

The Insolvency Act 1986

Administrator's progress report

Name of Company

Imagine Homes Limited

Company number

4776647

In the
Chancery Division, Companies Court

(full name of court)

Court case number
14383 of 2009(a) Insert full
name(s) and
address(es) of
administrator(s)

We (a)
John Charles Reid
Deloitte LLP
Lomond House
9 George Square
Glasgow
G2 1QQ

William Kenneth Dawson
Deloitte LLP
PO Box 500
2 Hardman Street
Manchester
M60 2AT

administrators of the above company attach a progress report for the period

From


To

(b) Insert date

(b) 19 November 2012

(b) 18 May 2013

Signed


Joint Administrator

Dated

14 JUNE 2013

Contact Details

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to searchers of the public record

John Charles Reid
Deloitte LLP
Lomond House
9 George Square
Glasgow
G2 1QQ

DX Number DX GW 223

Tel 0141 204 2800
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

SATURDAY



A23 *A2AL5C6R* #327
COMPANIES HOUSE

**IMAGINE HOMES LIMITED AND IMAGINE HOMES UK LIMITED
(BOTH IN ADMINISTRATION)
("the Companies")**

**IN THE HIGH COURT OF JUSTICE, CHANCERY DIVISION, COMPANIES COURT
Court Numbers 14383 and 14382 of 2009**

**SIX MONTHLY PROGRESS REPORT TO CREDITORS
FOR THE PERIOD TO 18 MAY 2013
PURSUANT TO RULE 2.47 OF THE INSOLVENCY RULES 1986 (AS AMENDED)**

14 JUNE 2013

This report has been prepared for the sole purpose of updating the 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.

John Charles Reid and William Kenneth Dawson were appointed Joint Administrators of Imagine Homes Limited and Imagine Homes UK Limited on 19 May 2009. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability.

All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners.

John Charles Reid and William Kenneth Dawson
Deloitte LLP
2 Hardman Street
Manchester
M3 3HF

Tel 0141 314 5828
Fax 0141 314 5895

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ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

"The Act"	Insolvency Act 1986 (as amended)
"The Rules"	Insolvency Rules 1986 (as amended)
"the Administrators"	John Charles Reid and William Kenneth Dawson – Joint Administrators
"IHL"	Imagine Homes Limited – in Administration
"IHUK"	Imagine Homes UK Limited – in Administration
"the Companies"	IHL and IHUK
"Deloitte"	Deloitte LLP
"the Directors"	IHL – Stewart McIntyre and Colin Rutherford IHUK – Stewart McIntyre and Etle Caber Limited
"Chase & Partners"	Chase & Partners Limited
"the Court"	High Court of Justice, Chancery Division, Companies Court, London
"Cripps Harries Hall"	Cripps Harries Hall LLP
"EOS"	Estimated Outcome Statement
"GCL"	GCL Solicitors LLP
"Go Industry"	Go Industry PLC
"HBJ"	HBJ Gateley Wareing LLP
"JLL"	Jones Lang LaSalle Limited, formerly King Sturge International LLP
"NOWI"	NOWI Lettings Limited
"Savills"	Savills PLC
"the Bank"	Bank of Scotland PLC
"SIP7 (E&W)"	Statement of Insolvency Practice 7 (England & Wales) – Presentation of Financial Information in Insolvency Proceedings
"SIP9 (E&W)"	Statement of Insolvency Practice 9 (England & Wales) – Payments to Insolvency Office Holders and Their Associates
"SIP13 (E&W)"	Statement of Insolvency Practice 13 (England & Wales) – Acquisition of Assets of Insolvent Companies by Directors

1. INTRODUCTION

1.1 Introduction

This report has been prepared in accordance with Rule 2.47 of The Rules to provide creditors with an update on the progress of the Administrations of the Companies since our last report to creditors dated 14 December 2012.

Given the information previously provided in our earlier reports to creditors, we have not included detailed background information in respect of the Companies and have focussed on the progress of the Administrations subsequent to those reports. Our report is prepared on a combined basis for the Companies in light of the commonality of creditors and cross guarantees granted to the Bank by the Companies.

The Administrators' proposals as deemed approved following the issue of a notice under Paragraph 52(1) of Schedule B1 of The Act on 7 July 2009 and the expiry of 12 days thereafter are detailed in section 2.1 below.

On the basis that there remained assets of the Companies which were not realised before 18 May 2012, the date on which the Administrations were due to end, the Administrators submitted an application to the Court seeking to extend the period of the Administrations by 18 months, in terms of Paragraph 76(2)(a) of Schedule B1 of The Act. This is discussed further at section 5.1 below.

