

The Insolvency Act 1986

# Administrator's progress report

Name of Company Heywood Property Investments Limited	Company Number 06023150
In the High Court of Justice, Chancery Division, Birmingham District Registry <small>(full name of court)</small>	Court case number 9476 of 2008

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

We (a) Anthony Steven Barrell of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham B3 2DT and Robert Jonathan Hunt of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT

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

(b) Insert dates

from (b) 2 April 2012 to (b) 25 September 2012

Signed *AS Barrell*  
Joint Administrator  
Dated 26/9/12.

**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.

Kate Osborne	
PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT	
	Tel 020 7212 4763
DX Number	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



**pwc**

**Heywood Property Investments Limited – in Administration  
High Court of Justice, Chancery Division, Birmingham District Registry  
Case No. 9476 of 2008**

**Joint Administrators' final progress report**

**25 September 2012**

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## 1. Joint Administrators' final progress report

### Introduction

The Joint Administrators ("the Administrators") are pleased to provide their final progress report on the Administration of Heywood Property Investments Limited ("the Company") pursuant to Rules 2.47 and 2.110 of the Insolvency Rules 1986 ("IR86")

The Administrators are required to provide certain statutory information pursuant to Rule 2.47(1) IR86, which is shown in Section 2. The Administrators are also required to provide a summary of their proposals, which is at Section 3.

Details of the steps taken during the Administration and the outcome of the Administration are set out below.

### Status of the Company on appointment

When the Administrators were appointed the position was as follows

- The Company was incorporated in December 2006 and carried on the business of a property investor.
- In 2007, the Company acquired the freehold interest in two commercial properties in Milton Keynes, Innovation House and Media House
- Innovation House operated as the head office to entities that were related to the Company by common ownership. Operations ceased in spring 2008 and the property was vacated
- Media House was occupied by an unrelated third party under a management agreement to provide 'Regus style' office space. However, no income had been generated from that agreement

- In June 2008, a winding up petition was presented against the Company by E.ON UK Plc. This was supported by another trade creditor, AtusReal Limited
- In July 2008, the Company's bankers, HSBC Bank Plc ("the Bank"), demanded repayment of its lending of £3.5 million
- It is understood that the directors sought to agree a repayment plan with E.ON UK Plc and entered into restructuring discussions with the Bank
- However, in September 2008, the directors advised the Bank that they were unable to provide the required financial support to enable the Company to continue to trade
- On 2 October 2008, Anthony Barrell and Robert Hunt were appointed Administrators of the Company by the High Court on the application of the Bank

### Asset realisations

Immediately following their appointment, the Administrators took steps to protect and preserve the Company's assets and appointed professional agents to value the Company's properties and advise on disposal strategy

Acting upon their agents' advice, the Administrators marketed Innovation House for sale and sought to agree variations to the pre-existing Media House management agreement with a view to generate income

Given the impact of the economic financial crisis on the property market generally and the ability of potential purchasers to obtain funding, the Administrators recognised that the strategy to achieve maximum value for both properties would be long term

## 1. Joint Administrators' final progress report

### Innovation House

Following a marketing campaign, the Administrators successfully sold the Company's freehold interest in Innovation House for £850,000 in March 2010. The price achieved was in line with agents' recommendations.

### Media House

Ultimately the Company acting by the Administrators terminated the management agreement and entered into licence agreements with two tenants. These generated rent of £58,764.

Two firms of professional agents, Colliers CRE and Budworth Hardcastle, were subsequently instructed to jointly market the property.

As reported on 27 April 2012, a sale of the freehold interest for £750,000 was completed on 31 January 2012.

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

The Company has no assets still to be realised.

### **Other issues**

#### Property costs

The Administrators have now settled all property related occupation, professional and insurance costs.

#### Taxation

HM Revenue & Customs ("HMRC") has agreed the Administrators' VAT treatment of the Company's assets.

Discussions with HMRC in seeking final corporate tax clearance and to agree nil liability have now been completed. HMRC has not raised any queries.

### Statutory matters

On 14 November 2008 the Administrators circulated their proposals for achieving the purpose of administration. The proposals were approved without modification at a creditors' meeting on 3 December 2008.

The Administrators have complied with their obligations under the Company Directors' Disqualification Act 1986.

