their appointment ceasing to have effect

**9. Creditors' Rights**

9.1 Within 21 Days of the receipt of this report, a secured creditor, or an unsecured creditor (with concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about his remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report

9.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Joint Administrators' remuneration, the remuneration charged or the expenses incurred by the Joint Administrators as set out in the progress report are excessive (Rule 2.109)

This is this is the Joint Administrators final progress report in the administration. If you have any queries regarding matters raised in this report please contact Tom Anderson in the first instance. Contact details are given below

Yours faithfully



**S R Thomas**  
**Former Joint Administrator**

DDI 0207 186 1163  
Fax 0207 186 1177  
Email tanderson@moorfieldscr.com

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**Coast Developments (NW) Limited – In Administration ("the Company")  
Joint Administrators' Final Progress Report**

**Simon Thomas and Nicholas O'Reilly of Moorfields, 88 Wood Street, London, EC2V 7QF were appointed Joint Administrators on 19 December, 2012. The Administrators now manage the affairs, business and property of the Company. The Joint Administrators act as agents only and without personal liability.**

**Coast Developments (NW) Limited  
Statutory Information**

**Company Information**

Company Number 06714088  
Registered Office c/o Moorfields, 88 Wood Street, London EC2V 7QF  
Principal Activity Retirement Village

**Appointment details**

Joint Administrators Simon Thomas (8920) and Nicholas O'Reilly (8309)

Joint Administrators' address Moorfields, 88 Wood Street London EC2V 7QF

Date of appointment 19 December 2012  
Court High Court of Justice, Chancery Division, Companies Court  
Court Reference 9609/2012  
Appointed by The directors of the Company  
Functions Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Joint Administrators acting jointly or alone  
EC Regulations The Company's registered office is from where the Company carries on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom and as such these proceedings will be the main proceedings as defined in article 3 of the EC regulation  
Extensions The Administration was extended on a number of occasions and is due to expire on 19 December 2016

- By lender consent until 19 June 2013 (6 months)
- By court order until 19 June 2015 (24 months)
- By court order until 19 June 2016 (12 months)
- By court order until 19 December 2016 (6 months)

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**COAST DEVELOPMENTS (NW) LIMITED - IN ADMINISTRATION**  
**JOINT ADMINISTRATORS STATEMENT OF PROPOSALS, 11 FEBRUARY 2013**

**Coast Developments  
(NW) Limited - In  
Administration**

**Joint Administrators'  
statement of proposals**

**Pursuant to paragraph 49 of  
schedule B1 to the Insolvency  
Act 1986**

**11 February 2013**

## **COAST DEVELOPMENTS (NW) LIMITED - IN ADMINISTRATION**

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## **COAST DEVELOPMENTS (NW) LIMITED - IN ADMINISTRATION**

### **1. INTRODUCTION**

- 1.1 This report is addressed to the creditors of Coast Developments (NW) Limited ("the Company") and incorporates the Joint Administrators' proposals. I do not propose to call a meeting of creditors to consider this proposal as there will be insufficient assets to enable me to make any distribution to unsecured creditors other than by virtue of the Prescribed Part, pursuant to section 176A(2)(a) of the Insolvency Act 1986. Under Paragraph 52 of Schedule B1 of the Insolvency Act 1986, if at least 10% of creditors require me to call a meeting they must notify me within 8 business days from the date of this report using form 2.21B, attached. Please note that before such a meeting can be held, I will require a deposit towards the cost of convening the meeting. Such deposit may be repaid subject to the approval of other creditors.
- 1.2 Creditors may approve the proposals with or without modifications subject to the Joint Administrators' agreement to any such modifications. If the creditors reject the Joint Administrators' proposals a report will be sent to High Court of Justice, Chancery Division, Companies Court confirming that the creditors have rejected the proposals. The Court may then discharge the Administration and make consequential directions. Alternatively, it may adjourn the hearing or make some other Order as it thinks fit.
- 1.3 If the Joint Administrators' proposals are approved the Joint Administrators will continue to control the business of the Company to the extent that it has not been transferred. The Joint Administrators would at some later date arrange for the Company to exit from the Administration, as agreed by the creditors. Based on information presently available there will be insufficient funds available for a dividend to be made to the unsecured creditors and the Company will be dissolved once the Administration is complete.

### **2. EVENTS LEADING UP TO THE APPOINTMENT OF THE JOINT ADMINISTRATORS**

#### **2.1 Background**

The Company was incorporated on 2 October 2008 for the purpose of acquiring PRV (Middleton Towers) Ltd ("PRV") out of administration. PRV was incorporated to develop a retirement village consisting of 650 mixed residential units, a Nursing Home and various commercial amenities. Between 2006 and 2007 it became clear that the original management team of PRV did not have the capability to complete a project of this complexity with a number of issues being reported. Due to continued deterioration in project management, creditors sought the appointment of administrators, BDO Stoy Hayward LLP, in November 2008.