A schedule of statutory information in respect of the Companies is attached at Appendix 1.

1.2 Details of the appointment of the Administrators

John Charles Reid and William Kenneth Dawson of Deloitte were appointed Joint Administrators of the Companies by the Directors on 19 May 2009.

The Court having conduct of the proceedings is the High Court of Justice, Chancery Division, Companies Court (case numbers 14383 of 2009 and 14382 of 2009).

For the purposes of Paragraph 100(2) of Schedule B1 of The Act, the Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

1.3 Electronic communication with creditors

In an effort to reduce the costs of the Administrations, all future communications with creditors, including updates and progress reports, will be posted onto a website, which has been set up specifically for this purpose.

The web address is www.deloitte.co.uk/imaginehomes

A letter will be issued to all creditors each time the website is updated with a statutory notice or report. All creditors' statutory notices will be retained on the website for three months after being uploaded to the site.

2. THE ADMINISTRATORS' PROPOSALS

2.1 Introduction

As previously reported to creditors, the Administrators concluded that there was insufficient value ascribed to assets by third parties in order to effect a restructuring of the Companies' liabilities

Consequently, the Administrators have performed their functions in relation to the Companies with the objective set out in Paragraph 3(b) of Schedule B1 of The Act, which is to achieve a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in Administration)

The Administrators' proposals in order to achieve this objective, which, as noted above, were deemed approved following the issue of a notice under Paragraph 52(1) of Schedule B1 of The Act on 7 July 2009 and the expiry of 12 days thereafter are as follows

- 1) the Administrators continue to manage and wind down the affairs and assets of the Companies including (but not exclusive to) collecting any recoverable outstanding pre and post appointment book debts as required, utilising realisations of assets where appropriate, settling any Administration expenses where such expenses are incurred for the purpose of the Administrations and realising the remaining assets of the Companies,
- 2) that the Administrators continue with their enquiries into the conduct of the Directors of the Companies and continue to assist any regulatory authorities with their investigation into the affairs of the Companies (to the extent required by law or other regulatory rules),
- 3) that the Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors of the Companies unless the Administrators conclude, in their reasonable opinion, that the Companies will have no assets available for distribution to that class of creditor,
- 4) that the Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,
- 5) that the secured and preferential creditors of the Companies approve the Administrators' fees provided for in Rule 2.106(9) of the Insolvency (Amendment) Rules 2003, on a time cost basis from the date of appointment,
- 6) that, in the event the creditors of each of the Companies so determine, at meetings of creditors, a Creditors' Committee be appointed in respect of each or any of the Companies comprising of not more than five and not less than three creditors of that company or Companies,
- 7) in the absence of a Creditors' Committee, the secured and preferential creditors (to the extent they exist) of the Companies shall be asked to agree the Administrators' fees, in accordance with Rule 2.106(5A) of The Rules, by reference to the time given in attending to matters arising in the Administrations of the Companies,
- 8) in the absence of a Creditors' Committee, that the creditors approve disbursements of the Administrators to be drawn from the Companies' assets at the Administrators' discretion and that the Administrators' disbursements for mileage be calculated by reference to mileage properly incurred by the Administrators and their staff in attending matters arising in the Administrations, at the prevailing standard mileage rate used by Deloitte LLP at the time when the mileage is incurred (presently up to 45p per mile),

- 9) that, following the realisation of assets and resolution of all matters in the Administrations, and as quickly and efficiently as is reasonably practicable, the Administrators implement the most cost effective steps to formally conclude the Administrations. This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Companies or alternatively, seeking to put each or any of the Companies into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors,
- 10) that, if each or any of the Companies were to be placed into CVL, the Administrators propose to be appointed Liquidators and any Creditors' Committees appointed will become Liquidation Committees pursuant to R4 174 of The Rules. As per paragraph 83(7) of Schedule B1 of The Act and R2 117 (3) of The Rules, the creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the proposals are approved by creditors. For the purposes of s231 of The Act the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and
- 11) in the absence of Creditors' Committees, the secured and preferential creditors (to the extent that they exist) of each Company shall be asked to agree that the Administrators be discharged from liability per paragraphs 98 and 99 of Schedule B1 of The Act immediately upon the Administrators filing their final report to creditors

2.2 Amendments to proposals

There have been no amendments to the proposals

2.3 Progress on and achievement of the approved proposals

We have summarised below the progress and current status in respect of each of the approved proposals

