



**To members and all known creditors**

24 May 2013

Our ref: JC/AL/21052013/PARKRIDGEHOLDINGS

Dear Sir/Madam

**Parkridge Holdings Limited - In Creditors' Voluntary Liquidation**

Please find enclosed our first progress report to members and all known creditors in the above liquidation.

If you have any queries in connection with the report, please contact Leanne Wall who will be pleased to deal with them.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Robert Hunt', written over a horizontal line.

**Robert Hunt**  
Joint Liquidator

Leanne.wall@uk.pwc.com

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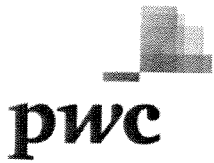
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Enclosure: First progress report to members and all known creditors

*Robert Hunt and David Matthew Hammond have been appointed Joint Liquidators. Both are licensed in the United Kingdom to act as insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.*

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

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## First annual report to members &amp; creditors

24 May 2013

<b>Company</b>	<b>Parkridge Holdings Limited - in Liquidation</b>		
<b>Registered Number</b>	<b>06064315</b>		
<b>Registered address</b>	<b>PricewaterhouseCoopers LLP Benson House 33 Wellington Street Leeds LS1 4JP</b>		
<b>Type of Insolvency</b>	<b>Creditors' Voluntary Liquidation</b>		
<b>Date of Appointment</b>	<b>28 March 2012</b>		
<b>Appointees</b>	<b>Robert Hunt and David Hammond</b>		
<b>Address</b>	<b>PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT</b>		
<b>Dividend Prospects</b>	<b>Current estimate p in £</b>	<b>Previous estimate p in £</b>	
Preferential	100	N/A	
Unsecured	1.9	N/A	

*Please note that the guidance on dividend prospects is indicative only. It should not be used as the sole or principal basis of any bad debt provision decision.*

## **Parkridge Holdings Limited – in Liquidation (“the Company”)**

### **Report to Members & Creditors**

In accordance with Rule 4.49C of the Insolvency Rules 1986 (“IR86”), this is our first progress report to members and all known creditors in the Liquidation. Attached at Appendix A is a summary of the financial information relating to the Liquidation.

### **Appointment of Administrators**

On 24 August 2011, Robert Hunt and David Matthew Hammond of PricewaterhouseCoopers LLP were appointed joint administrators of the Company. The Administration was concluded on 28 March 2012, being the date the Company moved into Creditors’ Voluntary Liquidation.

### **Asset realisations**

The Company’s assets have been realised as follows:

	<b>Actual realisations £</b>	<b>Estimated to realise per the statement of affairs £</b>
Funds transferred from the administration	940,085.11	-
Intercompany debtors	45,119.90	1,500,000.00
Interest received gross	1,894.20	-
Intangible assets	13.72	-
	<u>987,112.93</u>	<u>1,500,000.00</u>

### *Intercompany claims*

In the Administration, we reported on the various outstanding debts that are due to the Company from various associated companies. After further investigations, it has been concluded that no further funds are expected from the Polish company.

A dividend is expected from another associated company in liquidation, Dickens Heath Development Company Limited. The timing of this is unknown as it is dependent upon property sales.

Additional funds may be received from a subsidiary company in Bulgaria. Any realisations from this company will be dependent on both the level of realisations from an auction process in respect of the company’s freehold property and the level of creditor claims against the company.

### *Dividends received*

In the Liquidation, we originally expected to receive up to £130,000 in dividends from other insolvent subsidiary companies. A first dividend was declared by Parkridge Coalville Ltd and we received £7,981.34 on 15 November 2012 (equating to 11.55 pence in £). We are waiting for the final dividend to be declared which is dependent upon Parkridge Coalville Ltd receiving tax clearance. This is expected to be around 11 pence in £ (approximately £7,500).

A first dividend was also declared by Parkridge Retail Ltd, and we received £37,138.56 on 27 November 2012 (equating to 0.2 pence in £). We are waiting for the final dividend to be declared which is also dependent upon Parkridge Retail Ltd receiving tax clearance. The final dividend may be in the region of 0.015 pence in £ (about £27,000).