David Harriman ("DH"), an existing well known customer of AIB Group (UK) plc ("the Bank"), set up the Company, as part of a Group, with a view to resolve outstanding planning and snagging issues, making the asset saleable. DH was deemed to have the relevant property and planning expertise to manage the site out of administration. A new facility agreement, dated 1 June 2009 was put in place to facilitate this.

Whilst planning and managerial issues are ongoing, on 9 May 2012 DH gave notice of his intention to cease to be a shareholder of the Company and thereby cease to manage the development. As per the terms of the facility agreement DH agreed to remain in his post for a 6 month period whilst a buyer for the Company was found. Following this 6 month period DH agreed to extend the expiry of his notice period by 6 weeks to mid December 2012, as no resolution had been found.



## **COAST DEVELOPMENTS (NW) LIMITED - IN ADMINISTRATION**

### **2 2 Circumstances Giving Rise to the Appointment of the Administrators**

No purchaser was found for the Company and in order to preserve value through the continued resolution of planning and other issues ("trading") it was deemed that the appointment of an Administrator should be made

An application for the appointment of Administrators was made by the directors of the Company, pursuant to Schedule B1 of the Insolvency Act 1986. On 19 December 2012 Simon Thomas and Shelley Bullman, both licensed insolvency practitioners of Moorfields Corporate Recovery LLP, were appointed Joint Administrators. The Administration is registered in the High Court of Justice, Chancery Division, Companies Court, under reference number 9609.

### **3 STATEMENT OF AFFAIRS AND STATUTORY INFORMATION**

3 1 Statutory information on the Company and a summary of its financial position is included within Appendix I

3 2 A summarised Statement of Affairs of the Company prepared by the Directors, as at the date of my appointment, is attached at Appendix II. The Statement of Affairs has been prepared from the Company records and information available. The Joint Administrators have reviewed the Statement of Affairs but have not carried out any audit or detailed verification work at this time.

### **4. ACHIEVING THE PURPOSE OF THE ADMINISTRATION**

4 1 The statutory purpose of an Administration consists of three objectives.

(a) The first objective is rescuing the Company as a going concern. This was not considered viable as the directors had unsuccessfully sought a purchaser for the Company to take over the management of the site for some time.

(b) The second objective is 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). Through finalising the outstanding planning and management issues, which would not be possible through a liquidation process, the asset value will be greatly enhanced which will result in greater realisations than would have been achieved on a forced sale basis. There is every prospect that this objective will be achieved.

(c) The third objective is to realise property in order to make a distribution to one or more secured or preferential creditors. Administration will result in increased realisations compared to those that would have been achieved if the Company had been wound up.

4 2 Insolvency legislation provides that objective (a) should be pursued unless it is not reasonably practicable to do so or if objective (b) would achieve a better result for the company's creditors as a whole. Objective (c) may only be pursued if it is not reasonably practicable to achieve either objective (a) or (b) and can be pursued without unnecessarily harming the interests of the creditors of the company as a whole.

4 3 In summary, should the sale of the assets of the business as a going concern be concluded, objective (b) will be achieved, failing which objective (c) will be pursued.

## **COAST DEVELOPMENTS (NW) LIMITED - IN ADMINISTRATION**

### **5 MANAGEMENT OF THE COMPANY'S AFFAIRS FOLLOWING THE JOINT ADMINISTRATORS' APPOINTMENT**

Attached at Appendix III is the Joint Administrators receipts and payment account for the period from the date of appointment to 11 February 2013. There have been no receipts or payments into the administration account in this period.