Proposal	Current status - IHL	Current status - IHUK
1	Ongoing	Ongoing
2	Completed – a confidential report/return was submitted to The Insolvency Service on 9 February 2010	Completed – a confidential report/return was submitted to The Insolvency Service on 9 February 2010
3	Ongoing. Preferential creditors were paid a final dividend on 21 April 2010	Ongoing. There will be no distribution to preferential or unsecured creditors
4	Ongoing. Preferential creditors were paid a final dividend on 21 April 2010	Ongoing. There will be no distribution to preferential or unsecured creditors
5	Completed - resolutions have been approved by the secured creditor and requisite majority of preferential creditors	Completed – a resolution has been approved by the secured creditor. There will be no distribution to preferential creditors
6	No Creditors' Committee	No Creditors' Committee
7	Confirmed, as there is no Creditors' Committee	Confirmed, as there is no Creditors' Committee
8	Confirmed, as there is no Creditors' Committee	Confirmed, as there is no Creditors' Committee
9	Outstanding	Outstanding
10	Outstanding	Outstanding
11	Completed - resolutions have been approved by the secured creditor and requisite majority of preferential creditors	Completed – a resolution has been approved by the secured creditor. There will be no distribution to preferential creditors

Further information in respect of the realisation of assets and the status of liabilities is contained in the following sections of this report

3. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT AND ESTIMATED OUTCOME STATEMENT

3.1 Introduction

Attached at Appendices 2 and 3 are the Administrators' Receipts and Payments accounts for each of the Companies covering the period from 19 May 2009 to 18 May 2013 together with details of the transactions in the interim period 19 November 2012 to 18 May 2013, in accordance with SIP7 (E&W)

As stated in SIP7 (E&W), an analysis of estimated to realise figures are provided per the Director's Statement of Affairs, to enable a comparison to be made with realisations to date. We have not provided an EOS in our prior progress reports in light of the ongoing recovery of the assets of the Companies, as the Administrators had determined that the disclosure of their estimate of the value of the Companies' net property would seriously prejudice the commercial interests of the Companies. As discussed further at section 3.2 and 3.3 below, there now remain minimal assets to be realised in the Companies and as such, an EOS is not included in this report as details of actual asset realisations are included in the Administrators' Receipts and Payments accounts at Appendices 2 and 3.

In this section, we have summarised the main asset realisations in respect of each company since our last report to 18 November 2012, the final date covered by our six monthly report dated 14 December 2012, and provide an indication of those assets yet to be realised.

3.2 Asset realisations - IHL

Property under rental guarantees

One property remains under rental guarantee at The Icon development, against which IHL continues to receive rent. This remaining rental guarantee is due to end in June 2013. Rental income of £8,418 has been received during the period of this report. NOWI continues to undertake the rent collection and property management work in respect of this remaining rental guarantee.

In addition to rental income, bank interest of £4,736 has been received in IHL since our last report.

ICON

In the period covered by this report, we have received £115,000 in respect of recovery action in relation to incomplete sales for the ICON development. A sum of £15,000 was also received by IHL during this period. This amount was paid to the Court by IHL in a previous period as security for costs relating to ICON recoveries and has since been refunded to IHL.

Darlington Freehold

During the period covered by this report, IHL's acquisition of the freehold at Kirklee House, Victoria Road, Darlington successfully concluded and a sale of the freehold subsequently completed to Adriatic Land 1 Limited on 1 March 2013 for a consideration of £153,000.

CS Residential Limited

CS Residential Limited is an insolvent company which held a freehold property at Broughton Court. A sale of Broughton Court completed on 15 March 2013, over which IHL held a second ranking standard security. The Bank has the benefit of a charge over IHL's security. On 18 March 2013, after distribution to the first ranking standard security holder, Clydesdale Bank Plc, a surplus of £1,302,124 was distributed to IHL under the Bank's second ranking standard security.

Asset realisations – IHUK

There have been no realisations in IHUK other than minimal bank interest of £10

3.3 Estimated future realisations

ICON

Given the nature of the ongoing recoveries in respect of IHL's interest in the ICON development, we cannot disclose the expected outcome of the ongoing recoveries at this time. However, to date, we have recovered in excess of £650,000 since appointment. This is reflected in the Receipts and Payments account at Appendix 2 as "ICON Property Rights/Patents".

Directors' Loans and Related Parties

Recovery of loan amounts which are believed to be owed by former directors and related companies continue to be pursued. This includes any recovery from the former director, Grant Bovey, who has been declared bankrupt.

