

AM03

Notice of administrator's proposals



Companies House

THURSDAY



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10/10/2019

#248

COMPANIES HOUSE

1 Company details

Company number 08763790

Company name in full MBI Clifton Moor Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Philip Francis

Surname Duffy

3 Administrator's address

Building name/number The Shard

Street 32 London Bridge Street

Post town London

County/Region

Postcode SE1 9SG

Country

4 Administrator's name ⓐ

Full forename(s) Sarah Helen

Surname Bell

ⓐ Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ⓐ

Building name/number The Shard

Street 32 London Bridge Street

Post town London

County/Region

Postcode SE1 9SG

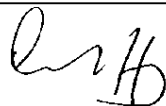
Country

ⓐ Other administrator

Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

6	Statement of proposals	
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
7	Sign and date	
Administrator's Signature	<div>Signature</div> <div>✕ </div> <div>✕</div>	
Signature date	<div><div><div>d</div><div>0</div></div><div><div>d</div><div>9</div></div><div><div>m</div><div>1</div></div><div><div>m</div><div>0</div></div><div><div>y</div><div>2</div></div><div><div>y</div><div>0</div></div><div><div>y</div><div>1</div></div><div><div>y</div><div>9</div></div></div>	

Report to Creditors and Statement of Proposals

9 October 2019

MBI Clifton Moor Limited (In Administration)

Joint Administrators' Statement of Proposals
For the period from 16 August 2019 to 9 October 2019
Pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986

Duff & Phelps Ltd.
The Chancery
58 Spring Gardens
Manchester
M2 1EW

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Agents	Sanderson Weatherall LLP, independent agents who were instructed to value and sell the assets of the Company
the Appointment Date	16 August 2019, being the date of appointment of the Joint Administrators
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Company	MBI Clifton Moor Limited (In Administration) (Company Number: 08763790)
DBEIS	Department for Business, Energy & Industrial Strategy
the Director	Gavin Woodhouse, the sole director of the Company
Duff & Phelps	Duff & Phelps Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW
EC Regulation	EC Regulation on Insolvency Proceedings 2000
HMRC	HM Revenue and Customs
the Joint Administrators	Philip Duffy and Sarah Bell of Duff & Phelps
the Land	Freehold and leasehold land at the South East Side of Elliott Street, Tyldsley, Manchester. Title numbers MAN34746 and MAN34869.
Prescribed Part	Pursuant to Section 176A of the Act, where a floating charge is created after 15 September 2003, a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential creditors
the Reporting Period	The period 16 August 2019 to 9 October 2019
RAH	Robert Ashley Hall, the holder of a fixed and floating charge over the Company's assets
Rockbridge	Rockbridge Lending Limited, the holder of a fixed and floating charge over the Company's assets
the Secured Creditors	RAH and Rockbridge

SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
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SOA	Statement of Affairs, documentation to be supplied by the Director outlining the Company's financial position as at the Appointment Date
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1. Introduction

- 1.1 The Joint Administrators were appointed on the Appointment Date by an order of the Court.
- 1.2 The functions of the Joint Administrators may be exercised by either of the Joint Administrators.
- 1.3 This report is the statutory statement of Proposals of the Joint Administrators. It sets out the circumstances leading up to their appointment and their strategy for achieving the purpose of the Administration.
- 1.4 These proposals are deemed delivered to creditors within 2 business days of the date of this report.

2. Background

- 2.1 Statutory information on the Company and a summary of its financial history is included at Appendix 1.
- 2.2 The Company was incorporated on 6 November 2013 and Gavin Woodhouse was the sole director and shareholder of the Company at the Appointment Date.
- 2.3 The Company's main asset was the Land on which the Company had plans to build a residential care home.
- 2.4 The Company granted a fixed and floating charge to RAH on 24 March 2015 in respect of the Land owned by the Company.
- 2.5 Additional fixed and floating charges were granted to Rockbridge on 21 December 2018 over the Land.
- 2.6 The Company did not hold a bank account at the Appointment Date.

3. Events Leading up to the Administration

- 3.1 Prior to the appointment of the Joint Administrators, Duff & Phelps were engaged by certain investors to assist them in filing an Administration application against the Company, and other companies within the Northern Powerhouse Developments Group.
- 3.2 The investors filed the application to Court on 4 July 2019 and at the hearing the judge appointed Philip Duffy and Sarah Bell as Interim Managers of the Company. This was to allow the Interim Managers to investigate the viability of the care home scheme that was being operated by the Company and to evaluate the Company's financial position.
- 3.3 The Company had obtained investment from, principally, private individuals in the UK and overseas, into an investment scheme for the construction and operation of a care home.
- 3.4 The Land, on which the care home was to be built, was acquired by the Company in May 2014 *however it appears that limited development work has been undertaken despite conditional planning permission being granted by Wigan Council on 8 October 2015 in respect of the Land for the construction of a 70-bed care home.*
- 3.5 This scheme had the aim of constructing and operating a care home looking to deliver returns to investors of 12.5% per annum over a 10-year period with the construction of the care home estimated to take 18 months.