#### **5.1 Initial actions**

- 5.1.1 Upon, and prior to, my appointment as Joint Administrator I undertook an immediate review of the Company's affairs with particular regard to its financial and resource requirements. This assessment was carried out in liaison with the former management of the Company. This enabled me to understand the Company's ongoing business commitments and concerns, ongoing issues with residents, anticipated cash flow and general strategy.
- 5.1.2 Savills Plc ("Savills") had previously been instructed by the Bank to provide advice regarding the ongoing planning strategy. The strategy was to develop a site with 650 units and leisure facilities. Planning permission had currently been approved for 203 units, 126 which have been built, and Savills were liaising with the local authority to find a compromise and meet their requirements for the planning of the remaining units to go ahead.
- 5.1.3 A decision was taken to continue with negotiations to remedy the planning issues and to manage the development in the interim. Following a review of staffing one redundancy was made.
- 5.1.4 As Savills have built up an expert knowledge of these sites and issues over a number of years, and due to their prior involvement, they were selected to assist the Joint Administrators.
- 5.1.5 Management of the day to day issues on site are overseen by the Joint Administrators through Savills who report regularly. All capital expenditure is passed to the Joint Administrations for approval.
- 5.1.6 The residents pay an annual service charge, which is currently insufficient to meet all site expenditure. Whilst this is being reviewed the Bank have agreed to make up any shortfall.
- 5.1.7 The value of the development is being maintained through Savills managing the site under the supervision of the Joint Administrators whilst development issues are addressed. Savills are paid a monthly set management fee to manage the site. The Bank have consented to this strategy have agreed to underwrite any losses incurred pending the successful resolution of development issues and subsequent successful sale.

#### **5.2 Trading during the Administration**

- 5.2.1 Also attached at Appendix III is a trading receipts and payment account from the date of appointment to 11 February 2013. The position regarding service charge payment remains under review and no receipts have been received into the account to date. Wages to date have been met from the account and all costs of trading are underwritten by the secured creditor who has introduced funds to meet this cost.

**COAST DEVELOPMENTS (NW) LIMITED - IN ADMINISTRATION**

**5.3 Realisation of Assets**

- 5.3.1 The Company owns the retirement village known as Middleton Towers, Morecombe, Lancashire, LA3 3FG. The village consists of an 80 acre development comprising 126 flats and bungalows with additional planning permission for a further 77 units.
- 5.3.2 Savills have been instructed to provide marketing advice on achieving maximum realisations from the development and sale of the property. As part of their scope, Savills' will review means of remedying the current planning restrictions in order to enhance realisation prospects.
- 5.3.3 At this time the Joint Administrators are unable to quantify the likely realisation in this respect.

**5.4 Initial Meeting of Creditors and Creditors' Claims**

- 5.4.1 The Joint Administrators do not propose to call a meeting of creditors to consider their proposals, as there will be insufficient assets to enable a distribution to unsecured creditors other than by virtue of the prescribed part.
- 5.4.2 Under Paragraph 52 of Schedule B1 of the Insolvency Act 1986, if at least 10% of the creditors of the Company, by value, require me to call a meeting, they must notify me using the Form 2.21B, within 8 business days from the date of this report. Form 2.21B is attached at Appendix V for this purpose.
- 5.4.3 Please note that before such a meeting can be held, I will require a deposit towards the cost of convening the meeting. Such a deposit may be repaid subject to approval of other creditors. I would ask creditors who request a meeting to ensure that they use the Form 2.21B. Where no creditors' meeting is requested to consider the Joint Administrators' proposals, the proposals will be deemed to be passed.

**5.5 Secured Creditors**

- 5.5.1 AIB Group (UK) plc hold a Legal Mortgage and Mortgage Debenture over the Company, both dated 5 June 2009.
- 5.5.2 The current indebtedness stands at approximately £15,625,281. It is anticipated that there will be a significant shortfall to the secured creditor.

**5.6 Preferential Creditors**

- 5.6.1 There were no arrears of wages at the date of appointment. There has been one redundancy. To date I have not received any preferential claims.
- 5.6.2 It is anticipated that there will be insufficient funds available for a dividend to be paid to the preferential creditors of the Company.

**5.7 Unsecured Creditors**

- 5.7.1 The total claims of unsecured creditors are anticipated to be in the region of £225,000. To date, no defined clarification of creditors' claims has been undertaken. The list of creditors, attached at Appendix II, is as per the Company records.
- 5.7.2 Creditors are invited to submit details of their claim to this office by using the Statement of Claim form attached at Appendix V; however, it is not anticipated that there will be funds available for a distribution to be made to unsecured creditors.

## **COAST DEVELOPMENTS (NW) LIMITED - IN ADMINISTRATION**

### **6 PRESCRIBED PART**

- 6 1 Under the provisions of Section 176A of the Insolvency Act 1986 the Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the company has granted a floating charge to a creditor after 15 September 2003.
- 6 2 A floating charge was granted in favour of the Bank on 5 June 2009, the prescribed part would therefore ordinarily apply.
- 6 3 The Company's net property is the amount of its property which would, but for section 176A of the Act, be available for satisfaction of claims of holders of debentures secured by, or holders of, any floating charges created by the Company.
- 6 4 Based on present information the Joint Administrators estimate that, after allowing for costs, there will be no net property from which to retain and distribute the prescribed part.
- 6 5 Please note that the net property can only be estimated at this stage and therefore the value of any prescribed part claim would be an estimate and is subject to change (once creditor claims and the Joint Administrators' costs and expenses have been finalised).
- 6 6 At this time, the Joint Administrators do not intend to make an application to the Court under Section 176A of the Insolvency Act 1986 for an order not to distribute the Prescribed Part.

