

The Insolvency Act 1986  
**Administrator's progress report**

Name of Company  
 Starcourt Developments Limited

Company number  
 05439353

In the  
 High Court of Justice, Companies Court  
(full name of court)

Court case number  
 510 of 2015

(a) Insert full name(s) and address(es) of administrator(s)

I/We (a)  
 Arron Kendall  
 Moorfields Corporate Recovery Limited  
 88 Wood Street  
 London  
 EC2V 7QF

Simon Thomas  
 Moorfields Corporate Recovery Limited  
 88 Wood Street  
 London  
 EC2V 7QF

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

(b) Insert date

From  
 (b) 22 January 2015

To  
 (b) 21 July 2015

Signed

*Arron Kendall*  
 Joint / Administrator(s)

Dated

12/8/15.

**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

Arron Kendall Moorfields Corporate Recovery Limited 88 Wood Street London EC2V 7QF DX Number	0207 186 1144 DX Exchange
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THURSDAY



A15 13/08/2015 #474

COMPANIES HOUSE

When you have completed and signed this form, please send it to the Registrar of Companies at -  
**Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff**

**Starcourt Developments Limited (In Administration)**

**Joint Administrators' First Progress Report**

**in accordance with**

**Rule 2.47 of the Insolvency Rules 1986 (as amended)**

12 August 2015

## Contents

### Section

- 1 Background and Statutory Information
- 2 Progress of the Administration
- 3 Pre Administration Costs
- 4 Joint Administrators' Remuneration
- 5 Joint Administrators' Disbursements
- 6 Prescribed Part
- 7 Estimated Outcome for Creditors
- 8 Investigations
- 9 Exit from Administration
- 10 Creditors rights

### Appendices

- I Statutory Information
- II Joint Administrators' Receipts and Payments Account
- III Time Analysis for period
- IV Moorfields Corporate Recovery Limited Charging and Disbursement Recovery Policy

#### *Disclaimer*

*This report has been prepared for the sole purpose of updating creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.*

## **Starcourt Developments Limited – In Administration (“The Company”)**

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

This is the Joint Administrators' first progress report on the conduct of the Administration from 22 January 2015 to 21 July 2015 in accordance with the requirements of Rule 2.47 of the Insolvency Rules 1986 (as amended) (“the Rules”)

This report should be read in conjunction with the Joint Administrators' Statement of Proposals (“the Proposals”) circulated to all known creditors on 25 February 2015. The Proposals were approved as circulated in accordance with Rule 2.33(5) of the Insolvency (Amendment) Rules 2003. There has been no major deviation from the strategy as proposed.

The Company entered administration on 22 January, 2015 and Arron Kendall and Simon Thomas, both Licensed Insolvency Practitioners of Moorfields Corporate Recover Limited (“Moorfields”), 88 Wood Street, London EC2V 7QF, were appointed to act as Joint Administrators.

To date no fees have been drawn in respect of the Administration. Further information regarding fees is given in section 5.

Based on current information, there will be no distribution to the unsecured creditors.

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

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

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

The Joint Administrators' receipts and payments account for the period 22 January 2015 to 21 July 2015 is attached at Appendix II.

I would comment specifically as follows:

#### **2.1 Realisation of assets**

##### **2.1.1 Cash at Bank**

A sum of £1,385 has been realised from the balance held in the pre-Administration Company bank account.

##### **2.2 Assets still to be realised**

###### **Freehold Land & Property**

As stated in the Administrators' proposals the primary asset of the Company was freehold land situated on the north side of London Road, Purfleet, Essex.

An LPA Receiver, who was appointed prior to the appointment of the Joint Administrators, is dealing with this asset.

In May 2015, a planning application, which valuers had indicated, if successful, would significantly increase the value of the land, was rejected by the local council. As a result of this, the LPA Receiver is currently taking steps to market the land in its current form with a view to disposing of it as soon as possible.

#### VAT

The Joint Administrators are in the process of reclaiming the VAT that was incurred from various planning related expenditure.