As previously reported, a sale of a property asset owned by Mr Bovey was expected to complete by the end of 2012, following which a small dividend may become available to the unsecured creditors of Mr Bovey, which includes IHL and IHUK. However, the Trustees of Mr Bovey have advised that completion of the sale of the property is now likely to be early 2014.

As a result, the quantum and timing of any potential dividend is currently unknown. Unsecured creditor claims of £5,388,907 and £18,627 have been submitted in the bankruptcy by IHL and IHUK respectively.

Recovery of loan amounts owed by other former directors and related companies is considered to be unlikely.

Gordon House Commission

IHL was contractually entitled to commission from Gordon House Limited in respect of the acquisition of Gordon House. We continue to assess the potential for recovery of the commission for any subsequent transactions in respect of Gordon House.

CS Residential Limited

There may be a small surplus to be received from CS Residential Limited once they have finalised their trade creditor position, however this is anticipated to be minimal or nil.

Other Assets

No further assets have been identified since our last report dated 14 December 2012, which are expected to result in significant additional realisations to the Companies.

4. DISTRIBUTIONS TO CREDITORS

4.1 Secured creditors

Debt due to the Bank by IHL and IHUK is summarised below. The Bank holds fixed and floating charges over both Companies.

Bank Debt Summary at 19 May 2009			
	IHL £'000	IHUK £'000	Total £'000
RCF & Mezzanine	34,872	-	34,872
Loan Stock	13,000	-	13,000
Overdraft	7,425	1,000	8,425
Total	55,297	1,000	56,297

Whilst we have previously stated that we cannot provide an estimated recovery statement at this stage, the Bank will not recover its lending in full.

In respect of IHL, distributions totalling £1,725,000 have been made to the Bank to date in terms of its fixed and floating charge, including £300,000 in this reporting period. In respect of IHUK, it is not anticipated that any funds will be available for the Bank.

4.2 Preferential creditors

Preferential creditors of IHL were paid a final dividend of £4,671 on 21 April 2010. It is anticipated that there will be insufficient funds available to pay a dividend to preferential creditors of IHUK.

4.3 Prescribed Part

The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs 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

It is anticipated that there will not be a Prescribed Part available to unsecured creditors of IHL or IHUK.

4.4 Unsecured creditors

There will be insufficient funds available to pay a dividend to the unsecured creditors of the Companies.

Unsecured claims are estimated to be approximately £815,000 for IHL and £130,000 for IHUK. Unsecured claims received to date are £472,162 and £2,356 respectively.

5 OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

5.1 Extensions to the initial appointment period

On the basis that the Companies were unable to conclude the realisation of assets, the Administrators previously requested that the Court grant an extension to the Administrations for the 12 month period to 18 May 2011

As previously reported, in accordance with Paragraph 76 of Schedule B1 of The Act, the Administrators requested a further extension to the Administrations for a period of 12 months, to allow sufficient time to conclude outstanding asset realisations. The extensions were duly awarded by order of the Court for the period to 18 May 2012

On the basis that the Companies had further assets which were not realised and distributed prior to 18 May 2012, an application was submitted to the Court seeking to extend the period of the Administrations for an additional 18 months. An extension of Administrations to 18 November 2013 was approved by order of the Court dated 1 May 2012

It is anticipated that the Administrations will conclude prior to 18 November 2013, the date on which the Administrations are due to end. However, in the unlikely event that there remain outstanding matters to resolve such as tax, VAT or other asset realisations, which cannot be concluded by this date, please be advised that the Administrators may seek to extend the Administrations for a further period of up to 12 months from 19 November 2013

Prior to seeking an extension from the Court pursuant to Paragraph 76(2)(a) of Schedule B1 of The Act the Administrators are required to notify the Companies' creditors of their intention to seek an extension of the Administrations

Any creditor who wishes to object to the potential extension of the Administrations should provide written notice of their objection(s) and the reason(s) therefore to the Administrators at the address on the front of this report within **21 days** of the date of this report

It is the Administrators' intention to apply to the Court for the extensions to be granted following the lapse of the given time period, if required. However, due consideration will be given by the Administrators to any objections received within that time period and details thereof will be provided to the Court as part of the extension application

5.2 Investigations

A final confidential report/return for each of the Companies, in relation to the conduct of the Companies' Directors, was submitted to The Insolvency Service, a division within the Department for Business, Innovation and Skills, on 9 February 2010

5.3 Exit

Under the Enterprise Act 2002, all administrations automatically come to an end after one year, unless an extension is granted by the Court or with consent of the creditors

Following realisation of the remaining assets and conclusion of the Administrations, it is anticipated that the Administrators will file notices with the Court and the Registrar of Companies pursuant to Paragraph 84 of Schedule B1 of The Act requesting dissolution of the Companies. It must be noted that each of the Administrations may end at different times

5.4 SIP 13 – Transactions with connected parties

In accordance with SIP13 (E&W), we confirm that there have been no transactions with connected parties in the period covered by this report. All connected party transactions prior to our appointment which we are aware of, were reported in the Administrators' Proposals dated 7 July 2009.