### **7 INVESTIGATIONS**

- 7 1 In accordance with the Company Directors Disqualification Act 1986 I would confirm that I am required to submit a report on the affairs and conduct of Company and the Directors of the Company to the Department for Business Innovation & Skills.
- 7 2 If creditors wish to bring any matters they believe to be relevant to the attention of the Joint Administrators, they are invited to do so in writing to Simon Thomas and Shelley Bullman at Moorfields Corporate Recovery LLP, 88 Wood Street, London EC2V 7QF.

### **8 EC REGULATIONS ON INSOLVENCY PROCEEDINGS**

- 8 1 I am required under the Insolvency Rules 1986 to state whether, and if so to what extent to which the above regulations will apply in respect of this Administration. In this particular case the EC Regulation will apply in respect of this Administration and these proceedings will be the main proceedings as provided by Article 3 of the aforesaid Regulation.
- 8.2 This means that the Administration is conducted according to UK Insolvency legislation and is not governed by the Insolvency law of any other European Union Member State.

### **9 PRE-ADMINISTRATION COSTS**

- 9 1 There are no pre-administration costs in this matter.

## **COAST DEVELOPMENTS (NW) LIMITED - IN ADMINISTRATION**

### **10 JOINT ADMINISTRATOR'S REMUNERATION**

- 10 1 The statutory provisions relating to remuneration are set out in Rule 2 106 of the Insolvency Rules 1986. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Insolvency Practitioners Association at [www.insolvency-practitioners.org.uk](http://www.insolvency-practitioners.org.uk) (follow 'Regulation and Guidance' then 'Creditors' Guides to Fees'), or is available in hard copy upon written request the Joint Administrators offices
- 10 2 The basis of the Joint Administrator's remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by him
- as a percentage of the value of the assets he has to deal with, or
  - by reference to time properly spent by the Administrator and his staff managing the Administration, or
  - as a set amount
- 10 3 Where no Creditors' Committee is appointed, the remuneration of the Joint Administrators shall be fixed by resolution of a meeting of creditors or where the Joint Administrators think that the company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the prescribed part), as is the case here, approval will be sought from the secured and (if necessary) the preferential creditors in accordance with R2 106 of the Insolvency Rules 1986
- 10 4 In this case, the Joint Administrators will be seeking to approve the basis of their remuneration as follows
- By reference to the time properly spent by the Joint Administrators and their staff in attending to matters arising in the Administration
  - By reference to the secured creditors and (if necessary) the preferential creditors
  - The Joint Administrators be authorised to draw remuneration as and when funds are available
- 10 5 Attached at Appendix IV is a summary of the time that has been spent in administering this Administration from the date of my appointment up to the date of this report, in accordance with Statement of Insolvency Practice 9. Time to date stands at £11,512, representing a total of 51 65 hours at an average charge out rate of £222 88 respectively. This has been incurred in respect of statutory duties, establishing and engaging specialist agents to manage and review the development and overall review of the position of the Company
- 10 6 It is the Joint Administrators' policy to delegate the routine administration of the administration to less senior staff in order to maximise the cost effectiveness of the work performed. These staff are supervised by senior staff and the Joint Administrators. Any matter of complexity or significance is dealt with by the senior staff on team and the Joint Administrators.

## **COAST DEVELOPMENTS (NW) LIMITED - IN ADMINISTRATION**

- 10.7 It is anticipated that my total time costs will be in the region of £20,000 plus disbursements and VAT

### **11 JOINT ADMINISTRATORS' DISBURSEMENTS**

- 11.1 Statement of Insolvency Practice No 9 ("SIP 9"), published by the Association of Business Recovery Professionals, divides disbursements into two categories
- 11.2 Category 1 disbursements are defined as specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. Such disbursements can be paid from the insolvent's assets without approval from the creditors' committee or the general body of creditors. It is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment
- 11.3 Category 1 disbursements incurred include bordereau and property insurance, Companies House and Land Registry searches and courier costs. No disbursements have been drawn to date
- 11.4 The Joint Administrators are prepared to provide such additional information as may reasonably be required to support the disbursements drawn
- 11.5 Category 2 disbursements are charges made by the Joint Administrators' firm that include elements of shared or overhead costs. SIP 9 provides that such disbursements are subject to approval as if they were remuneration. Authorisation for category 2 disbursements will be sought from the secured creditor. To date no category 2 disbursements have been incurred