- 3.6 The conditional planning permission was valid for a period from 8 October 2015 to 8 October 2018 and searches of the Wigan Council website have confirmed that no extension (or variation) was granted in respect of that permission.
- 3.7 It should be noted that the Land was not owned by the Company at the time that investments were first solicited from investors and planning permission was not obtained for the Land until 2015, *some considerable time after most, if not all, of the investments for the scheme*. The construction of the care home had not been completed.
- 3.8 *The Company has raised investments of c£3.9 million and the Company is obliged to pay a 10% annual coupon on those investments, even allowing for an element of developer deferred investments, it is self-evident that the net balance of the original investments available to the Company after payment of such returns is unlikely to be sufficient to construct and operate the proposed care home.*
- 3.9 It became clear to the Court that the Company was unable to sustain the business model being used and therefore the Court ordered that the Joint Administrators be appointed on the Appointment Date.
- 3.10 The Joint Administrators considered the position prior to accepting the appointment and having regard to the Insolvency Practitioners Association's ethical guidelines, considered that there were no circumstances preventing them from accepting the appointment.

4. Purpose of the Administration

- 4.1 The purpose of an Administration is to achieve one of the following hierarchical objectives:
- Rescuing the company as a going concern, or
 - Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration), or
 - Realising property in order to make a distribution to one or more secured or preferential creditors.
- 4.2 The first objective will not be achieved as there are insufficient funds and assets available to enable the Company to be rescued as a going concern.
- 4.3 The second objective may not be achievable as there is no evidence to suggest that it is likely that a better result for the Company's creditors as a whole will be achieved than if the Company was wound up.
- 4.4 The Joint Administrators are pursuing the third objective as subject to validity of security and any prior ranking equitable interests, it is anticipated that a distribution will be made to one or more of the Secured Creditors.
- 4.5 The Joint Administrators' Proposals for achieving the purpose of the Administration are set out in the remainder of this report.

5. Statement of Affairs

- 5.1 The Joint Administrators have requested that the Director provide a SOA. To date this has not been provided.

- 5.2 *In the absence of a SOA, the Joint Administrators attach a schedule of creditors' names and addresses and a statement of assets and liabilities which has been extracted from the Company's books and records at Appendix 3.*
- 5.3 Some creditor amounts shown may differ from the actual amount owed. This does not affect their claim.

6. Progress of the Administration to Date

- 6.1 The manner in which the affairs and business of the Company have been managed since the appointment of Joint Administrators and will continue to be managed and financed are set out below.

Land owned by the Company

- 6.2 The scheme for which investments were solicited, and obtained, from investors was for a proposed development of a 70-bed care home on a plot of undeveloped land in Tyldesley, Greater Manchester. The site comprises of the Land which is registered at HM Land Registry under title numbers MAN34746 and MAN34869.
- 6.3 The Land has been secured and insured by the Joint Administrators and the Agents have been instructed to provide a valuation and marketing advice in respect of the Land.
- 6.4 The marketing of the Land is being progressed with a view to completing a sale as soon as reasonably practicable and it is anticipated that a sale will be achieved within the next six to twelve months. Once a sale of the Land has been completed, full details will be provided.
- 6.5 Due to the commercial sensitivity of the sales process, we are unable to provide details of the expected realisations in respect of the Land. Details of the value obtained will be provided to creditors in reports subsequent to the sale.
- 6.6 Information reviewed by the Joint Administrators to date show that approximately 77 investors purportedly acquired rooms in the proposed care home. The Joint Administrators are currently investigating these agreements.
- 6.7 The Joint Administrators are intending to seek Court direction to allow the Court to determine the extent of Investors' interests and other creditors across the Northern Powerhouse Development Group. A further update will be provided in the next report to creditors.

Cash at Bank

- 6.8 *The Company did not hold funds in a separate bank account and following a review of the Company's books and records, the Joint Administrators understand that funds received from the Company's investors in return for interests in the care home scheme appear to have been paid into a bank account held by MBI Consulting (UK) Limited.*
- 6.9 MBI Consulting (UK) Limited was placed into Administration on 22 August 2018 with Philip Pierce and Paul Whitwam of FRP Advisory LLP being appointed as Joint Administrators.