Reports on the progress of the Administration have been provided to creditors on a six monthly basis as required by Rule 2.47 IR86.

### **Receipts and payments account**

A receipts and payments account for the period 2 April to 24 September 2012 is set out in Section 4.

### **Outcome for creditors**

#### Secured creditors

Amounts outstanding to the Bank when the Administration commenced totalled circa £3.6 million.

Distributions of £1.27 million have been made to the Bank under the terms of its fixed charge security. The Bank has suffered a significant shortfall.

#### Preferential creditors

The Company has no preferential creditors as it had no employees.

#### Non-preferential unsecured creditors

There are no dividend prospects for non-preferential unsecured creditors from Prescribed Part floating charge monies or otherwise.

## 1. Joint Administrators' final progress report

### Administrators' remuneration

In accordance with the approval of the Company's unsecured creditors, the Administrators' fees are fixed by reference to the time properly given by them and the various grades of their staff in attending to matters arising at the Administrators' usual charge out rates for work of this nature

The Administrators have drawn fees totalling £202,000 on account of their costs for the duration of the Administration

An analysis of the Administrators' time costs of £258,322 and Category 2 disbursements for the period 2 October 2008 to 1 April 2012 was shown in the Administrators' previous report. A further copy is available on request.

### Creditors' rights

As required by Statement of Insolvency Practice No 9, which was revised on 1 November 2011, a statement of creditors' rights in relation to the Administrators' remuneration and expenses is set out at Section 5

### Extensions to the Administration

The duration of the Administration has been extended by the court on three occasions to enable the Administrators to complete asset realisations and bring the Administration to a conclusion in an orderly manner. Each extension was for 12 months.

The term of the Administrators' office is presently due to expire on 1 October 2012. However, all matters have now been completed and the Administrators are in a position to bring the Administration to an end.

### Exit route from Administration

As envisaged in their proposals for achieving the purpose of administration, the Administrators have filed with the Registrar of Companies notice of move to dissolution on Form 2 35B. The Company will be dissolved three months after registration of this notice.

### Discharge

In accordance with an order of the court, the Administrators shall be discharged from liability in respect of any action of theirs as Administrators effective from the later of the date at which the Administrators have filed a notice of move to dissolution on Form 2 35B and final progress report with the Registrar of Companies or 14 days after the said notice and final progress report has been sent to those persons specified in Rule 2 118(2) IR86

Should you have any queries in respect of the above, please contact Colm Donnelly on 020 7212 2857



A S Barrell  
Joint Administrator  
Heywood Property Investments Limited

*A S Barrell and R J Hunt were appointed as Joint Administrators of Heywood Property Investments Limited on 2 October 2008 to manage its affairs, business and property as their agents and without personal liability. The Joint Administrators are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.*

*The Joint Administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PraveaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the administration.*

## 2. Statutory and other information

### Court details for the Administration:

#### Full name:

High Court of Justice, Chancery Division, Birmingham District Registry  
Case No 9476 of 2008

#### Trading name:

Heywood Property Investments Limited  
Heywood Property Investments Limited

#### Registered number:

06023150

#### Registered address:

7 More London Riverside, London SE1 2RT

#### Company directors:

Gregory P Heywood, Neil Brown

#### Company secretary:

Office vacant

#### Shareholdings held by the directors and secretary:

G Heywood - 99 ordinary £1 shares, N Brown - 1 ordinary £1 share  
2 October 2008

#### Date of Administrators' appointment:

Anthony Steven Barrell of PricewaterhouseCoopers LLP, Cornwall Court, 19  
Cornwall Street, Birmingham B3 2DT and Robert Jonathan Hunt of  
PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT  
None

#### Administrators' names and addresses:

#### Changes in office holder:

#### Appointor's / applicant's name and address:

High Court of Justice on the application of HSBC Bank Plc, 8 Canada Square,  
London E14 5HQ

#### Objective being pursued by the Administrators:

Realising property in order to make a distribution to one or more secured or  
preferential creditors

#### Division of the Administrators' responsibilities:

Pursuant to Paragraph 100(2) Sch B1 IA86, Robert Jonathan Hunt and  
Anthony Steven Barrell will exercise all of the powers and functions as  
administrators of the Company both jointly and severally  
Dissolution

