

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 (b) Insert date (b) 19 May 2013	To (b) 18 November 2013
--	----------------------------

Signed

  
 Joint Administrator

Dated

12/12/2013

**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**



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A38 14/12/2013 #46

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**

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

**12 December 2013**

This report has been prepared for the sole purpose of updating the Creditors for information purposes. The report 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 Administrators"	John Charles Reid and William Kenneth Dawson – Joint Administrators
"the Bank"	Bank of Scotland PLC
"Chase & Partners"	Chase & Partners Limited
"the Companies"	IHL and IHUK
"the Court"	High Court of Justice, Chancery Division, Companies Court, London
"Cripps Harries Hall"	Cripps Harries Hall LLP
"CSR"	CS Residential Limited
"Deloitte"	Deloitte LLP
"the Directors"	IHL – Stewart McIntyre and Colin Rutherford IHUK – Stewart McIntyre and Etle Caber Limited
"EOS"	Estimated Outcome Statement
"Fuglers"	Fuglers Solicitors
"GCL"	GCL Solicitors LLP
"Go Industry"	Go Industry PLC
"HBJ"	HBJ Gateley Wareing LLP
"the ICON development"	Development at Millharbour, the Docklands, London
"IHL"	Imagine Homes Limited – in Administration
"IHUK"	Imagine Homes UK Limited – in Administration
"JLL"	Jones Lang LaSalle Limited, formerly King Sturge International LLP
"NOWI"	NOWI Lettings Limited
"The Rules"	Insolvency Rules 1986 (as amended)
"Savills"	Savills 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 June 2013.

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 and distributed before 18 November 2013, 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 six months, in terms of Paragraph 76(2)(a) of Schedule B1 of The Act. This is discussed further at sections 3.3 and 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](http://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 Rule 4.174 of The Rules. As per paragraph 83(7) of Schedule B1 of The Act and Rule 2.117 (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 section 231 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. Distributions totalling £3,663,585 have been made to the Secured Creditor. Preferential creditors were paid a final dividend on 21 April 2010. There will be no distribution to unsecured creditors.	Ongoing. No distributions have been made to the Secured Creditor to date. There will be no distribution to preferential or unsecured creditors.
4	Ongoing. Distributions totalling £3,663,585 have been made to the Secured Creditor. Preferential creditors were paid a final dividend on 21 April 2010. There will be no distribution to unsecured creditors.	Ongoing. No distributions have been made to the Secured Creditor to date. 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 and therefore approval by preferential creditors was not required.
6	No Creditors' Committee	No Creditors' Committee
7	No Creditors' Committee. Fees approved by Secured Creditor.	No Creditors' Committee. Fees approved by Secured Creditor.
8	No Creditors' Committee. Approved by Secured Creditor.	No Creditors' Committee. Approved by Secured Creditor.
9	Expected to exit by move to dissolution.	Expected to exit by move to dissolution.

10	N/A Expected to exit by move to dissolution	N/A Expected to exit by move to dissolution
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 and therefore approval by the preferential creditors was not required

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 November 2013 together with details of the transactions in the interim period 19 May 2013 to 18 November 2013, in accordance with SIP7 (E&W)

As stated in SIP7 (E&W), an analysis of estimated to realise figures are provided per the Directors' 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 dated 14 June 2013, covering the period ending 18 May 2013, and provide an indication of those assets yet to be realised.

#### **3.2 Asset realisations - IHL**

##### **Property under rental guarantees**

As previously reported, one property remained under rental guarantee agreement at The ICON development, against which IHL continued to collect repayment of rental guarantees. This remaining rental guarantee ended in June 2013 and there are no further realisations anticipated from this source. Funds associated with the rental guarantee collection, in the sum of £3,170, have been received during the period of this report.

##### **Other realisations**

Further receipts relating to pre-appointment funds, of £5,614, held by HBJ, and £1,140, held by NOWI, plus bank interest of £1,816 have been received in IHL since our last report.

##### **Asset realisations – IHUK**

There have been no realisations in IHUK other than bank interest of £8.

#### **3.3 Estimated future realisations**

##### **ICON - IHL**

To date, we have recovered in excess of £650,000 in respect of IHL's interest in the ICON development. This is reflected in the Receipts and Payments account at Appendix 2 as "ICON Property Rights/Patents".

We understand that remaining recoveries from this source will be minimal and will be completed in the near future with the appointed solicitors closing the relevant cases.

##### **Directors' Loans and Related Parties – IHL and IHUK**

Recovery of loan amounts which are believed to be owed by the former director, Grant Bovey, who is subject to bankruptcy proceedings, remain outstanding.

As previously reported, the completion of a sale of a property asset owned by Mr Bovey may result in a small dividend becoming available to the unsecured creditors of Mr Bovey, which includes IHL and IHUK. It was originally envisaged that the sale would complete in 2012, however, following recent discussions with the Trustees of Mr Bovey, Louise Brittain and Nicholas Edwards of Deloitte, we have been advised that completion of the sale of the property is now likely to be in January 2014.

