

**Liquidator's Progress  
Report**

**S.192**

**Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986**

To the Registrar of Companies

Company Number

OC323385

Name of Company

MRHR Realisations LLP (Formerly Mill Rythe Holiday Resort LLP)

I / We  
Kirstie Jane Provan  
32 Cornhill  
London  
EC3V 3BT

Mark Robert Fry  
32 Cornhill  
London  
EC3V 3BT

the liquidator(s) of the company attach a copy of my/our Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 23/03/2011 to 22/03/2012

Signed



Date

16/5/12

Begbies Traynor (Central) LLP  
32 Cornhill  
London  
EC3V 3BT

Ref MR094CVI/KID/MRF/RAR/SYK/AG/C

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COMPANIES HOUSE



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## **MRHR Realisations LLP (Formerly Mill Rythe Holiday Resort LLP) (In Creditors' Voluntary Liquidation)**

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Progress report pursuant to Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986

Period: 23 March 2011 to 22 March 2012

### **Important Notice**

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. 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 and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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# 1. INTERPRETATION

<b><u>Expression</u></b>	<b><u>Meaning</u></b>
"the Company"	MRHR Realisations LLP (Formerly Mill Rythe Holiday Resort LLP) (In Creditors' Voluntary Liquidation)
"the liquidation"	The Company moving into creditors' voluntary liquidation from administration pursuant to Paragraph 83 of Schedule B1 to the Act
"the liquidators", "the Joint Liquidators" "we", "our" and "us"	Kirstie Jane Provan and Mark Robert Fry, both of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	<ul style="list-style-type: none"><li>(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and</li><li>(ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)</li></ul>
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

## 2. COMPANY INFORMATION

Trading name(s)	Mill Rythe Holiday Resort LLP
Company registered number	OC323385
Company registered office	32 Cornhill, London, EC3V 3BT
Former trading address	16 Havant Road, Hayling Island, Hampshire, PO11 0PB

## 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	23 March 2011
Date of liquidators' appointment	23 March 2011
Changes in liquidator (if any)	None

## 4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 23 March 2011 to 22 March 2012. Please note that there are no figures listed in the column headed 'Statement of Affairs' as these figures were provided in, and related to, the assets that were realised in the preceding administration.

### RECEIPTS

#### *VAT Refund from Administration*

£4,826 has been recovered in respect of VAT due to the Company in relation to the preceding administration period.

#### *Transfer from Administration*

£41,675 was transferred to the liquidation estate as the residual funds available from the preceding administration. This included £25,524 of funds which were provisioned for as the prescribed part of net property available for unsecured creditors, details of which were provided to creditors in the preceding administration report. This was previously estimated at £20,279 in the Joint Administrators' final report but has subsequently been revised.

#### *Bank Interest Gross*

£7 has been received in respect of bank interest.

### PAYMENTS

#### *Administrators' Fees*

£1,445 has been drawn as final administration fees in relation to the preceding administration of the Company. Approval to draw administrators' fees was obtained from the secured creditor in the administration.

#### *Liquidators' Fees*

£11,150 has been paid to the Joint Liquidators in respect of their time costs incurred during the course of the liquidation which is authorised according to Rule 4.127(5A)(a) of the Rules, namely that remuneration is treated as having been fixed on the same basis as the former administrators.

*Liquidators' Expenses*

£534 has been paid to the Joint Liquidators in respect of expenses

*Stationary & Postage*

£312 has been paid to Printing Investments trading as The Color Company in relation to costs incurred in mailing services

*Statutory Advertising*

£151 has been paid to Courts Advertising Limited in respect of costs involved in publishing statutory notices

*Bank Charges*

£3 has been incurred in bank charges

There are no further assets expected to be realised

## 5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the directors' statement of affairs included in the statement of proposals of the former administrators

**Secured creditor**

Barclays Bank PLC (the "Bank") hold a debenture created on 6 November 2006 and registered on 14 November 2006, and a legal charge over the freehold trading premises created on 24 November 2006 and registered on 6 December 2006. At the time that the Company was placed into Administration, the indebtedness to the Bank was £3,471,533