- 6.10 The Joint Administrators have put the administrators of MBI Consulting (UK) Limited on notice that the Company has a claim of £5.4m and have asked several urgent questions of the administrators of MBI Consulting (UK) Limited to which no reply has been received.
- 6.11 A further update will be provided in subsequent reports.

Inter-company Debt

- 6.12 According to the Company's books and records as at March 2019, there are several outstanding debts due to the Company from associated companies:

	Value (£'000)
Afan Valley Limited	94
Carmarthen Bay Hotel Limited	9
Northern Powerhouse Developments Limited	467
The Harland Hotel Limited	75
Atlantic Bay Hotel (Woolacombe) Limited	64
MBI Hawthorn Care Limited	8
Total	717

- 6.13 All of the associated companies listed above, with the exception of The Harland Hotel Limited, are in formal insolvency processes and it is uncertain whether any of the inter-company debts are recoverable. The Joint Administrators will lodge claims in each of the relevant estates.
- 6.14 The Joint Administrators will pursue The Harland Hotel Limited accordingly in respect of the amount owed to the Company.
- 6.15 Please note that the Joint Administrators are in the process of reconciling the balances to ensure accuracy. Any changes to the inter-company debt position will be detailed in future reports to creditors.

HMRC Refund

- 6.16 During the Reporting Period, a receipt totalling £2,010 was made to the Company by HM Revenue & Customs in relation to a pre-appointment refund due to the Company.
- 6.17 No further realisations are anticipated in this respect.

Other Assets

- 6.18 The Joint Administrators are not aware of any other assets available in the Administration however, they will continue to investigate the potential to enhance realisations for the benefit of creditors.

7. Investigations

- 7.1 Investigations into the Company's affairs are currently ongoing.
- 7.2 The Joint Administrators have a statutory obligation to file a report with DBEIS regarding the conduct of the Directors that held office in the three years prior to the Administration. This report must be filed within three months from the Appointment Date and the content of this report is confidential.

7.3 The Joint Administrators also have a duty to investigate antecedent transactions which include:

- Transactions at an undervalue, under Section 238 of the Act;
- Preferences, under Section 239 of the Act; and,
- Transactions to defraud creditors, under Section 423 of the Act.

7.3 A further update on the investigations into the Company's affairs will be provided in subsequent progress reports.

7.4 Should any creditor have any information which they consider may assist the investigations of the Joint Administrators, such information should be forwarded to Duff & Phelps.

8. Liabilities and Dividends

Secured Creditors

Robert Ashley Hall

8.1 In consideration for the monies advanced under a loan facility the Company granted RAH a debenture on 16 May 2014, which confers fixed and floating charges over all of the assets of the Company.

8.2 As at the Appointment Date, the Company's indebtedness to RAH was approximately £1.7m plus accruing interest and charges, however, this is subject to further verification.

8.3 At this stage it is anticipated that there will be sufficient realisations to enable a distribution to RAH.

Rockbridge

8.4 In consideration for the monies advanced under a loan facility the Company granted Rockbridge a debenture on 21 December 2018, which confers fixed and floating charges over all of the assets of the Company.

8.5 At this stage it is anticipated that there will be insufficient realisations to enable a distribution to Rockbridge under its security.

Preferential Creditors

8.6 The Joint Administrators are not aware of any employees of the Company therefore no preferential claims are anticipated.

Prescribed Part

8.7 The Prescribed Part is calculated as a percentage of net property, as follows:-

Net property less than £10,000:	50% unless the Joint Administrator considers that the costs of making a distribution to the non-preferential unsecured creditors would be disproportionate to the benefits
Net property greater than £10,000:	50% up to £10,000 plus 20% thereafter to a maximum of £600,000.

- 8.8 The Company granted floating charges to the Secured Creditors and the Prescribed Part provisions will therefore apply.
- 8.9 The estimated net property of the Company is currently unknown until such times as a sale of the Land has been completed.
- 8.10 The quantum and timing of the Prescribed Part distribution, if any, is currently unknown at this stage and is dependent on final asset realisations and the discharge of the costs of the Administration. A further update on the Prescribed Part distribution, if any, will be provided to creditors in future reports.

Non-Preferential Creditors

- 8.11 According to the Company's books and records, non-preferential trade creditors total £10,793.
- 8.12 The Company's books and records also indicate additional balances of £474,211 are due to other associated companies. The total non-preferential creditors can be summarised as follows:

Creditor	Claim (£)
Trade & Expense Creditors	10,793
Inter-Company Creditors	474,211
Investor Buyback Provision	6,656,168
Total	7,141,172

- 8.13 Based upon the current information available, it is anticipated that there will be insufficient realisations to enable a distribution to the non-preferential creditors of the Company, other than from the Prescribed Part, if any.
- 8.14 If not already done so creditors of the Company should complete the proof of debt form at Appendix 9 and return same to the Joint Administrators.