### **12 EXIT FROM ADMINISTRATION**

- 12.1 The Insolvency Act 1986 and Insolvency Rules 1986 provide a variety of options regarding the possible exit routes for the Company from the Administration, being primarily a Company Voluntary Arrangement, Creditors Voluntary Liquidation ("CVL") or dissolution of the Company

The Joint Administrators' recommendation and proposal, is detailed below

#### **12.2 CVL**

If there is property available at the end of the Administration for distribution to non-preferential creditors, it is proposed that, at the end of the Administration the Company will move straight into CVL upon the filing with the Registrar of Companies a notice pursuant to paragraph 83 of Schedule B1 to the Insolvency Act 1986. It is proposed that the Liquidators will be Shelley Bullman and I both of Moorfields Corporate Recovery LLP. The Joint Liquidators will be authorised to act jointly and severally in the subsequent liquidation

In accordance with paragraph 83(7) of Schedule B1 to the Insolvency Act 1986 and Rule 2.117(3) of the 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 the proposals are approved. It should be noted in this regard that a person must be authorised to act as an insolvency practitioner in order to be appointed as liquidator

**COAST DEVELOPMENTS (NW) LIMITED - IN ADMINISTRATION**

**12.3 Compulsory Liquidation**

If there is property available at the end of the Administration but the Joint Administrators think it is insufficient to enable a distribution to be made in a CVL, or there are matters the Joint Administrators consider should be dealt with through the appointment of a Liquidator (eg, investigations or disclaiming onerous property), the Joint Administrators will petition the court, pursuant to paragraph 79 of Schedule B1 to the Insolvency Act 1986, for an order to bring the administration to an end with a consequential order for the compulsory winding up of the Company

**12.4 Dissolution**

It is proposed that if there are no funds to distribute at the end of the Administration, and there are no matters the Joint Administrators consider should be dealt with through the appointment of a Liquidator, the Joint Administrators will send a notice to that effect to the Registrar of Companies. On registration of the notice the Joint Administrators' appointment will come to an end. In accordance with the provisions of paragraph 84(6) of Schedule B1 to the Insolvency Act 1986 the Company will be deemed to be dissolved three months after the registration of the notice

**12.5 Discharge from liability**

The Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrator ceasing to have effect. Authorisation for discharge will be sought from secured creditors

**13. STATEMENT OF PROPOSALS UNDER PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986**

In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 the Joint Administrators make the following proposals for achieving the purpose of the Administration

**The Joint Administrators propose that:**

- 1 They continue to manage the Company's business affairs and property of the Company for the purposes of achieving Objective (b) of the statutory purpose for the Administration (a better realisation than a winding up) failing which Objective (c) will be pursued, and to realise assets in accordance with the second objective of the statutory purposes of the Administration, and
- 2 If having realised the assets of the Company, the Joint Administrators think that there will be a distribution to the unsecured creditor, that they exit the Administration by way of a CVL and that Simon Thomas and Shelley Bullman be appointed Joint Liquidators. The Joint Liquidators will be authorised to act jointly and severally in the subsequent liquidation

NB Under Paragraph 83(7) of Schedule B1 of the Insolvency Act 1986 and Rule 2.117(3) creditors may, before these proposals are approved, nominate different liquidators, but in the absence of such nomination the above named would become the joint liquidators

- 3 If there are no funds to distribute then the Company should be dissolved, unless there are any matters which the Joint Administrators think need be dealt with through the appointment of a liquidator (eg, investigations or disclaiming of onerous property) in which case the Joint Administrators will make an application

**COAST DEVELOPMENTS (NW) LIMITED - IN ADMINISTRATION**

for the company to be wound-up by the court and that the Joint Administrators be the liquidators in the subsequent compulsory winding-up

- 4 Under Rule 2 106 of the Insolvency Rules 1986 and in the absence of a creditors' committee, the remuneration of the Joint Administrators be authorised by the secured creditor and fixed by reference to time properly spent by them and their staff in attending to matters arising from the Administration as detailed in the Joint Administrators' proposals.
- 5 In accordance with Statement of Insolvency Practice 9, issued by the Association of Business Recovery Professionals, the Joint Administrators be authorised by the secured creditor to draw category 2 disbursements in accordance with their firm's published tariff
- 6 In accordance with Statement of Insolvency Practice 9, issued by the Association of Business Recovery Professionals, the Joint Administrators be authorised by the secured creditor to draw remuneration and disbursements as and when funds are available
- 7 The Joint Administrators be authorised by the secured creditors to be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrator ceasing to have effect

**For and on behalf of  
COAST DEVELOPMENTS (NW) LIMITED**



**S R Thomas  
Joint Administrator**

Tel 0207 188 1144  
Fax 0207 188 1177  
Email ewood@moorfieldscr.com

Simon Thomas and Shelley Bullman of Moorfields Corporate Recovery LLP, 88 Wood Street, London, EC2V 7QF were appointed Joint Administrators on 19 December 2012. The Administrators now manage the affairs, business and property of the company. The Administrators act as agents only and without personal liability.