We also received a first and final dividend of £50,327.16 from Parkridge (Shires Gateway) Limited which does not show in Appendix A as it was received after the period covered by this report. This was a dividend of 1.72 pence in £.

### *Other assets*

We received an amount of £13.72 on 6 July 2012 for an electricity company wayleave, together with £1,894.20 in interest during the period.

## **The fulfilment of our statutory duties**

### *Investigations*

We have reviewed the affairs of the Company prior to the Liquidation and have also considered the points raised by creditors in discharging our duties under the Company Directors' Disqualification Act 1986.

Creditors are reminded that we have a statutory obligation to consider the directors' conduct and to submit a return/report to the Insolvency Service. We can confirm that we have complied with this requirement.

### *VAT/Tax matters*

During the Liquidation, the Company continued to be registered for VAT until 1 September 2012. Quarterly returns have been prepared and submitted to HMRC since the date of our appointment until the date of deregistration. Any additional amounts of VAT paid since deregistration will be reclaimed periodically.

An amount of £97,021.32 has been reclaimed by Parkridge Gate Developments Limited as the representative VAT group member and is in the process of being transferred to the Company.

Corporation tax returns for the Administration and Liquidation periods are currently being prepared for submission to HMRC.

All other statutory matters are completed on an ongoing basis.

## Outcome for creditors

### *Secured creditors*

The Company has two secured creditors, The Royal Bank of Scotland ("RBS") who were owed approximately £15,000,000 at the date of Administration, and Prologis Germany X P.V ("Prologis") who were owed approximately £80,000,000 at the date of Administration. RBS holds a first ranking fixed and floating charge over the Company's asset realisations and Prologis holds a second ranking fixed and floating charge.

In the Administration, £200,000 was distributed to RBS, however we anticipate that both secured creditors will suffer a shortfall under their security.

### *Preferential creditors*

Preferential creditors were paid in full during the last 12 months. Total claims amounted to £23,844.80.

### *Unsecured creditors*

Unsecured creditors are expected to benefit from the maximum prescribed part. It is currently estimated that the Company's net property will be in the region of £2,688,612. Consequently, it is anticipated that the prescribed part will be £600,000, the maximum payable. It is not anticipated that any other distribution to unsecured creditors will take place. Based upon current claims, the dividend is expected to be up to 1.9 pence in the pound but timing of the dividend will be dependent on the agreement of claims and final asset realisations. The claims agreement process is currently underway.

## Professional advisers

On this assignment we have used the professional advisers listed below:

<b>Service provided</b>	<b>Name of firm / organisation</b>	<b>Reason selected</b>	<b>Basis of fees</b>
Legal advice	Wragge & Co	Specialist industry knowledge & expertise	Time costs plus disbursements
Storage	Iron Mountain (UK) Ltd	Facilities available	Industry rates
Photocopying	Mitie	Facilities available	Unit price

Our choice was based upon our 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. We have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the case.

## Remuneration

During the Administration, in accordance with resolutions approved by both the secured and preferential creditors, the former administrators' fees were fixed under Rule 2.106 IR86 by reference to time properly given by the administrators and their staff in attending to matters arising. In accordance with Rule 4.127 IR86, the remuneration basis agreed in the Administration will continue in the Liquidation.

During the Administration we incurred time costs of £286,812. This represented 756 hours at an average hourly rate of £379. Against this, £200,000 has been drawn and pre-administration time costs of £50,000 were paid during the period of this report.

To 27 March 2013, we have incurred time costs of £64,766 in dealing with the Liquidation. This represented 234 hours at an average hourly rate of £277. We have yet to draw a fee for this. These figures include a change in charge out rates effective from 1 July 2012.

It has been our policy to delegate the routine administration of the Liquidation to junior staff in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the Liquidators. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Liquidators.