As previously reported in the administration, a total distribution of £1,177,731 was made to the Bank in relation to realisations made under the fixed charge

A total distribution of £66,116 was made to the Bank in relation to realisations made under the floating charge

**Preferential creditors**

There are no known preferential claims

**Unsecured creditors**

Unsecured creditors were estimated at £281,023

On the basis of realisations to date we estimate an outcome for each class of the Company's creditors as follows

**Secured creditor**

No further distribution will be made to the bank. The funds being held in the liquidation estate which will be used to make a distribution to creditors are comprised entirely of funds held in accordance with Section 176A of the Act, being the prescribed part of the net assets available for unsecured creditors. These funds cannot be used to make a distribution to a secured creditor. This will result in an estimated final shortfall to the bank of £2,227,686

**Preferential creditors**

There are no known preferential claims



### **Prescribed Part for unsecured creditors pursuant to Section 176A of the Act**

Details of how the prescribed part for unsecured creditors is calculated were provided by the former administrators in their statement of proposals

### **Unsecured creditors**

We consider that there will be sufficient funds for a dividend to be paid to unsecured creditors. This will be a distribution of the prescribed part of £25,524 less the costs of distributing the funds. The delay in claims adjudication has been due to a Creditors' Voluntary Arrangement ("CVA") over the Company which was concurrently progressing. A final distribution has now been made in the CVA and some creditors will have an amended claim in the liquidation based upon their shortfall in the CVA. The Joint Liquidators had to wait for the distribution in the CVA to conclude before commencing the claims adjudication in the liquidation.

A claim form is enclosed herewith and unsecured creditors are requested to complete and return this form to the Joint Liquidators.

## **6. REMUNERATION & DISBURSEMENTS**

Pursuant to Rule 4 127(5A)(a) of the Rules, our remuneration is treated as having been fixed on the same basis as the former administrators, by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation.

Pursuant to Statement of Insolvency Practice 9, we are also authorised to draw disbursements, including disbursements for services provided by our firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) on the same basis as the former administrators, namely, in accordance with our firm's policy, a copy of which is attached at Appendix 2 of this report.

Our time costs for the period from 23 March 2011 to 22 March 2012 amount to £11,977.50 which represents 63.5 hours at an average rate of £188.62 per hour.

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

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 23 March 2011 to 22 March 2012
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

To 22 March 2012, we have drawn the total sum of £11,150 plus disbursements of £534.24 on account.

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements are provided in the narrative summary of time costs incurred which is at Appendix 2.

## **7. LIQUIDATORS' EXPENSES**

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

## **8. ASSETS THAT REMAIN TO BE REALISED**

There are no further assets to be realised.



## 9. OTHER RELEVANT INFORMATION

### **Investigations and reporting on directors conduct**

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. We can confirm that we have discharged our duties in these respects.

### **Investigations carried out to date**

We have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect.

### **Connected party transactions**

We have not been made aware of and have not facilitated any sales of the Company's assets to connected parties.

## 10. CREDITORS' RIGHTS

### **Right to request further information**

Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report.

### **Right to make an application to court**

Pursuant to Rule 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

## 11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner.

  
**Kirstie Jane Provan**  
Joint Liquidator

Dated 14/5/12

**APPENDIX 1**

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**ACCOUNT OF RECEIPTS AND PAYMENTS**

Period: 23 March 2011 to 22 March 2012

**MRHR Realisations LLP (Formerly Mill Rytthe Holiday Resort LLP)**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs	From 23/03/2011 To 22/03/2012	From 23/03/2011 To 22/03/2012
ASSET REALISATIONS		
VAT refund from Administration	4,826 02	4,826 02
Transfer from Administration	41,675 92	41,675 92
Bank Interest Gross	6 95	6 95
	<u>46,508 89</u>	<u>46,508 89</u>
COST OF REALISATIONS		
Administrators' Fees	1,445 00	1,445 00
Liquidators' Fees	11,150 00	11,150 00
Liquidators' Expenses	534 24	534 24
Stationery & Postage	312 27	312 27
Statutory Advertising	151 20	151 20
Bank Charges	3 82	3 82
	<u>(13,596 53)</u>	<u>(13,596 53)</u>
	<u><b>32,912.36</b></u>	<u><b>32,912.36</b></u>
REPRESENTED BY		
Vat Receivable		2,718 53
Barclays Current		9,905 89
Barclays Deposit		20,287 94
		<u><b>32,912.36</b></u>