As a result, the quantum and timing of any potential dividend to be received will not be known until the final instalment is received by the Trustees and the sale of the property completes in January 2014. 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**

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.

Due to there having been no realisations from this source to date, we consider any future realisations in respect of Gordon House commission to be unlikely.

#### **CSR - IHL**

IHL is a secured creditor of CSR, by way of floating charge, and has received notification that CSR is being placed into Creditors' Voluntary Liquidation. We understand that IHL is the only creditor of CSR and we await further communication from the proposed liquidators before making an assessment as to the likely timing and quantum of any further recovery.

#### **Other Assets**

No further assets have been identified since our last report dated 14 June 2013, 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.

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

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 £3,663,585 have been made to the Bank to date in terms of its fixed and floating charge, including £1,750,000 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 and subject to a de minimis level of £10,000 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 as there are insufficient floating charge realisations.

### **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

The Administrators subsequently requested extensions to the Administrations for a further 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. Extensions of the Administrations to 18 November 2013 were approved by order of the Court dated 1 May 2012

On the basis that there were further assets in the Companies which were not realised and distributed prior to 18 November 2013 (discussed at section 3.3), 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 for an additional six months. Extensions of the Administrations to 18 May 2014 were approved by order of the Court dated 12 November 2013

The extensions should provide sufficient time for the outcome of the outstanding asset realisations discussed at section 3.3 to be concluded, and for subsequent closure matters such as final VAT and Tax returns to be finalised. In particular, future realisations in IHL and IHUK will be clarified once more up to date information on the sale of the bankrupt former director's property is known. Future realisations from the surplus in CSR will be determined in the near future

### **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 £866,096 05 have been incurred to 18 November 2013. This represents 2,584 04 hours at an average hourly rate of £335 17, this is charged in six minute increments. Fees of £500,000 (plus VAT) have been drawn to date, as shown in the Receipts and Payments account at Appendix 2, with fees of £95,000 drawn during the period covered by this report. The Administrators' time costs for IHL to 18 November 2013 are detailed at Appendix 4.

For IHUK, time costs of £45,836 40 have been incurred to 18 November 2013. This represents 146 07 hours at an average hourly rate of £313 80, 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 are not analysed further as no fees have been requested or drawn in the period covered by this report.

Please refer to Appendix 4 where the time charged in IHL has been categorised into the following task headings and sub categories

- **Administration and planning** includes case planning, case set-up, notification of appointment, maintenance of our case files and insolvency case record, statutory reporting, compliance, cashing and accounting
- **Investigations** includes investigating the companies affairs and in particular any antecedent transactions and also reporting on the conduct of its directors
- **Realisation of assets** includes identifying, securing and insuring assets, sale of business, property issues, disposal of stocks, collection of debts, realisation of other fixed assets and VAT and taxation matters
- **Trading** includes planning, identifying strategy, preparation of trading forecasts, monitoring of performance against the forecasts, managing operations, dealing with supplier and landlord issues, accounting and employees (including pensions and other staff benefits)
- **Creditors** includes set-up of creditor records, creditor communications, preferential claims, unsecured claims, secured and employee claims
- **Case specific matters** include preparation and submission of VAT and Tax returns

## 6.2 Disbursements

For IHL, the Administrators' total direct disbursements in the Administration are detailed in the table below. Direct expenses totalling £5,232.37 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
<b>Total</b>	<b>5,215.85</b>	<b>16.52</b>	<b>5,232.37</b>

For IHUK, no direct expenses have been incurred or drawn to date.

## 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 – 2013 (£)	2012 (Jan- Aug) (£)	2011 (£)	2010 (£)	2009 (£)
<b>Partners/Associate Partners/Directors</b>	605 to 950	585 to 920	560 to 895	535 to 895	525 to 890
<b>Managers</b>	305 to 720	295 to 700	280 to 670	265 to 640	250 to 605
<b>Assistants and Support Staff</b>	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.

Charge out rates have not changed since those advised at 1 September 2012. These will be subject to review from 1 September 2014.

#### 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.

	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	335,967.49	2,200.25
Savills	6,600.00	774.85
<b>Total</b>	<b>402,158.22</b>	<b>2,975.10</b>