5.5 EC Regulations

As stated in the Administration Orders in respect of the Companies, Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

6. ADMINISTRATORS' REMUNERATION AND EXPENSES

6.1 Administrators' Remuneration

There will be no funds available to the unsecured creditors therefore, fixing of the Administrators' remuneration has been approved in accordance with Rule 2 106 of The Rules, which is outlined as follows

- Where the Administrators have made a statement under Paragraph 52(1)(b) of Schedule B1 of The Act the Administrators' remuneration may be fixed by the approval of
 - each secured creditor, or
 - if the Administrators intend to make a distribution to preferential creditors, with the approval of each secured creditor and 50% of preferential creditors who respond to an invitation to consider approval

For IHL, time costs of £842,635 05 have been incurred to 18 May 2013. This represents 2,514 14 hours at an average hourly rate of £335 16, this is charged in six minute increments. Fees of £405,000 (plus VAT) have been drawn to date, as shown in the Receipts and Payments account at Appendix 2, however no fees have been drawn in the period covered by this report. The Administrators' time costs for IHL to 18 May 2013 are detailed at Appendix 4.

For IHUK, time costs of £45,113 40 have been incurred to 18 May 2013. This represents 143 67 hours at an average hourly rate of £314 01, this is charged in six minute increments. Fees of £14,500 (plus VAT) have been drawn to date, as shown in the Receipts and Payments account at Appendix 3, however no fees have been drawn in the period covered by this report. The Administrators' time costs for IHUK to 18 May 2013 are detailed at Appendix 5.

The Administrators' fees and expenses have been approved by the Companies' secured and preferential creditors, as appropriate, and an analysis of the time spent by the Administrators and their staff has been provided to the secured and preferential creditors at the time of requesting approval, in accordance with SIP9 (E&W).

"A Creditors' Guide to Administrators' Remuneration" is available for download at http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP-9-EW-INTER.pdf

Should you require a paper copy, please send your request in writing to the Administrators at the address on the front of this report and this will be provided to you at no cost.

6.2 Disbursements

For IHL, the Administrators' total direct disbursements in the Administration are detailed in the table below. No direct expenses have been incurred in later reporting periods and no direct expenses have been drawn in the period covered by this report.

Nature of disbursement	19/05/09 to 18/11/09 (£)	19/11/09 to 18/05/10 (£)	Total (£)
Accommodation	1,012 79	-	1,012 79
Telephone	17 25	-	17 25
Car parking	121 55	16 52	138 07
Subsistence	136 49	-	136 49
Travel (taxi, train, air)	3,460 10	-	3,460 10
Mileage	467 67	-	467 67
Total	5,215 85	16 52	5,232 37

Indirect expenses totalling £1,352 97 have been incurred in IHL in relation to the Administrators' specific bond and postage. This is recorded in the Administrators' Receipts and Payments Account at Appendix 2 as "Due to Deloitte".

For IHUK, no direct expenses have been incurred or drawn to date. Indirect expenses totalling £528 have been incurred in relation to the Administrators' specific bond. This is recorded in the Administrators' Receipts and Payments Account at Appendix 3 as "Due to Deloitte".

Mileage is calculated at the prevailing standard mileage rate of presently up to 45p used by Deloitte LLP at the time when the mileage is incurred.

6.3 Charge out rates

The range of charge out rates for the separate categories of staff is based on our 2012 charge out rates as summarised below. Manager rates include all grades of assistant manager.

Grade	Sept 2012 – Aug 2013 (£)	2012 (Jan-Aug) (£)	2011 (£)	2010 (£)	2009 (£)
Partners/Associate Partners/Directors	605 to 950	585 to 920	560 to 895	535 to 895	525 to 890
Managers	305 to 720	295 to 700	280 to 670	265 to 640	250 to 605
Assistants and Support Staff	155 to 305	150 to 295	175 to 280	165 to 265	145 to 250

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Corporate Finance or Real Estate may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands.

All partners and technical staff (including cashiers) assigned to the case record their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

With effect from 1 September 2012, charge out rates were increased by an average 3% and the charge out rate bandings have been amended, where applicable, to reflect this change.