  
 Kirstie Jane Provan  
 Joint Liquidator

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## TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred , and
- d Table of time spent and charge-out value for the period from 23 March 2011 to 22 March 2012

## **BEGBIES TRAYNOR CHARGING POLICY**

### **INTRODUCTION**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance<sup>2</sup> requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### **OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

### **EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £150 per meeting,
- Car mileage is charged at the rate of 40 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes

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

<sup>2</sup> Ibid 1

held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

#### **BEGBIES TRAYNOR CHARGE-OUT RATES**

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the London office as at the date of this report are as follows

<b>Grade of staff</b>	<b>Standard 1 July 2008 – until further notice London</b>
Partner 1	495
Partner 2	395
Director	375
Senior Manager	350
Manager	300
Assistant Manager	250
Senior Administrator	220
Administrator	180
Trainee Administrator	150
Support	150

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units

## SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	MRHR Realisations LLP (Formerly Mill Rythe Holiday Resort LLP)
CASE TYPE	CREDITORS' VOLUNTARY LIQUIDATION
OFFICE HOLDERS	Kirstie Jane Provan AND Mark Robert Fry
DATE OF APPOINTMENT	23 March 2011

### 1 CASE OVERVIEW

1 1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

#### 1 2 Complexity of the case

As detailed in the body of this report, the complexities of this case were mainly dealt with in the preceding administration. In the initial phase of the administration, a large amount of time was spent in dealing with creditors' queries and advising them of the procedures in dealing with the new occupiers of the site. That a new Company is occupying the same site and had bought the business as a going concern provided certain complexities with regard to advising various stakeholders with accurate information.

#### 1 3 The office holders' effectiveness

The Joint Liquidators (formerly the Joint Administrators) consider that the objectives and purpose of the former administration were largely achieved from the outset, in that the business was rescued as a going concern with minimal impact on employees. Furthermore, a better result has been achieved for creditors as a whole than would otherwise have been achieved had the company been wound up, without first being in administration.

#### 1 4 Nature and value of property dealt with by the office holders'

The property dealt with by the former administrators was that which was included in the sale of business and assets according to the Sale Purchase Agreement ("the SPA") completed on 9 September 2010. This included the premises at the Company's former trading address. There has been no further property or assets dealt with in the liquidation.

#### 1 5 Anticipated return to creditors

We currently anticipate that there will be funds available to make a distribution to unsecured creditors under the provisions of 176A of the Insolvency Act, as detailed in the report.

#### 1 6 Time costs analysis

An analysis of time costs incurred between 23 March 2011 and 22 March 2012, prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type.

The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only.

**1 7 The views of the creditors**

Creditors were advised of the liquidation as soon as reasonably practicable

**1 8 Approval of fees**

Pursuant to Rule 4 127(5A)(a) of the Rules, our remuneration is treated as having been fixed on the same basis as the former administrators, by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation

**1 9 Approval of Expenses and Disbursements**

Pursuant to Statement of Insolvency Practice 9, we are also authorised to draw disbursements, including disbursements for services provided by our firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) on the same basis as the former administrators

**2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES**

2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 3

2 2 The rates charged by the various grades of staff who may work on a case are attached in an accompanying note

**3. SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT**

Since the date of our last report, the following work has been carried out

- Notifying creditors and all other interested parties of appointment,
- Dealing with creditors' correspondence and queries,
- Undertaking investigations into the Company's affairs,
- Dealing with the statutory duties as liquidators, including preparing this and other reports,
- Preparing and submitting our report on the conduct of the former designated members of the Company,
- Compliance matters





## STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Bond	Willis Limited	528	528	0
Storage	Archive Solutions	14 04	6 24	7 8
Statutory Advertising	Courts Advertising Limited	151 20	151 20	