Details of the time costs incurred from the Liquidators' appointment to 27 March 2013, by work category, are attached at Appendix B. A large proportion of our time costs have been incurred in statutory and compliance, tax and VAT matters and asset realisations. Statutory and compliance tasks carried out over the period include reporting to creditors and initial matters on conversion from Administration to Liquidation. Tax and VAT matters include submitting quarterly VAT returns and the preparation of tax returns. Asset realisations include submission of claims in the respective insolvencies and on-going pursuit of the Bulgarian debt.

In common with all professional firms, scale rates increase from time to time over the period of the administration of each insolvency case. PricewaterhouseCoopers LLP, or any successor firm, reserves the right to change the rates and grade structure. Following our appointment, the charge out rates increased on 1 July 2012.

Set out in Appendix B are the relevant maximum charge-out rates per hour worked for the grades of the Liquidators' staff actually or likely to be involved on this assignment. Time is charged by reference to actual work carried out on the assignment. There has been no allocation of any general costs or overhead costs.

Specialist departments within the Liquidators' firm such as Tax, VAT, Property and Pensions may charge a small number of hours if and when we require their expert advice. Such specialists' rates do vary but the figures shown in Appendix B provide an indication of the maximum rate per hour.

All staff who work on this assignment (including cashiers, support and secretarial staff) charge time directly to the assignment and are included within any analysis of time charged. Each grade of staff is allocated an hourly charge out rate which is reviewed from time to time. Work undertaken by cashiers, support and secretarial staff is charged for separately and is not included in the hourly rates charged by partners or other members of staff. Time is charged by reference to actual work carried out on the assignment in six minute units. The minimum time chargeable is three minutes (i.e. 0.5 units).

## Liquidators' disbursements

Disbursements incurred during the Administration of £1,302.04 were paid during the period and £31.94 remains outstanding. Pre-administration disbursements of £824.83 were also paid during the period.

### *Category 1 disbursements*

We have incurred disbursements of £456.55 during the period 28 March 2012 to 27 March 2013. These are shown at Appendix C. No amounts have been drawn yet in this respect.

### *Category 2 disbursements*

Our current disbursements policy, as approved by the creditors, is as follows:

1. Photocopying for circulars or any other bulk copying is charged at 5 pence per sheet;
2. Mileage – this is reimbursed at a maximum of 64 pence per mile (up to 2,000cc) and 81 pence per mile (over 2,000cc).

All other disbursements are reimbursed at cost. We have incurred £224.49 in respect of mileage and have not incurred any costs in respect of photocopying during the period 28 March 2012 to 27 March 2013. No amounts have been drawn yet in this respect.

## Statement of expenses

The following expenses have been incurred during the period of this report:

Category	Incurred and paid £	Incurred but not paid £
Storage costs	131.94	-
Administration office holder's fees	200,000.00	86,812.00
Administration office holder's expenses	1,302.04	31.94
Pre administration fees	50,000.00	-
Pre administration expenses	824.83	-
Liquidation office holder's fees	-	64,765.85
Liquidation office holder's expenses	-	681.04
Statutory advertising	147.25	-
Legal fees & expenses	25,194.99	-
Bank charges	30.00	-
<b>Total</b>	<b>277,631.05</b>	<b>152,290.98</b>

**Additional information**

If any creditor requires further explanations on any aspect of this report, then please telephone Leanne Wall on 0113 289 4917 who will be pleased to deal with such enquiries. However, any request for further information regarding the our remuneration or disbursements should be made in writing (Rule 4.49E).

In addition, should any creditor consider our remuneration and disbursements to be excessive or inappropriate, they have the right to challenge the amounts in accordance with Rule 4.131 IR86.

An explanatory note giving creditors a statement of their rights in relation to our remuneration and expenses, and their rights to request further information, can be found online at:

<http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-liquidators-fees-final.pdf>

A copy may also be obtained free of charge by telephoning Leanne Wall on 0113 289 4917.

**Next report**

Following each anniversary of our appointment, we are required to circulate a report to creditors. If the Liquidation has been completed before the next anniversary, a report will be circulated up to the date the Liquidation ended.



## Appendix A

### Parkridge Holdings Limited - in Liquidation ("the Company") Summary of financial information as at 27 March 2013

	28 March 2012 to 27 March 2013 £	Directors' statement of affairs £
<b>Fixed charge realisations</b>		
None	-	-
	-	-
<b>Fixed charge costs of realisations/payments</b>		
None	-	-
	-	-
<b>Fixed charge balance</b>	-	-
<b>Floating charge realisations</b>		
Intangible assets	13.72	
Funds from the administration	940,085.11	
Intercompany debtors	45,119.90	1,500,000.00
Interest received gross	1,894.20	
<b>Total</b>	<b>987,112.93</b>	<b>1,500,000.00</b>
<b>Payments</b>		
Storage costs	131.94	
Office holder's fees - administration	200,000.00	
Office holder's expenses - administration	1,302.04	
Office holder's fees - liquidation	-	
Office holder's expenses - liquidation	-	
Statutory advertising	147.25	
Legal fees & Expenses	25,194.99	
Pre administration fees	50,000.00	
Pre administration expenses	824.83	
Bank charges	30.00	
Closure expenses	-	
Distribution to preferential creditors - National Insurance fund	3,535.12	
Distribution to preferential creditors - Employees	20,309.68	
Estimated distribution to unsecured creditors	-	
<b>Total</b>	<b>301,475.85</b>	-
<b>Floating charge balance</b>	<b>685,637.08</b>	<b>1,500,000.00</b>
VAT receivable	33,252.96	
Amount of VAT owed from Parkridge Gate Developments Limited	(97,021.32)	
<b>Grand total (held on an interest bearing account)</b>	<b>621,868.72</b>	<b>1,500,000.00</b>

## Appendix B

### Parkridge Holdings Limited - in Liquidation ("the Company")

Analysis of time costs for the period from 28 March 2012 to 27 March 2013

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
1 Strategy & Planning	-	4.75	-	3.40	10.75	-	0.50	19.40	6,067.00	312.73
2 Administration	-	2.50	-	-	-	-	-	2.50	1,650.00	660.00
3 Trading	-	-	-	-	-	-	-	-	-	-
4 Assets	-	15.50	-	5.60	-	-	-	21.10	11,694.00	554.22
5 Investigations	-	0.10	0.30	0.70	7.30	-	-	8.40	1,650.80	196.52
6 Creditor claims/distributions	-	1.00	0.70	7.80	23.60	-	-	33.10	7,400.65	223.58
7 Accounting and treasury	-	-	0.23	2.40	14.65	10.10	-	27.38	4,874.09	178.02
8 Reporting to appointor/committee	0.50	0.50	-	-	-	-	-	1.00	600.00	600.00
9 Statutory and compliance	1.00	3.60	0.20	3.95	58.88	0.15	1.00	68.78	14,613.11	212.46
10 Tax/VAT/Pensions	0.20	2.10	4.70	8.20	31.65	3.40	-	50.25	15,836.20	315.15
11 Employees	-	-	-	-	-	-	-	-	-	-
12 Pre-appointment work	-	-	-	-	-	-	-	-	-	-
13 Closure procedures	-	-	0.20	-	1.25	0.50	-	1.95	380.00	194.87
<b>Total</b>	<b>1.7</b>	<b>30.1</b>	<b>6.3</b>	<b>32.1</b>	<b>148.1</b>	<b>14.2</b>	<b>1.5</b>	<b>233.86</b>	<b>64,765.85</b>	<b>276.94</b>

Current Charge out rates per hour

- insolvency	540	450	395	310	233	146	80
- specialist	1035	1035	870	570	410	180	120

## Appendix C

### Parkridge Holdings Limited - in Liquidation ("the Company")

The Liquidators' policy for charging for disbursements is:

	Costs to 27 March 2013 £
<b><u>Category 2</u></b>	
Photocopying for circulars or any other bulk copying is charged at 5 pence per sheet	-
Mileage – this is reimbursed at a maximum of 64 pence per mile (up to 2,000cc) and 81 pence per mile (over 2,000cc)	224.49
<b><u>Category 1</u></b>	
All other disbursements are charged at cost	456.55
<b>Total to 27 March 2013</b>	<b>681.04</b>