9. Statement of Pre-Administration Costs

- 9.1 Pre-Administration costs are fees charges and expenses incurred by the Joint Administrators or their firm, or another person qualified to act as an insolvency practitioner, before the Company entered Administration but with a view to it doing so.
- 9.2 Any Pre-Administration costs incurred in respect of the Company were incurred by the Interim Managers and therefore, approval of these costs will be sought from the Court accordingly.

10. Costs and Expenses

Estimated Fees and Expenses

- 10.1 It is proposed that the Joint Administrators' fee basis is based on time costs and the fees will be agreed by the Secured Creditors.

- 10.2 The time costs already charged since appointment are analysed at Appendix 4. Time is charged in six-minute units.
- 10.3 In accordance with SIP 9, the Joint Administrators have provided creditors with additional information regarding major areas of time spent below:
- 10.4 Time costs totalling £2,803 have been incurred in the Reporting Period, representing 15 hours at an average charge out rate of £193.
- 10.5 Time costs totalling £1,286 have been incurred in dealing with Statutory Matters (Meetings & Reports & Notices). This related to time spent producing the statutory notices and documents following the appointment and circulating these to the relevant creditors and stakeholders of the Company and filing the documents at Companies House.
- 10.6 Time costs totalling £1,256 have been incurred in dealing with Strategy Planning & Control. This relates to updating and maintaining the strategy of the Administration and the review of all requirements within the Administration.
- 10.7 Time costs totalling £153 have been incurred in dealing with Creditors. This relates to time spent communicating with investors and creditors since the Appointment Date.
- 10.8 The amount proposed to be drawn in fees over the life of the case by the Joint Administrators is shown in Appendix 5. The total amount of £90,903 indicated effectively acts as a cap on the level of fees to be drawn by the Joint Administrators.
- 10.9 Attached at Appendix 6 is the Fee Narrative, a summary of key issues, to assist creditors in understanding the strategy of the Joint Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors. Further details of assets and liabilities and the estimated return to creditors, if any, are in the body of this report.
- 10.10 The Joint Administrators estimate the expenses of the Administration to total approximately £40,480 as shown in Appendix 7. This Schedule illustrates the estimated expenses for the whole of the Administration and is for information purposes only. No approval is required by creditors. This estimate may change over the course of the Administration, but creditors will be informed of any variations with associated reasons in future progress reports.
- 10.11 Details of how to obtain further information relating to the fees and disbursements of the Joint Administrators is in Appendix 8.
- 11. Joint Administrators' Receipts and Payments Account**
- 11.1 A Receipts and Payments Account is provided at Appendix 2 and is self-explanatory.
- 12. EC Regulation**
- 12.1 It is the Joint Administrators' opinion that the EC Regulation applies, and these proceedings are main proceedings as defined in Article 3 of the EC Regulation.
- 13. Deemed Approval**
- 13.1 A creditors decision on the approval of these proposals will not be sought as the Joint Administrators believe that the Company will have insufficient property to enable a distribution to be made to non-preferential creditors, other than the Prescribed Part (if any).

13.2 The Joint Administrators' proposals will be deemed approved by the creditors unless creditors whose debts amount to at least 10% of the total debts of the Company request the Joint Administrators to seek a specific decision from the Company's creditors.

13.3 Further information is provided on Appendix 8, Statement of Creditors Rights.

14. End of the Administration

14.1 The options available to the Joint Administrators for the exit from the Administration are as follows:

- Compulsory Liquidation
- Creditors' Voluntary Liquidation
- Company Voluntary Arrangement
- Return of control to the Director(s)
- Dissolution of Company

14.2 The Joint Administrators recommend that the Company should be dissolved, for the reasons set out below.

14.3 The Joint Administrators have formed the view that once all the outstanding Administration matters have been finalised, and all liabilities incurred during the Administration have been discharged, there will be insufficient funds available to allow a distribution to non-preferential creditors, other than from the Prescribed Part (if any).

14.4 Once all outstanding matters have been satisfactorily completed by the Joint Administrators, they will give notice to the Registrar of Companies to the effect that the Company has no remaining property to realise which might permit a (further) distribution to its non-preferential creditors, at which stage the Administration will cease. The Company will be dissolved three months following the registration of the notice at the Registrar of Companies.

14.5 You will note from the Proposals section below that the Joint Administrators have left the choice of exit route from Administration open so that an alternative strategy can be adopted, should this prove more appropriate at the time.

15. Joint Administrators' Proposals

15.1 The Joint Administrators' Proposals shall be deemed approved by the creditors on the expiry of the period in which a decision can be requisitioned by creditors as detailed in the Appendix 8.