#### Proposed end of the Administration

#### Extensions to the Administration:

First to 1 October 2010  
Second to 1 October 2011  
Third to 1 October 2012  
Nil

#### Estimated dividend for unsecured creditors:

#### Estimated values of the prescribed part and the company's net property:

Both nil

#### Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:

The Administrators do not intend to apply to the court seeking the non-application of the legislative provisions relating to the prescribed part  
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):

#### The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):

The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings

### 3. Summary of the Joint Administrators' proposals

The Administrators made the following proposals for achieving the purpose of administration

- i) The Administrators will manage and finance the Company's business, affairs and property and assets from a realisation of the properties with a view to 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)
- ii) The Administrators may investigate and, if appropriate, pursue any claims that the Company may have under the Companies Act 1985 or IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals
- iii) As the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion establish in principle the claims of unsecured creditors for formal adjudication within the Administration or by a subsequent liquidator and that the costs of so doing be met as a cost of the Administration as part of the Administrators' remuneration (where the Administrators think there will be sufficient funds for a distribution to unsecured creditors other than by virtue of the prescribed part) or out of the prescribed part as costs associated with the prescribed part (where the Administrators think that funds will become available to the unsecured creditors by virtue of the prescribed part but not otherwise)
- iv) As the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) Sch B1 IA86
- v) A creditors' committee will be established if sufficient creditors are willing to act on it. If a committee is formed, where the Administrators consider it appropriate, they will seek sanction from the committee to a proposed action rather than convening a meeting of all creditors
- vi) The Administrators will consult with the creditors' committee concerning the necessary steps to extend the Administration beyond the statutory duration of one year if an extension is considered advantageous. The Administrators shall either apply to the court or seek consent from the appropriate classes of creditors for an extension
- vii) The Administrators may use any or a combination of "exit route" strategies in order to bring the Administration to an end, but in this particular instance the Administrators are likely to wish to pursue the following options as being the most cost effective and practical in the present circumstances -
  - (a) If it transpires that there will be no distribution to unsecured non-preferential creditors because property realisations are insufficient with which to discharge secured debts, once the Administrators have concluded all work within the Administration, they will file a notice under Paragraph 84(1) Sch B1 IA86 with the Registrar of Companies, following registration of which the Company will be dissolved three months later or apply to court under Paragraph 79 Sch B1 for the Administration to be ended and for the Company to be placed into compulsory liquidation / dissolved, or
  - (b) Once asset disposals are complete, the Administrators will apply to court to allow the Administrators to distribute surplus funds, if any, to unsecured non-preferential creditors. If such permission is given, the Administration will be brought to an end by notice to the Registrar of



### 3. Summary of the Joint Administrators' proposals

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Companies under Paragraph 84 Sch.B1 IA86, following registration of which the Company will be dissolved three months later or apply to court under Paragraph 79 Sch B1 for the Administration to be ended and for the Company to be placed into compulsory liquidation / dissolved. If permission is not granted the Administrators will place the Company into creditors' voluntary liquidation or otherwise act in accordance with any order of the court, or

(c) If most cost effective, once asset disposals are complete, the Administrators will place the Company into creditors' voluntary liquidation. In these circumstances, it is proposed that Anthony Barrell and Robert Hunt be appointed as Joint Liquidators and any act required or authorised to be done by the Joint Liquidators may be done by either or both of them. In accordance with Paragraph 83(7) Sch B1 IA86 and Rule 2.117(3) IR86, creditors may nominate alternative liquidators, provided that the nomination is made after the receipt of these proposals and before they are approved

vii) It is proposed that the Administrators' fees be fixed under Rule 2.106 of the Insolvency Rules 1986 by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that disbursements for services provided by the Administrators' own firm (defined as Category 2 disbursements in Statement of Insolvency Practice No 9) be charged in accordance with the Administrators' firm's policy as set out in Appendix C. It will be for the creditors' committee to fix the basis and level of the Administrators' fees and Category 2 disbursements but if no committee is appointed, it will be for the general body of creditors to determine these instead.



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## 5. Statement of creditors' rights

### What if a creditor is dissatisfied?

If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration.

### Provision of information -- additional requirements

The administrator must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company

The information which must be provided is

- the total number of hours spent on the case by the administrator or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,
- the number of hours spent by each grade of staff in the relevant period

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office.