#### 2.3 Sale of assets to a connected party

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

#### 2.4 Joint Administrators' Expenses

The expenses paid by the Joint Administrators in the period of this report are reflected in the receipts and payments account at Appendix II. The following expenses have been incurred by the Joint Administrators' in the period but not paid.

	Total expenses outstanding as at 21/07/2015 £
Statutory Advertising	84 60
Bond	30.00
Land Reg search	14 00
Agent's Fees	250 00
	<u>378 60</u>

The statement excludes any potential tax liabilities that may be payable as an expense of the Administration in due course because amounts due will depend upon the position at the end of the tax accounting period.

#### 2.5 Professional Advisers

The Joint Administrators have used the professional advisers listed below.

Name of Adviser	Brief description of services provided	Basis of fee arrangement	Costs incurred to date	Costs paid to date	Amount unpaid £
Pinsent Masons LLP	Legal services	Fixed fee	£2,500	£2,500	Nil
Abbotts Chartered Accountants	Tax	Fixed fee	£250	£250	Nil

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

### **3. Pre-administration Costs**

- 3.1 Please note that the Joint Administrators' will not be recovering any costs incurred prior to their appointment

### **4 Joint Administrators' Remuneration**

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

- 4.2 In accordance with the Proposals, and pursuant to Rule 2.106 of the Rules, approval for remuneration has been sought from the secured creditor on the basis that the Joint Administrators' remuneration be fixed at £20,000

- 4.3 Attached at Appendix III is a time and cost analysis which provides details of the time costs incurred by activity and staff grade. Time costs for the period from 22 January 2015 to the date of this report are £25,157.38. This represents 106.88 hours of work performed at an average hourly rate of £235.39 per hour. No fees have been drawn in the period

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

- 4.4 Attached at Appendix IV is a schedule detailing activities undertaken together with supporting information in accordance with the Association of Business Recovery Professionals' Statement of Insolvency Practice 9. This also contains additional information in relation to this firm's policy on staffing, disbursements and details of our current charge-out rates by staff grade

- 4.5 The Joint Administrators have not drawn any funds against the total set fee agreed of £20,000, for which the Joint Administrators have sought approval from the secured creditor

### **5 Joint Administrators' Disbursements**

In accordance with SIP 9, where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories

5 1 Category 1 Disbursements

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

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

The Joint Administrators' have incurred disbursements of £2,998.61 during the period. No funds have been drawn in this respect. These are shown on the receipts and payments account at Appendix 1. Disbursements incurred in the period but not yet drawn are detailed in section 2.4.

5 2 Category 2 Disbursements

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

No category 2 disbursements have been drawn in this period.

**6. Prescribed Part**

6 1 Under the provisions of Section 176A of the Insolvency Act 1986 the Administrators must state the amount of funds available to unsecured creditors in respect of the Prescribed Part. This provision only applies where the company has granted a floating charge to a creditor after 15 September 2003 and where there are floating charge realisations, net of costs and preferential claims (the 'Net Property') in excess of £10,000.

6 2 A floating charge was granted in favour of Dunbar Assets plc on 23 March 2008 and the Prescribed Part therefore ordinarily applies in this case.

The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) is calculated as

- 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

6 3 Based on present information the Joint Administrators estimate that, after allowing for costs, there will be no Net Property from which to retain and distribute the Prescribed Part.

## **7. Estimated outcome for creditors**

### **7.1 Secured Creditors**

Dunbar hold a fixed and floating charge over the Company with a current indebtedness of approximately £5,076,000

Israel Discount Bank Limited ("IDBL") hold a fixed and floating charge over the assets of the Company which was created on 20 October 2006, and duly registered at the Registrar of Companies on 24 October 2006. I have received confirmation from IDBL that its charges have now been satisfied

As the security is dated after the introduction of the Enterprise Act 2002 on 15 September 2003, I am required to provide details of the Prescribed Part as outlined in s176A IA86. See section 6.2 above

Based on current information it is unlikely that there will be a distribution to the secured creditor