15.2 The Joint Administrators are seeking deemed consent approval in respect of the proposals as detailed in paragraphs 13.1 to 13.2 and sections 15.1.1 to 15.1.4 overleaf.

15.1.1 That the Joint Administrators continue the Administration to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect.

15.1.2 That the Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration.

15.1.3 That the Joint Administrators, once all outstanding matters have been satisfactorily completed, take the necessary steps to give notice under Paragraph 84 of Schedule B1 of the Act to the Registrar of Companies to the effect that the Company has no remaining property which might permit a distribution to its creditors, at which stage the Administration will cease.

15.1.4 That the Joint Administrators, where they consider that there are funds available to be distributed to the unsecured creditors (other than under the Prescribed Part) take the necessary steps to put the Company into either creditors' voluntary liquidation or into compulsory liquidation as they deem appropriate. It is proposed that the Joint Administrators, currently Philip Duffy and Sarah Bell of Duff & Phelps would act as Joint Liquidators should the Company be placed into creditors' voluntary liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Act and Rule 3.60(6)(b) of the Rules creditors may nominate a different person as the proposed liquidator, provided the nomination is received at this office prior to the approval of these Proposals. In the absence of such nomination, the Joint Administrators will be appointed Joint Liquidators and in accordance with Section 231 of the Act any act required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them.

15.3 The Joint Administrators will be seeking specific agreement to the following Proposals from the Secured Creditors:

15.3.1 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing.

15.3.2 Where a Creditors' Committee is not established, that the Joint Administrators' remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration.

15.3.3 Where a Creditors' Committee is not established, that the Joint Administrators' Fee Estimate in the total sum of £90,903 is approved.

15.3.4 Where a Creditors' Committee is not established, that the Joint Administrators be authorised to draw their company's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements").

16. Other Matters

16.1 If any creditor has any information concerning the Company's affairs that they would like to bring to the Joint Administrators' attention, then they would be pleased to hear from them.

16.2 If you require further information or assistance, please do not hesitate to contact Heather Thomson at this office.



Philip Duffy
Joint Administrator

Enc.

The affairs, business and property of the Company are being managed by the Joint Administrators, Philip Duffy and Sarah Bell, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association

Appendix 1

Statutory Information

Statutory Information

Date of Incorporation	6 November 2013
Registered Number	08763790
Company Director	Gavin Woodhouse
Shareholders	Gavin Woodhouse – 100% shareholder
Trading Address	Unit D2, Elland Riorges Link Lowfields Business Park Elland England HX5 9DG
Registered Office	Current: c/o Duff & Phelps Ltd The Chancery 58 Spring Gardens Manchester M2 1EW Former: Unit D2, Elland Riorges Link Lowfields Business Park Elland England HX5 9DG

Financial Information

Balance Sheet

	As at 31 March 2017 (Unaudited) (£)	As at 31 March 2018 (Unaudited) (£)
Fixed Assets		
Tangible Assets	523,649	926,186
Current Assets		
Debtors	437,509	485,816
Current Liabilities		
Amounts falling due within one year	(4,698,457)	(5,352,620)
Net Current Liabilities	(4,260,948)	(4,866,804)
Total Assets less Current Liabilities	(3,737,299)	(3,940,618)
Capital and Reserves		
Called Up Share Capital	100	100
Revaluation Reserve	-	320,859
Retained Earnings	(3,737,399)	(4,261,577)
	(3,737,299)	(3,940,618)

Appendix 2

Receipts and Payments Account

MBI Clifton Moor Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 16/08/2019 To 25/09/2019 £	From 16/08/2019 To 25/09/2019 £
ASSET REALISATIONS		
Pre-Appointment HMRC Refund	2,010.00	2,010.00
	<u>2,010.00</u>	<u>2,010.00</u>
	2,010.00	2,010.00
REPRESENTED BY		
Floating/main current account		2,010.00
		<u>2,010.00</u>

Note:

Philip Francis Duffy
Joint Administrator

Appendix 3

Schedule of Creditors and Estimated Statement of Assets and Liabilities

Duff & Phelps Ltd.
MBI Clifton Moor Limited
B - Company Creditors

Key	Name	Address	
CB0001	Brierstone Ltd	351 Whalley Road, Clayton Le Moors, Accrington, BB5 5QZ	8,032.90
CHCH03	Healthcare Property	Marlborough House, Westminster Place, York Business Park, York, YO26 6RW	2,340.00
CI06	Intercompany Creditors		474,211.00
CI05	Investor Buyback Provision		6,656,168.00
CWCW02	Williams & Co	Merchant House, 24 Cheapside, Wakefield, WF1 2TF	120.00
CWCW03	Woodcocks Haworth & Nuttall	1a strawberry bank, preston new road, Blackburn, BB2 6AA	300.00
6 Entries Totalling			7,141,171.90