**Coast Developments (NW) Limited  
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments  
To 13 December 2016**

	Fixed Charge £	Floating Charge £	Total £
<b>RECEIPTS</b>			
Freehold Land & Property	1,600,000 00		1,600,000 00
Escrow Funds	15,000 00		15,000 00
Goodwill	850 00		850 00
Refund of duplicate payment	480 00		480 00
Service charge receipts	8,425 16		8,425 16
Bank Interest	1,113 93		1,113 93
Ground receipts	37,722 39		37,722 39
Leisure Centre receipts	64 46		64 46
Funding for trading	11,217 41		11,217 41
Fixed Ch Vat Payable	10,000 00		10,000 00
VAT control account Fixed	108,719 53		108,719 53
	<b>1,793,592.88</b>	<b>0.00</b>	<b>1,793,592.88</b>
<b>PAYMENTS</b>			
Office Holders Fees	214,968 64		214,968 64
Office Holders Expenses	2,074 81		2,074 81
Insurance	78,704 56		78,704 56
Legal Fees	219,532 71		219,532 71
Agents/Valuers Fees	140,301 04		140,301 04
PAYE/NI	9,313 75		9,313 75
Wages and salaries	42,880 09		42,880 09
Leisure Centre payments	81,609 39		81,609 39
Storage costs	964 80		964 80
VAT - Unrecoverable	6,532 82		6,532 82
Service charge	61,975 88		61,975 88
Landlord expenses	95,890 55		95,890 55
Agents disbursements	1,007 70		1,007 70
Bank charges	387 00		387 00
Bank O/D interest	32,884 14		32,884 14
Chargeholder (1)	75,000 00		75,000 00
Chargeholder (2)	607,000 00		607,000 00
Service Charge - contractor payments	1,857 78		1,857 78
Non S/C payments	1,987 69		1,987 69
Fixed Ch Vat Receivable	118,719 53		118,719 53
	<b>1,793,592.88</b>	<b>0.00</b>	<b>1,793,592.88</b>
<b>Balances in Hand</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>1,793,592.88</b>	<b>0.00</b>	<b>1,793,592.88</b>

## Time Entry - Cumulative Detailed SIF9 Time &amp; Cost Summary

COAS001 - Coast Developments (NW) Limited  
From 06/11/2016 To 13/12/2016

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
10 Case Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1003 Travel	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11 Administrative Set Up	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12 Appointment Notification	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13 Maintenance of Records	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14 Statutory Reporting	0.00	1.50	1.20	0.00	2.70	838.50	310.54
15 Case Monitoring	0.00	1.25	0.00	0.00	1.25	491.25	393.00
16 IPS Case Set Up	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17 General Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18 Cashering	0.00	0.00	0.30	2.80	3.10	524.50	169.19
19 Partner Review	0.00	0.00	0.00	0.00	0.00	0.00	0.00
54 Final report	0.00	0.00	0.00	0.00	0.00	0.00	0.00
70 Post appoint VAT and CT returns	0.00	1.00	0.80	0.00	1.80	559.00	310.54
80 Case closure	0.00	0.00	0.20	0.00	0.20	51.00	255.00
Admin & Planning	0.00	3.75	2.50	2.80	9.05	2,464.25	272.29
77 Managing Agent	0.00	0.00	1.00	0.00	1.00	255.00	255.00
30 Freehold / Leasehold Property	0.00	0.00	0.40	0.00	0.40	102.00	255.00
35 Sale of Business	0.00	0.00	0.00	0.00	0.00	0.00	0.00
36 Identifying Securing Insuring	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38 Asset related legal matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Asset Realisation	0.00	0.00	1.40	0.00	1.40	357.00	255.00
72 Legal Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60 Case Specific	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
63 Secured creditor reports	0.00	0.00	0.00	0.00	0.00	0.00	0.00
73 Preferential creditor claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00
57 Employee creditor claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00
59 Creditors meetings	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50 Creditor Correspondence	0.00	0.00	0.00	0.00	0.00	0.00	0.00
52 Secured creditor claims/Reporting Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20 SIF2 Review	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21 CDDA Reports	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40 Management of Operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
41 Accounting for Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42 On going employee issues	0.00	0.00	0.00	0.00	0.00	0.00	0.00
43 Planning Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
45 Negotiating with Suppliers	0.00	0.00	0.00	0.00	0.00	0.00	0.00
49 Tax on post appointment trading	0.00	5.50	0.00	0.00	5.50	1,952.50	355.00
Trading	0.00	5.50	0.00	0.00	5.50	1,952.50	355.00
<b>Total Hours</b>	<b>0.00</b>	<b>9.25</b>	<b>3.90</b>	<b>2.80</b>	<b>15.95</b>	<b>4,773.75</b>	<b>299.29</b>
<b>Total Fees Claimed</b>						<b>214,968.44</b>	