### **7.2 Preferential Creditors**

There are no known preferential creditors

### **7.3 Unsecured Creditors**

The Joint Administrators have received 4 claims totalling £156,778.40 from 4 creditors. I have yet to receive claims from 3 creditors whose debts total £2,734,567 as per the directors' statement of affairs

As at today's date creditors' claims have not been adjudicated because, based on current information, the Joint Administrators do not anticipate there being sufficient funds to enable a general dividend to be paid to the unsecured creditors of the Company

## **8. Investigations**

In accordance with the Company Directors Disqualification Act 1986 I would confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills. As this is a confidential report, I am not able to disclose the contents

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

If creditors wish to bring any matters they believe to be relevant to the attention of the Joint Administrators, they are invited to do so in writing to Arron Kendall and Simon Thomas at Moorfields Corporate Recovery Limited, 88 Wood Street, London EC2V 7QF

## **9. Exit from Administration**

9.1 As outlined in the initial report to creditors it is the Joint Administrators' intention to exit the Administration into dissolution due it being anticipated that there will be insufficient funds to enable a distribution to unsecured creditors



9.2 The Joint Administrators will seek to be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect

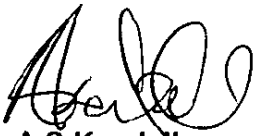
**10. Creditors' rights**

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

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

If you have any queries regarding this report please contact Greg Lishak of this office in the first instance. I will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner

For and on behalf of  
Starcourt Developments Limited



**A S Kendall**  
**Joint Administrator**

DDI 0207 186 1165  
Fax 0207 186 1177  
Email [glishak@moorfieldscr.com](mailto:glishak@moorfieldscr.com)

Arron Kendall and Simon Thomas of Moorfields Corporate Recovery Limited, 88 Wood Street, London, EC2V 7QF were appointed Joint Administrators on 22 January 2015. The Administrators now manage the affairs, business and property of the Company. The Joint Administrators act as agents only and without personal liability.

**Starcourt Developments Limited  
Statutory Information**

**Company Information**

Company Number 05439353  
Registered Office 7 Greenfield, Hatfield, Hertfordshire, AL9 5HW  
Trading Address Land on the north side of London Road, Purfleet, Essex  
Principal Activity Buying and selling of land

**Appointment details**

Joint Administrators Arron Kendall (16050) and Simon Thomas (8920)  
Joint Administrators' address Moorfields Corporate Recovery Limited, 88 Wood Street London EC2V 7QF

Date of appointment 22 January 2015

Court High Court of Justice, Companies Court

Court Reference 510/2015

Appointed by Qualified Floating Charge Holder – Dunbar Assets Plc

Functions Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Joint Administrators acting jointly or alone

EC Regulations The Company's registered office is from where the Company carries on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom and as such these proceedings will be the main proceedings as defined in article 3 of the EC regulation

**Starcourt Developments Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**

Appendix II

Statement of Affairs		From 22/01/2015 To 21/07/2015	From 22/01/2015 To 21/07/2015
	<b>SECURED ASSETS</b>		
6,000,000 00	Freehold Land & Property	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>SECURED CREDITORS</b>		
-5,075,939 00	Dunbar Assets Plc	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>ASSET REALISATIONS</b>		
NIL	Office Equipment	NIL	NIL
	Cash at Bank	1,385 00	1,385 00
	Bank Interest Gross	0 36	0 36
Uncertain	Inter Company Debtor	NIL	NIL
	Contribution to Costs	2,620 01	2,620 01
		<u>4,005 37</u>	<u>4,005 37</u>
	<b>COSTS OF REALISATIONS</b>		
	Legal Fees	(2,620 01)	(2,620 01)
		<u>(2,620 01)</u>	<u>(2,620 01)</u>
	<b>UNSECURED CREDITORS</b>		
-451,381 91	Trade & Expense Creditors	NIL	NIL
-4,963 31	HSBC Bank Plc	NIL	NIL
-2,435,000 00	Inter Company Creditor	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>DISTRIBUTIONS</b>		
-1 00	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>-1,967,285.22</b>		<b><u>1,385 36</u></b>	<b><u>1,385.36</u></b>
	<b>REPRESENTED BY</b>		
	VAT Receivable		514 00
	Bank 2 Current		1,385 36
			<u>1,899.36</u>