Insolvency Act 1986
MBI Clifton Moor Limited (In Administration)
Estimated Statement Of Assets & Liabilities as at 16 August 2019

	Book Values £	Estimated to Realise £
Assets Subject to Fixed Charge		
Land	972,000	Uncertain
Less: RAH	(1,700,000)	(1,700,000)
Surplus/(Deficiency) c/d		(1,700,000)
Uncharged Assets		
Intercompany Debtors	718,000	-
Funds Available to Preferential Creditors	<u>718,000</u>	<u>-</u>
Less: Preferential Creditors		<u>-</u>
Estimated Funds Available to Non-Preferential Creditors		-
Less: Non-Preferential Claims		
Trade & Expense Creditors	-	(16,000)
Other Creditors and Accruals	-	(1,064,000)
Loans Less than One Year	-	(154,000)
Investor Buyback Provision	-	(6,694,000)
Estimated Liability to Non-Preferential Creditors		(7,928,000)
Issued and Called Up Share Capital		(100)
Estimated Liability to Shareholders		<u><u>(7,928,100)</u></u>

Appendix 4

Analysis of Time Charged and Expenses Incurred

108924 MBI CLIFTON MOOR LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 21/08/2019 to 20/09/2019

ADM-Admin. - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
Administration and Planning								
Cashiering & accounting	0.00	0.00	0.00	0.30	0.00	0.30	54.00	180.00
Insurance	0.00	0.00	0.00	0.30	0.00	0.30	54.00	180.00
Statutory matters (Meetings & Reports & Notices)	0.00	0.00	0.00	8.30	0.00	8.30	1,286.00	154.94
Strategy planning & control	0.00	0.00	3.30	1.50	0.00	4.80	1,256.00	261.67
Creditors								
Communications with Creditors / Employees	0.00	0.00	0.00	0.85	0.00	0.85	153.00	180.00
Total Hours:	0.00	0.00	3.30	11.25	0.00	14.55		192.67
Total Fees Claimed: £	0.00	0.00	940.50	1,862.50	0.00		2,803.00	

Category 2 Disbursements:

Appendix 5

Fee Estimate

Fees Estimate

Project: (108294) MBI Clifton Moor Limited

From 16 August 2019 for the Administration as a whole

Administration - Post Appointment (New)									
Classification of Work Function	Hours					Total Hours	Time Cost	Avg. Hourly	
	Partner	Manager	Senior	Assistant	Support				
Admin & Planning									
Case review and Case Diary management	1.00	1.00	1.00	3.30	0.00	6.30	1,992.00	316.19	
Cashiering & accounting	2.00	2.00	2.00	3.00	0.00	9.00	3,300.00	366.67	
Closing Matters	2.00	1.50	2.00	7.00	0.00	12.50	3,820.00	305.60	
Dealings with Directors and Management	2.00	3.00	1.00	2.00	0.00	8.00	3,305.00	413.13	
Insurance	0.00	5.00	0.00	4.30	0.00	9.30	3,217.00	345.91	
IPS set up & maintenance	0.00	2.00	0.00	6.00	0.00	8.00	2,100.00	262.50	
Statutory matters (Meetings, Reports and Notices)	2.00	5.00	2.00	35.00	0.00	44.00	10,820.00	245.91	
Strategy planning & control	2.00	15.00	8.30	37.00	0.00	62.30	17,795.50	285.64	
Tax Compliance/Planning	0.00	0.10	0.00	1.00	0.00	1.10	238.00	216.36	
Creditors									
Communications with Creditors/Employees	0.00	0.00	0.00	15.00	0.00	15.00	2,850.00	190.00	
Non Pref Creditors/Employee claims handling	0.00	1.00	1.00	6.00	0.00	8.00	1,905.00	238.13	
Secured Creditors	0.00	5.00	3.00	1.00	0.00	9.00	3,445.00	382.78	
Investigations									
CDDA, reports & Communication	2.00	3.00	4.00	6.00	0.00	15.00	4,920.00	328.00	
Financial review and investigations (\$238/239 etc)	1.00	3.00	8.00	34.00	0.00	46.00	10,780.00	234.35	
Realisation of assets									
Book debts	0.00	5.00	6.00	20.00	0.00	31.00	7,910.00	255.16	
Freehold & Leasehold Property	1.00	6.00	15.00	25.00	0.00	47.00	12,505.00	266.06	
Total Hours	15.00	57.60	53.30	205.60	0.00	331.50			
Total Estimated Fees	9,000.00	27,648.00	15,190.50	39,064.00	0.00		90,902.50		

Appendix 6

Fee Narrative

MBI Clifton Moor Limited (In Administration)
Fee Estimate from for the whole period of the Administration

Philip Duffy and Sarah Bell appointed on 16 August 2019
Administration commenced on 16 August 2019

Introduction

The following information is provided to creditors to enable them to consider and approve the Joint Administrators' remuneration. It is a summary of key issues, to assist creditors in understanding the strategy of the Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors.