6.4 Other professional costs

As previously advised, HBJ were instructed by the Administrators to advise on appropriate legal matters in respect of the Companies. Fuglers, GCL and Cripps Harries Hall were engaged in respect of ICON realisations. In addition, Go Industry, Savills and JLL, firms of chattel and property agents, were instructed by the Administrators to undertake inventories and valuations of stock, plant and equipment, fixtures and fittings, properties, and other chattel assets where appropriate.

The professional costs paid to date are summarised in the table below. All professional costs are reviewed and analysed before payment is approved and are stated net of recoverable VAT in the table below. The below professional costs are included in the Receipts and Payments account at Appendix 2, however are stated under a number of categories dependent on the asset in question.

It must be noted that the Receipts and Payments account at Appendix 2 shows an amount detailed as "HBJ fees deducted from funds held" This represents fees drawn by HBJ, following the Administrators' approval, from client funds held by HBJ

	IHL (£)	IHUK (£)
Fuglers	19,675 00	-
GCL	18,200 00	-
Go Industry	5,170 00	-
Chase & Partners	6,946 60	-
Cripps Harries Hall	3,860 00	-
JLL	5,739 13	-
HBJ	310,967 49	2,200 25
Savills	6,600 00	774 85
Total	377,158 22	2,975.10

IMAGINE HOMES LIMITED AND IMAGINE HOMES UK LIMITED (BOTH IN ADMINISTRATION)
STATUTORY INFORMATION

Company Name	Imagine Homes Limited	Imagine Homes UK Limited
Proceedings	In Administration	
Court	High Court of Justice, Chancery Division, Companies Court	
Court Reference	14383 of 2009	14382 of 2009
Date of Appointment	19 May 2009	
Joint Administrators	John Charles Reid of Deloitte LLP, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2DB and William Kenneth Dawson of Deloitte LLP, 2 Hardman Street, Manchester M60 2AT	
Registered Office Address	c/o Deloitte LLP 2 Hardman Street Manchester M60 2AT	
Company Number	04776647	06616388
Incorporation Date	23 May 2003	11 June 2008
Company Secretary	Alexander Stewart McIntyre	
Bankers	Bank of Scotland PLC	
Auditors	KPMG LLP	
Appointment by	The Directors – under Paragraph 22 of Schedule B1 of The Act	
Directors at date of Appointment	Alexander Stewart McIntyre James Paul Taylor Marc Lafferty Kim Clayton Kevin Falconer Colin Rutherford Alan Wheatley Neil Barnett Grant Bovey	Ettle Caber Limited Alexander Stewart McIntyre Neil Barnett Grant Bovey
Directors' Shareholdings	None	

Imagine Homes Limited - in Administration
Joint Administrators' Receipts and Payments Account as at 18 May 2013