Starcourt Developments Limited  
 SIP9 Time & Cost Summary  
 From: 22/01/2015 To: 21/07/2015

Appendix III

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.80	2.42	67.80	0.80	71.82	16,726.13	232.87
Asset Realisation	0.00	0.00	11.95	1.20	13.15	3,036.25	230.89
Case Specific Matters	0.00	0.10	0.30	0.10	0.50	139.00	278.00
Chargeable - expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.10	3.80	0.00	3.90	890.50	228.33
Investigations	0.00	0.50	15.50	0.00	16.00	3,593.00	224.56
Non-chargeable - expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	1.50	0.00	0.00	0.00	1.50	772.50	515.00
<b>Total Hours</b>	<b>2.30</b>	<b>3.12</b>	<b>99.35</b>	<b>2.10</b>	<b>106.88</b>	<b>25,157.38</b>	<b>235.39</b>

### Starcourt Developments Limited

#### 1. Explanation of office-holders charging and disbursement recovery policies

In accordance with best practice we provide below details of policies of Moorfields Corporate Recovery Limited, in respect of fees and disbursements for work in relation to insolvency estates

This summary outlines the activities undertaken during this matter to date together with details of charge out rates for time costs incurred and the basis of disbursements incurred and recharged

The activities are summarised as follows

##### 1.1 Administration and planning

The following activities have been undertaken

- Statutory duties associated with the appointment including the filing of relevant notices,
- Notification of the appointment to creditors, members, employees and other interested parties,
- Setting up of case files
- Reviewing available information to determine the appropriate strategy,
- Setting up and maintaining bank accounts,
- Implementing the strategy for the Administration,
- 6 monthly progress review of the case,
- Completion of statutory returns to the Insolvency Compliance Unit of the Department for Business Innovation and Skills

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

##### 1.2 Realisation of assets

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

- Freehold land

The time spent includes the following matters

- Liaising with LPA Receiver regarding the attempts to realise the Company's primary asset

1 3 Creditors

The time spent includes the following matters

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

1 4 Investigations and communications

The time spent includes the following matters

- Corresponding with Company directors for purposes of conduct report,
- Issuing questionnaires and requests for Statement of Affairs,
- Reviewing Company records and questionnaires and preparing the statutory return in accordance with the requirements of the Department for Business Innovation and Skills

2 0 Time recording

The Partners will engage managers and other staff to work on the insolvent estate and statutory compliance diaries. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the estate's bank accounts. Work carried out by all staff is subject to the overall supervision of the Partners.

All time spent by staff working directly on case related matters is charged to a time code established for the case. Each member of staff has a specific hourly rate, which is subject to change over time.

The current charge out rates per hour of staff within the firm who may be involved in working on the insolvency follows, this in no way implies that staff at all such grades will work on the case.

<b>GRADE</b>	<b>£</b>
Partner	515
Director/ Senior Manager	425
Manager	355
Assistant Manager	280
Senior Administrator	245
Administrator	195-225

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

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time in units of 6 minutes

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate

Where remuneration has been approved on a time cost basis the time invoiced will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors, the report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs

Approved remuneration will be drawn at such times that sufficient funds are available

For your information, A Creditor's Guide to Administrators' Fees can be obtained at <http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-to-administrators-fees-england-and-wales-apr-10.pdf>

### 3 0 Disbursement recovery

#### **Category 1 Disbursements**

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

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

#### **Category 2 Disbursements**

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

## Starcourt Developments Limited (In Administration) – Joint Administrators Progress Report

line with the Statement, to seek approval for Category 2 disbursements before they are drawn

The following Category 2 disbursements may be charged by this firm

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

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