**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 November 2013			
Statement of Affairs (£)		Interim Period From 19/05/2013 To 18/11/2013 £	Total From 19/05/2009 To 18/11/2013 £
<b>RECEIPTS</b>			
11,000,000	Stock - Residential	-	-
3,193,676	CS Residential Limited	-	1,302,123 86
-	Mint Exchange Deposit	-	876,624 40
-	Limeharbour Realisation	-	650,000 00
-	ICON Development Realisations	-	189,000 00
-	ICON Property Rights/Patents	-	652,548 07
700,000	Darlington Freehold	-	181,800 00
50,000	Plant & Machinery	-	32,300 00
1,200,000	Book Debts	-	298,508 20
-	Rates and other refunds	5,613 72	11,998 87
-	Bank Interest Gross	1,593 39	29,883 32
-	Rental income	3,170 00	1,183,753 95
-	Directors Loan Account	-	11,175 62
-	Other Recoveries	1,139 89	37,570 69
79,455	Cash at Bank and in Hand	-	-
16,223,131		11,517 00	5,457,286 98
<b>PAYMENTS</b>			
	Purchases	-	(154,450 95)
	Subcontractors	-	(34,986 11)
	Direct Labour	-	(84,233 59)
	Direct Expenses	(599 98)	(81,471 47)
	Rents	-	(1,082 80)
	Rates	-	(9,836 73)
	Utilities	-	(2,913 51)
	Professional Fees	-	(3,860 00)
	Repairs & Maintenance	-	(9,435 45)
	Sundry Expenses	(334 00)	(634 00)
	Stationery	-	(147 65)
	Cleaning/Removals	-	(2,249 00)
	Now! Property Management Fees	(269 67)	(163,187 13)
	Mint Realisation Cost	-	(200,269 50)
	Limeharbour Realisation Cost	-	(7,679 10)
	ICON Realisation Cost	(25,000 00)	(118,485 18)
	Darlington Realisation Cost	-	(22,459 90)
	Specific Bond	-	(528 00)
	Administrators' fees	(95,000 00)	(500,000 00)
	Administrators' expenses	(5,232 37)	(5,253 37)
	Legal Disbursements	-	(36,762 37)
	Agents/Valuers Fees	-	(1,596 29)
	Agents' Fees - P&M	-	(5,170 00)
	Legal Fees	-	(240,974 17)
	Storage Costs	(560 96)	(1,710 91)
	Postage and Redirection	-	(803 97)
	Statutory Advertising	-	(168 00)
	Bank charges and debit interest	-	(800 57)
		(126,996 98)	(1,691,149 72)
<b>PREFERENTIAL CREDITORS</b>			
	Employee Preferential Dividend	-	(4,670 94)
		-	(4,670 94)
<b>BANK DISTRIBUTION</b>			
	Fixed Charge Creditor	(1,750,000 00)	(3,663,584 99)
		(1,750,000 00)	(3,663,584 99)
		(1,865,479 98)	97,881 33
<b>REPRESENTED BY</b>			
	VAT Receivable		30,117 73
	IB Current A/C		51 136 25
	HBJ ICON client A/C control		16 627 35
			97,881 33

Imagine Homes UK Limited - in Administration			
Joint Administrators' Receipts and Payments Account as at 18 November 2013			
Statement of Affairs		Interim Period From 19/05/2013 To 18/11/2013	Total From 19/05/2009 To 18/11/2013
£		£	£
	ASSET REALISATIONS		
20,687	Cash at Bank	-	20,422 83
29,361	Pre-appointment VAT receivable	-	-
-	Bank Interest Gross	8 09	165 36
<u>50,048</u>		<u>8 09</u>	<u>20,588 19</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>8.09</u>	<u>2,560.35</u>
	REPRESENTED BY		
	IB Current A/C		2,560 35
			<u>2,560 35</u>

Time costs for the period 19/05/09 to 18/11/13

Imagine Homes Limited  
(In Administration)

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate Cost (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
<b>Administration and Planning</b>									
Cashiering and Statutory Filing	0 10	85 00	80 55	27,264 75	114 54	29,463 80	195 19	56,813 55	291 07
Case Supervision, Management and Closure	5 25	2,981 25	116 35	31,563 00	47 70	9,174 50	169 30	43,718 75	258 23
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	45 75	13,316 25	36 30	6,651 00	103 05	32,812 25	318 41
	67 35	38,336 25	245 15	73,111 50	277 14	58,673 30	589 64	170,121 05	288 52
<b>Investigations</b>									
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
<b>Trading</b>									
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	103,668 75	4 30	817 00	347 80	111,432 00	320 39
<b>Realisation of Assets</b>									
Book Debts	21 25	11,156 25	1 65	453 25	-	-	22 90	11,609 50	506 97
Other Assets (e.g. Stock)	23 75	12,783 75	324 45	115,428 00	20 50	3,564 00	368 70	131,775 75	357 41
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	199 35	65,160 00	5 00	950 00	319 10	130,778 75	409 84
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	531 45	183,501 25	25 50	4,514 00	795 45	323,817 75	407 09
<b>Creditors</b>									
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	45 80	15,087 00	0 40	76 00	76 20	30,913 00	405 68
Unsecured	10 25	5,381 25	346 60	103,859 00	85 30	14,127 50	442 15	123,367 75	279 02
	40 50	21,262 50	470 50	140,166 50	140 80	23,600 50	651 80	185,029 50	283 87
<b>Other Matters Include</b>									
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	93 55	34,646 75	15 10	2,629 00	113 05	40,843 75	361 29
	55 40	30,973 00	94 55	34,911 75	15 10	2,629 00	165 05	68,513 75	415 11
<b>TOTAL HOURS &amp; COST</b>	418 00	235,175 50	1,671 90	535,349 75	494 14	95,570 80	2,584 04	866,096 05	335 17

£500,000 00

TOTAL FEES DRAWN TO DATE