		Interim Period	Total
		From 19/11/2012	From 19/05/2009
		To 18/05/2013	To 18/05/2013
Statement of Affairs (£)		£	£
RECEIPTS			
11 000 000	Stock - Residential	-	-
3,193 676	CS Residential Limited	1,302,123 86	1,302 123 86
-	- Mint Exchange Deposit	-	876 624 40
-	- Limeharbour Realisation	-	650 000 00
-	- ICON Development Realisations	115 000 00	189,000 00
-	- ICON Property Rights/Patents	-	652,548 07
700,000	Darlington Freehold	153,000 00	181,800 00
50,000	Plant & Machinery	-	32,300 00
1 200 000	Book Debts	-	298 508 20
-	- Rates refund	-	6,385 15
-	- Bank Interest Gross	4,736 20	27,758 70
-	- Rental income	8,417 53	1 165,604 15
-	- Directors Loan Account	-	11 175 62
-	- Other Recoveries	-	36,430 80
-	- Security for Costs Held by Court	15 000 00	-
79 455	Cash at Bank and in Hand	-	-
16 223,131		1 598,277 59	5 430 258 95
PAYMENTS			
-	Purchases	-	(154,450 95)
-	Subcontractors	-	(34,986 11)
-	Direct Labour	-	(84 233 59)
-	Direct Expenses	-	(80 555 59)
-	Rents	-	(1,082 80)
-	Rates	-	(9 836 73)
-	Utilities	-	(2,913 51)
-	Professional Fees	-	(3 860 00)
-	Repairs & Maintenance	-	(9,435 45)
-	Sundry Expenses	-	(300 00)
-	Stationery	-	(147 65)
-	Cleaning/Removals	-	(2 249 00)
-	Now! Property Management Fees	(23 642 51)	(160,794 42)
-	Mint Realisation Cost	-	(200 269 50)
-	Limeharbour Realisation Cost	-	(7 679 10)
-	ICON Realisation Cost	(12,500 00)	(93,485 18)
-	Darlington Realisation Cost	(22 459 90)	(22 459 90)
-	Specific Bond	-	(528 00)
-	Administrators' fees	-	(405,000 00)
-	Administrators' other third party costs	-	(21 00)
-	Legal Disbursements	-	(36 762 37)
-	Agents/Valuers Fees	-	(1 596 29)
-	Agents' Fees - P&M	-	(5 170 00)
-	Legal Fees	(26 664 86)	(240,974 17)
-	Irrecoverable VAT	-	0 00
-	Storage Costs	(110 60)	(1 149 95)
-	Postage and Redirection	(166 48)	(803 97)
-	Statutory Advertising	-	(168 00)
-	Bank charges	-	(800 57)
-	Payments on behalf of IHUK	-	0 00
-		(85,544 35)	(1,581,713 80)
PREFERENTIAL CREDITORS			
-	Employee Preferential Dividend	-	(4,670 94)
-		-	(4 670 94)
BANK DISTRIBUTION			
-	Fixed Charge Creditor	(300 000 00)	(1 725,000 00)
-	Floating Charge Creditor	-	(188,584 99)
-		(300,000 00)	(1 913,584 99)
		1,212,733 24	1,950,289 22
REPRESENTED BY			
-	VAT Receivable		4,688 47
-	IB Current A/C		1 871,126 14
-	HBJ ICON client A/C control		83,269 83
-	Now! Rental Property Control accounts		(7 442 25)
-	Due to Deloitte		(1 352 97)
			1,950,289 22

Imagine Homes UK Limited - in Administration

Joint Administrators' Receipts and Payments Account as at 18 May 2013

Statement of Affairs £		Interim Period From 19/11/2012 To 18/05/2013 £	Total From 19/05/2009 To 18/05/2013 £
	ASSET REALISATIONS		
20,687	Cash at Bank	-	20,422 83
29,361	Pre-appointment VAT receivable	-	-
-	Bank Interest Gross	9 52	155 37
<u>50,048</u>		<u>9 52</u>	<u>20,578 20</u>
	COST OF REALISATIONS		
-	Specific Bond	-	(528 00)
-	Administrators' Fees	-	(14,500 00)
-	Legal Fees	-	(2,975 10)
-	Corporation Tax	-	(24 74)
<u>-</u>		<u>-</u>	<u>(18,027 84)</u>
		<u>9 52</u>	<u>2,550 36</u>
	REPRESENTED BY		
	IB Current A/C		3,078 36
	Due to Deloitte		(528 00)
			<u>2,550 36</u>