## Time Entry - Cumulative Detailed SIP9 Time &amp; Cost Summary

COAS001 Coast Developments (NW) Limited  
To 13/12/2016

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
10 Case Planning	0 00	4 50	17 70	0 00	22 20	6 103 50	275 02
1003 Travel	0 00	4 00	0 00	0 00	4 00	1 700 00	425 00
11 Administrative Set Up	0 00	0 00	1 20	0 00	1 20	204 00	170 00
12 Appointment Notification	0 20	0 00	7 35	0 00	7 55	1 633 50	216 36
13 Maintenance of Records	0 00	0 00	1 60	0 00	1 60	292 50	182 81
14 Statutory Reporting	0 90	3 50	95 70	0 00	100 10	22 955 75	229 33
15 Case Monitoring	0 90	138 85	35 90	0 00	175 65	64 711 75	368 41
16 IPS Case Set Up	0 00	0 07	0 00	0 00	0 07	31 88	425 07
17 General Administration	1 00	6 10	50 50	0 00	57 60	14 515 75	252 01
18 Cashiering	1 30	9 25	36 45	47 48	94 48	19 313 30	204 42
19 Partner Review	10 10	0 00	0 00	0 00	10 10	5 071 00	502 08
54 Final report	0 20	0 00	0 50	0 00	0 70	203 00	290 00
70 Post appoint VAT and CT returns	0 00	6 70	12 60	0 00	19 30	5 363 50	277 90
80 Case closure	0 00	0 00	0 20	0 00	0 20	51 00	255 00
<b>Admin &amp; Planning</b>	<b>14 40</b>	<b>172 97</b>	<b>259 70</b>	<b>47 48</b>	<b>494 75</b>	<b>142 152 43</b>	<b>287 32</b>
77 Managing Agent	0 00	23 95	381 55	0 00	405 50	98 547 25	243 03
30 Freehold / Leasehold Property	12 20	135 50	194 90	0 00	342 60	101 623 00	296 62
35 Sale of Business	13 00	36 75	6 10	0 00	55 85	21 886 25	391 88
36 Identifying Securing Insuring	0 00	0 00	15 95	0 00	15 95	3 504 00	219 81
38 Asset related legal matters	0 00	0 00	1 50	0 00	1 50	300 00	200 00
<b>Asset Realisation</b>	<b>25 20</b>	<b>196 20</b>	<b>600 00</b>	<b>0 00</b>	<b>821 40</b>	<b>225 862 50</b>	<b>274 97</b>
72 Legal Matters	0 00	8 95	83 55	0 00	92 50	22 712 75	245 54
60 Case Specific	0 00	1 50	6 50	0 00	8 00	1 919 50	239 94
<b>Case Specific Matters</b>	<b>0 00</b>	<b>10 45</b>	<b>90 05</b>	<b>0 00</b>	<b>100 50</b>	<b>24 632 25</b>	<b>245 10</b>
63 Secured creditor reports	2 30	18 85	130 90	0 00	152 05	36 826 50	242 20
73 Preferential creditor claims	0 00	0 00	1 30	0 00	1 30	318 50	245 00
57 Employee creditor claims	0 20	0 00	4 55	0 00	4 75	1 102 25	232 05
59 Creditors meetings	1 10	0 00	0 00	0 00	1 10	533 50	485 00
50 Creditor Correspondence	0 20	8 70	2 40	0 00	11 30	3 871 50	342 61
52 Secured creditor claims/Reporting	2 30	25 00	18 15	0 00	45 45	14 599 50	321 22
<b>Creditors</b>	<b>6 10</b>	<b>52 55</b>	<b>157 30</b>	<b>0 00</b>	<b>215 95</b>	<b>57 251 75</b>	<b>265 12</b>
20 SIP2 Review	0 00	0 00	3 40	0 00	3 40	780 00	229 41
21 CODA Reports	2 30	0 80	5 75	0 00	8 85	2 645 00	298 87
<b>Investigations</b>	<b>2 30</b>	<b>0 80</b>	<b>9 15</b>	<b>0 00</b>	<b>12 25</b>	<b>3 425 00</b>	<b>279 59</b>
40 Management of Operations	4 00	26 80	18 40	0 00	49 20	16 570 00	336 79
41 Accounting for Trading	0 00	3 30	12 30	0 00	15 60	3 843 00	246 35
42 On going employee issues	0 00	0 00	6 20	0 00	6 20	1 302 00	210 00
43 Planning Trading	0 00	0 00	1 30	0 00	1 30	348 00	267 69
45 Negotiating with Suppliers	0 00	0 00	4 00	0 00	4 00	870 00	217 50
49 Tax on post appointment trading	0 00	7 75	0 90	0 00	8 65	2 931 25	338 87
<b>Trading</b>	<b>4 00</b>	<b>37 85</b>	<b>43 10</b>	<b>0 00</b>	<b>84 95</b>	<b>25 864 25</b>	<b>304 46</b>
<b>Total Hours</b>	<b>52 20</b>	<b>470 82</b>	<b>1,159 30</b>	<b>47 48</b>	<b>1 729 80</b>	<b>479 188 18</b>	<b>277 02</b>
<b>Total Fees Claimed</b>						<b>214 968 64</b>	