This document should be read in conjunction with the Joint Administrators' Proposals Report which provides further details of the assets, liabilities and estimated return to creditors, if any. Particular reference is made to the Appendices entitled 'Analysis of Time Charged and Expenses Incurred', 'Fee Estimate' and 'Estimated Expenses of the Administration'.

Estimated Fees and Expenses

The Joint Administrators propose that their fees will be based on time costs.

The time costs expected to be incurred over the life of the case by the Administrators is shown in Appendix 5.

The Joint Administrators estimate the expenses of the Administration to total in the region of £40,480 subject to agents' fees which will be calculated on a percentage basis of realisations (as shown in Appendix 7). This Appendix illustrates the estimated expenses for the whole of the Administration and is for information purposes (not for approval by any class of creditor). This Estimate may change over the course of the Administration but creditors will be informed of any variations with associated reasons in the future Progress Reports.

As detailed in paragraph 10.1 of the main report, secured creditors are asked to approve the fee basis (time costs) and also the Fee Estimate in the total sum of £90,903.

Estimated Return to Creditors

Secured Creditors

Robert Ashley Hall

In consideration for the monies advanced under a loan facility the Company granted RAH a debenture on 16 May 2014, which confers fixed and floating charges over all of the assets of the Company.

As at the Appointment Date, the Company's indebtedness to RAH was approximately £1.7m plus accruing interest and charges, however, this is subject to further verification.

At this stage it is anticipated that there will be sufficient realisations to enable a distribution to RAH.

Rockbridge

In consideration for the monies advanced under a loan facility the Company granted Rockbridge a debenture on 21 December 2018, which confers fixed and floating charges over all of the assets of the Company.

At this stage it is anticipated that there will be insufficient realisations to enable a distribution to Rockbridge under its security.

Preferential Creditors

The Joint Administrators are not aware of any employees of the Company therefore no preferential claims are anticipated.

Non-Preferential Creditors

Based upon the current information available, it is anticipated that there will be insufficient realisations to enable a distribution to the non-preferential creditors of the Company, other than from the Prescribed Part, if any.

On present information, it is estimated that the Joint Administrators' time costs in dealing with Creditors will be £8,200. Such time will be incurred in respect of corresponding with all creditors, reviewing claims and arranging any distribution.

Such time also includes reviewing the position of the investor claims.

Strategy

Asset Realisation

Sale of the Land

The scheme for which investments were solicited, and obtained, from investors was for a proposed development of a 70-bed care home on a plot of undeveloped land in Tyldesley, Greater Manchester. The site comprises of the Land which is registered at HM Land Registry under title numbers MAN34746 and MAN34869.

The Land has been secured and insured by the Joint Administrators and the Agents have been instructed to provide a valuation and marketing advice in respect of the Land.

The marketing of the Land is being progressed with a view to completing a sale as soon as reasonably practicable and it is anticipated that a sale will be achieved within the next six to twelve months. Once a sale of the Land has been completed, full details will be provided.

Due to the commercial sensitivity of the sales process, we are unable to provide details of the expected realisations in respect of the Land. Details of the value obtained will be provided to creditors in reports subsequent to the sale.

On present information, it is estimated that the Joint Administrators' time costs in dealing with realisation of assets will be £20,415. This time also includes time spent reviewing the intercompany position and the recoverability of intercompany loans.

Investigations

It is a statutory requirement that the Administrators provide a report to the Secretary of State on the conduct of the Directors in their management of the Company to determine their unfitness to act in such a role. This will entail a broad level of investigation to ensure that best practice standards are met and the Fee Estimate reflects this standard. If the Secretary of State then instigates Directors Disqualification proceedings, further time may be expended in providing supporting documents, witness statements etc. Such investigation may or may not lead to further asset recovery so creditors should not assume that this activity will provide a monetary benefit to the Administration estate.

The Joint Administrators also have a duty to investigate antecedent transactions which include:

- Transactions to defraud creditors, s.423 of the Act;
- Preference payments, s.239 of the Act; and
- Transactions at an undervalue, s.238 of the Act.

Full details of the investigations to be conducted cannot be disclosed at this stage in order to avoid prejudicing any potential recovery or action in this regard. However, a further update on the investigations into the Company's affairs will be provided in subsequent progress reports.