Joint Administrators' time costs for the period 19 May 2009 to 18 May 2013

Imagine Homes Limited - In Administration

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning									
Cashiering and Statutory Filing	0 10	85 00	76 95	25,708 75	106 44	27,074 30	183 49	52,868 05	288 12
Case Supervision, Management and Closure	5 25	2,981 25	109 65	29,379 50	45 10	8 481 00	160 00	40,841 75	285 26
Initial Actions (e.g. Notification of Appointment, Securing Assets)	41 00	22 425 00	2 50	967 50	78 60	13 384 00	122 10	36,776 50	301 20
General Reporting	21 00	12,845 00	36 05	10 083 75	36 30	6,651 00	93 35	29,579 75	316 87
	67 35	38,336 25	225 15	66,139 50	266 44	55,590 30	558 94	160,066 05	286 37
Investigations									
Investigations	2 00	1,230 00	-	-	31 30	5,337 00	33 30	6,567 00	197 21
Reports on Directors' Conduct	1 00	615 00	-	-	-	-	1 00	615 00	615 00
	3 00	1,845 00	-	-	31 30	5,337 00	34 30	7,182 00	209 39
Trading									
Day 1 Control of Trading	-	-	50 00	13,975 00	-	-	50 00	13,975 00	279 50
Ongoing Trading	6 00	3,150 00	270 25	86,688 75	2 70	513 00	278 95	90,351 75	323 90
Monitoring Trading	7 25	3,806 25	4 00	1,240 00	1 60	304 00	12 85	5,350 25	416 36
Closure of Trade	-	-	6 00	1,755 00	-	-	6 00	1,755 00	292 50
	13 25	6,956 25	330 25	103,658 75	4 30	817 00	347 80	111,432 00	320 39
Realisation of Assets									
Book Debts	21 25	11 156 25	1 25	331 25	-	-	22 50	11,487 50	510 56
Other Assets (e.g. Stock)	23 75	12 783 75	307 75	108 734 50	20 50	3 564 00	352 00	125,082 25	355 35
Plant and Equipment, Fixtures and Fittings and Vehicles	0 50	262 50	4 00	1,640 00	-	-	4 50	1,902 50	422 78
Property - Freehold and Leasehold	114 75	64,668 75	198 35	64,855 00	5 00	950 00	318 10	130,473 75	410 17
Retention of Title	-	-	2 00	820 00	-	-	2 00	820 00	410 00
Sale of Business / Assets	78 25	46,931 25	-	-	-	-	78 25	46,931 25	599 76
	238 50	135,802 50	513 35	176,380 75	25 50	4,514 00	777 35	316,697 25	407 41
Creditors									
Employees	0 25	131 25	59 50	15 797 50	55 10	9,397 00	114 85	25,325 75	220 51
Preferential	-	-	18 60	5,423 00	-	-	18 60	5,423 00	291 56
Secured	30 00	15 750 00	43 20	14,294 00	0 40	76 00	73 60	30,120 00	409 24
Unsecured	10 25	5 381 25	346 60	103,859 00	83 80	13,820 00	440 65	123,060 25	279 27
	40 50	21,262 50	467 90	139,373 50	139 30	23,293 00	647 70	183,929 00	283 97
Other Matters Include									
Litigation	51 00	27,405 00	1 00	265 00	-	-	52 00	27,670 00	532 12
Tax and VAT	4 40	3 568 00	76 55	29 461 75	15 10	2,629 00	96 05	35,658 75	371 25
	55 40	30,973 00	77 55	29,726 75	15 10	2,629 00	148 05	63,328 75	427 75
TOTAL HOURS & COST	418 00	235,175 50	1,614 20	515,279 25	481 94	92,180 30	2,514 14	842,635 05	335 16
TOTAL FEES DRAWN TO DATE									405,000 00

Imagine Homes UK Limited - In Administration Joint Administrators' time costs for the period 19 May 2009 to 18 May 2013

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate Cost (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning									
Cashiering and Statutory Filing	-	-	1 40	622 00	20 22	5 388 90	21 62	6,010 90	278 02
Case Supervision, Management and Closure	0 50	262 50	40 85	11,795 50	3 10	599 00	44 45	12,657 00	284 75
Initial Actions (e.g. Notification of Appointment, Securing Assets)	9 00	4 725 00	0 40	180 00	-	-	9 40	4,905 00	521 81
General Reporting	2 25	1,181 25	11 65	3,425 25	-	-	13 90	4,606 50	331 40
Liaison with Other Insolvency Practitioners	-	-	6 50	1,787 50	-	-	6 50	1,787 50	275 00
	11 75	6,168 75	60 80	17,810 25	23 32	5,987 90	95 87	29,966 90	312 58
Investigations									
Reports on Directors' Conduct	1 50	787 50	2 00	820 00	-	-	3 50	1,607 50	459 29
	1 50	787 50	2 00	820 00	-	-	3 50	1,607 50	459 29
Trading									
Monitoring Trading	-	-	15 75	4,331 25	-	-	15 75	4,331 25	275 00
	-	-	15 75	4,331 25	-	-	15 75	4,331 25	275 00
Realisation of Assets									
Book Debts	3 75	1,968 75	-	-	-	-	3 75	1,968 75	525 00
Other Assets (e.g. Stock)	1 25	656 25	1 50	412 50	-	-	2 75	1,068 75	388 64
Property - Freehold and Leasehold	1 00	525 00	-	-	-	-	1 00	525 00	525 00
	6 00	3,150 00	1 50	412 50	-	-	7 50	3,562 50	475 00
Creditors									
Secured	0 50	262 50	7 50	2 062 50	-	-	8 00	2,325 00	290 63
Unsecured	-	-	6 75	1 856 25	3 40	637 00	10 15	2,493 25	245 64
	0 50	262 50	14 25	3,918 75	3 40	637 00	18 15	4,818 25	265 47
Other Matters Include									
Tax and VAT	-	-	2 90	827 00	-	-	2 90	827 00	285 17
	-	-	2 90	827 00	-	-	2 90	827 00	285 17
TOTAL HOURS & COST	19 75	10,368 75	97 20	28,119 75	26 72	6,624 90	143 67	45,113 40	314 01

TOTAL FEES DRAWN TO DATE

14,500 00