**Coast Developments (NW) Limited**

**2. Explanation of office-holders charging and disbursement recovery policies**

Appendix IV of this report outlines the time costs to date in relation to activities undertaken during this matter. The activities are summarised as follows:

**2.1 Administration and planning**

The following activities have been undertaken:

- Statutory duties associated with the appointment including the filing of relevant notices,
- Implementing the strategy for the Administration,
- Final review of the case,

Staff of different levels were involved in the above activities depending upon the experience required.

**2.2 Realisation of assets**

Appendix II shows the realisations made for the benefit of the creditors. In this case the assets belonging to the Company were as follows:

- Middleton Towers

The time spent includes the following matters:

Coast Developments (NW) Limited – In Administration (“the Company”)  
Joint Administrators’ Final Progress Report

- Corresponding with solicitors
- Corresponding with interested parties

2.2 Creditors

The time spent includes the following matters

- Recording and maintaining the list of creditors,
- Recording creditor claims,
- Dealing with specific creditor calls and correspondence,
- Reporting to creditors,
- Dealing with creditor queries

2.3 Investigations and communications

No time spent on these matters

2.4 Time recording

Time properly incurred on cases is charged to the assignment at the hourly rate prevailing at the time and in units of 6 minutes. The current hourly rates are outlined below

<b>GRADE</b>	<b>£</b>
Partner	530
Director/ Senior Manager	450
Manager	355
Assistant Manager	300
Senior Administrator	255
Administrator	225
Cashier/ Support	195

The rates charged by Moorfields are reviewed periodically in January & July each year and are adjusted to take account of inflation and the firm's overheads

Our rates increased on 1 January 2016. The charge out rates per hour for the period from 1 January 2015 to 31 December 2015 were

Coast Developments (NW) Limited – In Administration ("the Company")  
Joint Administrators' Final Progress Report

GRADE	£
Partner	515
Director/ Senior Manager	425
Manager	355
Assistant Manager	280
Senior Administrator	245
Administrator	195-225
Cashier/ Support	195

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Insolvency Rules 1986. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Insolvency Practitioners Association at [www.insolvency-practitioners.org.uk](http://www.insolvency-practitioners.org.uk) (follow 'Regulation and Guidance' then 'Creditors' Guides to Fees'), or is available in hard copy upon written request to the Joint Administrators offices.

## 2.1 Disbursement recovery

### Category 1 Disbursements

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling, postage, photocopying if external provider, statutory advertising and other expenses made on behalf of the assignment.

Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

### Category 2 Disbursements

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Moorfields for the provision of services which include an element of recharged overhead, for example, room hire or document storage. Statement of Insolvency Practice No. 9 provides that such disbursements are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn.

The following Category 2 disbursements may be charged by this firm:

- Stationery and postage charge for sending out circulars – 5 pence per sheet plus postage at cost
- A set-up charge of £50 per case for online creditor reporting where applicable

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- Mileage allowances are paid at HM Revenue & Customs approved rates. For personnel using their own vehicles, these are currently 45 pence per mile for the first 10,000 miles and 25 pence per mile thereafter.
- A charge of £10 for identification search's per director to comply with Money Laundering Regulations

It should be noted that disbursements costs might increase from time to time, however, increases would only be in line with inflation or increases from our supplier