On present information, it is estimated that the Joint Administrators' time costs in concluding these investigations will be £15,700.

Statutory Compliance

An Administrator is highly regulated, being required to conform to insolvency legislation, industry Best Practice policies (Statements of Insolvency Practice) and relevant case law. Consequently, Administrators are obliged to undertake many activities that do not provide a financial benefit to creditors. Such matters will include, but are not restricted to: Anti Money Laundering, Bribery Act and Ethical considerations and checks, statutory advertising, regular reporting to creditors including fee agreement procedures, obtaining and securing company books and records, pension review and liaison with the Pension Protection Fund, Companies House filing, completion and release of insolvency bond and various Treasury functions.

Time costs are estimated at £46,588 for the above areas.

Appendix 7

Estimated Expenses of the Administration

MBI Clifton Moor Limited (In Administration)
Joint Administrators' Estimated Expenses of the Administration

Company	Activity	Fee Basis	Estimated Fee
Professional Advisors			
Sanderson Weatherall	Agents - Marketing and Valuation advice	Time costs	14,000.00
Insolvency Risk Services	Insurer- Insurance over the Land	Set Rate	8,000.00
Hewlett Swanson	Solicitors -Assisting with the Joint Administrators appointment, and other ad hoc legal matters	Time costs	16,000.00
TOTAL			<u>£38,000.00</u>
Costs			
Courts Advertising Limited	Statutory Advertising	Fixed Fee	255.00
Willis Towers Watson	Bond premium	Fixed Fee	225.00
Barclays Bank	Bank charges	Set Rate	2,000.00
TOTAL			<u>2,480.00</u>
TOTAL			<u>40,480.00</u>

The Joint Administrators' choice of professional advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and the basis of their fee.

Appendix 8

Statement of Creditors' Rights

STATEMENT OF CREDITORS' RIGHTS

Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)

Section or paragraph numbers refer to Insolvency Act 1986

If you require a copy of any relevant rule or section, please contact Heather Thomson at this office.

This notice is accompanied by the Joint Administrators' Statement of Proposals

Information for creditors on remuneration and disbursements of Administrators

Information regarding the fees and disbursements of administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at:

<https://www.duffandphelps.co.uk/services/restructuring/corporate-restructuring-and-debt-advisory/creditor-guides-and-employee-fact-sheets>

(click on the document 'Administration (appointment from 1 October 2015)'. Should you require a copy, please contact this office.

Creditors may requisition a decision to be made by all of the creditors for approval of the Joint Administrators' Proposals under para 52(2) Schedule B1 Insolvency Act 1986

The Joint Administrators shall seek a decision from the Company's creditors as to whether they approve the proposals if requested by creditors of the Company, whose debts amount to at least 10% of the total debts of the Company. Such a request must be received by the Joint Administrators within 8 business days of the date on which the Joint Administrators' statement of proposals is delivered.

The request for a requisitioned decision must include a statement of the purpose of the proposed decision and either—

(a) a statement of the requesting creditor's claim together with—

- a list of the creditors or contributories concurring with the request and of the amounts of their respective claims or values, and
- confirmation of concurrence from each creditor; or

(b) a statement of the requesting creditor's debt and that that alone is sufficient without the concurrence of other creditors

Creditor/s may be requested to meet the costs of a requisitioned decision and a deposit will be required for this purpose. These costs may be ordered to be paid as an expense of the Administration if the creditors so resolve.

A requisitioned decision must be made within 28 days of receiving the deposit or the expiry of 14 days without the Administrator informing the requesting creditor of the deposit sum.

Appendix 9

Proof of Debt Form

PROOF OF DEBT - GENERAL FORM

MBI Clifton Moor Limited - in Administration Company No. 08763790		
1.	Name of Creditor (If a company please also give company registration number and if non-UK, country of registration)	
2.	Address of Creditor for correspondence	REF
	Contact telephone number of creditor	
	Email address of creditor	
3.	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	
4.	Details of any documents by reference to which the debt can be substantiated (please attach)	
5.	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6.	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Particulars of any reservation of title claimed, in respect of goods supplied to which the claim relates	
9.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	DATE
	Are you the sole member of the creditor?	YES / NO
	Position with or in relation to creditor Address of person signing (if different from 2 above)	
Admitted to vote for £		Admitted for dividend for £
Date		Date
Administrator		Administrator

AM03

Notice of Administrator's Proposals



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Philip Francis Duffy
Company name	Duff & Phelps Ltd.
Address	The Chancery
	58 Spring Gardens
Post town	Manchester
County/Region	
Postcode	M 2 1 E W
Country	
DX	
Telephone	+44 (0) 161 827 9000



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse