



**Parkridge Gate Developments Limited – in  
Administration**

**High Court of Justice, Chancery Division,  
Companies Court**

**Case No:  
7490 of 2011**

**Joint Administrators' proposals for achieving the  
purpose of administration**

**13 October 2011**

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## 1. Purpose of this document

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I wrote to all creditors on 30 August 2011 to explain that Parkridge Gate Developments Limited ("the Company") had entered into Administration and that Rob Hunt and I had been appointed as Joint Administrators ("the Administrators") on 24 August 2011.

We were appointed as Administrators to manage the affairs, business and property of the Company. We will act until such time as our proposals for achieving the purpose of administration have been agreed by creditors and implemented, following which the Administration will be ended.

The purpose of administration is to achieve one of the following objectives: -

- (a) Primarily, rescuing the Company as a going concern, or failing that
- (b) 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 finally
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors.

For the reasons detailed in this document, objective (c) is being pursued as it was not reasonably practical to rescue the Company as a going concern and / or achieve a better result for creditors than would be likely if the Company were wound up (without first being in Administration).

This document and its appendices form the Administrators' statement of proposals for achieving the purpose of administration as required by Paragraph 49 Schedule B1 of the Insolvency Act 1986 ("Sch.B1 IA86").

You are requested to vote upon the Administrators' proposals and to fix the Administrators' remuneration by returning the enclosed Form 2.25B together with details of your claim on the enclosed claim form. If a claim form has been submitted previously for voting purposes, it is not necessary to send a further copy. We have set 1 November 2011 as the date by which these must be returned. Please note that you will be bound by the proposals if they are approved by the requisite majority of creditors. It is important therefore, that you read this document carefully.

Please note that you are not obliged to return the Form 2.25B if you do not wish to vote on the resolutions and you will not prejudice your claim and entitlement to a dividend, should there be one, if you do not vote, or if your claim is submitted after the date mentioned above.

If you have any concerns or questions regarding the background to this case or what is being proposed, please do not hesitate to contact my colleague, Chris Cockerill on 0113 289 4399.

Signed.....

Matthew Hammond  
Joint Administrator of Parkridge Gate Developments Limited

*Matthew Hammond and Robert Hunt have been appointed as joint administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.*

## **2. The Administrators' statement of proposals**

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### **a. Brief history of the Company and summary of the Administrators' actions to date**

#### **Background**

The Company is a subsidiary of Parkridge Holdings Limited ("PHL") and operated from offices in Dickens Heath, Solihull, and London where the majority of the UK employees were based. The Company has few assets, the main asset being an intercompany balance due from PHL.

PHL is the parent company of a large multinational group of companies ("the Group") which develop industrial warehousing, business centres, retail warehousing, shopping centres and residential developments in the UK and Europe.

The key assets of the Group are located in England, Poland, France, Portugal, Russia and the Ukraine.

On appointment the Company had 17 employees.

#### **The circumstances giving rise to the Administrators' appointment**

Prior to the Administrators appointment PwC were instructed initially by the Royal Bank of Scotland plc ("RBS"), as a secured creditor of PHL, and latterly by PHL to undertake three separate reviews of the Group's position, followed by contingency planning for the Group.

In the months leading to our appointment the Group sought to enter into a range of transactions to ensure its survival. The main focus of this activity has been on certain of the Group's assets owned in Poland..

This deal was unable to be completed before a series of winding up petitions were presented and significant creditor pressure led to the decision to appoint administrators over PHL and the Company, to gain control over the Group via shareholdings and intercompany balances.

On 24 August 2011, Matthew Hammond and Rob Hunt were appointed as Joint Administrators of the Company by order of the Court and PHL under Prologis' qualifying floating charge. Separate proposals have been prepared for the administration of PHL.

#### **Pre-Administration costs**

The Administrators are not seeking to recover any pre-administration costs from the Company.

#### **Connected party transactions**

The Administrators have not been made aware of any connected party transactions.

#### **The manner in which the Companies' affairs and businesses have been managed and financed**

The Administrators have sought to identify assets and Group companies which provide the greatest opportunity to recover value into PHL via the intercompany position.

The Administrators have provided support for transactions within the Group with a view to assets being realised and funds flowing into PHL by virtue of intercompany debts. These funds may then flow to the Company via a distribution to PHL's unsecured creditors. The main focus of this work has been on a proposed transaction in Poland.

The Administrators are continuing to work with various parties on maximising recoveries to the Group, however the outcome of this work is subject to significant uncertainty and the level of any potential return on the intergroup balances is currently unknown.

There have been no receipts or payments in the Company since the Administrators appointment.

On appointment, all 17 employees were made redundant.

## **2. The Administrators' statement of proposals**

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### **Objective of the Administration**

For the reasons provided above, as it was not practicable to rescue the Company as a going concern or achieve 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), the statutory purpose being pursued in relation to the Company is objective (c) realising property in order to make a distribution to one or more secured or preferential creditors.

The Administrators believe that the statutory purpose will be achieved by virtue of the Administrators strategy to preserve value in the Group's assets with funds being returned to PHL and the Company through intercompany balances and shareholdings and the Company via a dividend distribution from PHL.

### **Dividend prospects**

#### **Secured Creditor**

The Company has no secured creditor.

#### **Preferential Creditors**

The Company has 17 preferential creditors and it is currently estimated that preferential claims will be approximately £33,000. A dividend to preferential creditors of the Company is dependent on the level of any distribution from PHL. As the Company has no secured creditor, any dividend received from PHL would be available to preferential and unsecured creditors. On the information currently available it is anticipated the preferential creditors will be paid in full.

#### **Unsecured Creditors**

As noted above the Company's main asset is a potential distribution from PHL. At the present time, there is significant uncertainty surrounding the extent of any recoveries to PHL. As such the level of any potential distribution to the Company is currently unknown.

The Administrators anticipate there may be the possibility that there are sufficient funds to facilitate a dividend to non-preferential unsecured creditors of the Company as a result of the distribution it will receive from PHL. However, it is not possible at this stage to provide an estimate of quantum or timing of any potential dividend.

#### **Prescribed Part**

The Prescribed Part (Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs, to be set aside for unsecured creditors. For each company, this equates to:

- 50% of net property up to £10,000
- 20% of net property in excess of £10,000
- Subject to a maximum amount of £600,000

The Prescribed Part does not apply to the Company as there are no charges created and registered at Companies House, following the Prescribed Part order coming into force on 15 September 2003.

### **Ending the Administration**

The Administrators currently envisage that once the objective of the Administration has been achieved the Administration may end in one of the manners set out in Section 2(b)(vii) below depending on the circumstances at that time.

## **2. The Administrators' statement of proposals**

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### **b. Proposals for achieving the purpose of the Administration**

The Administrators make the following proposals for achieving the purpose of administration.

- i) The Administrators will continue to manage and finance the Company's business, affairs and property from asset realisations in such manner as they consider expedient with a view to realising property in order to make a distribution to one or more secured or preferential creditors.
- ii) The Administrators may investigate and, if appropriate, pursue any claims that the Company's may have under the Companies Act 2006 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) If 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 adjudication by a subsequent liquidator or the Administrators and that the costs of so doing be met as a cost of the Administration as part of the Administrators' remuneration.
- iv) If 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) If the Administrators believe that it is considered advantageous to extend the Administration beyond the statutory period of one year, the Administrators shall either apply to Court or seek the consent of the appropriate classes of creditors for an extension.
- vi) As there is significant uncertainty over whether there will be sufficient funds to enable a distribution to unsecured non-preferential creditors of the Company, the Administrators do not propose to form a creditors committee.
- 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 are insufficient funds with which to make a distribution to unsecured non-preferential creditors, once all of the assets have been realised and the Administrators have concluded all work within the Administration, the Administrators 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.
  - (b) If sufficient funds become available to make a distribution to unsecured non-preferential creditors, once asset disposals are complete, the Administrators will place the Company into creditors' voluntary liquidation. In these circumstances, it is proposed that David Matthew Hammond and Robert Jonathan 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 2.117A(2)(b) IR86, creditors may nominate alternative liquidators, provided that the nomination is made before the proposals are approved; or
  - (c) Once asset disposals are complete, the Administrators will apply to the 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 Companies under Paragraph 84 Sch.B1 IA86, following registration of which the Company will be dissolved three months later. 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.
- viii) The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch.B1 IA86 in respect of any action of theirs as Administrators of the Company at a time determined by the Court.

## **2. The Administrators' statement of proposals**

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- ix) It is proposed that the unpaid pre-Administration costs detailed at Appendix A are approved for payment as expenses of the Administration.
- x) 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 D. 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. In any event, the basis of the Administrators' remuneration and Category 2 disbursements are to be fixed no later than 18 months after the date of the Administrators' appointment.

Creditors are asked to vote upon the following matters: -

- The approval of the Administrators' proposals for achieving the purpose of administration
- The basis and level of the Administrators' fees and Category 2 disbursements

## **2. The Administrators' statement of proposals**

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### **c. Statement of affairs**

A Statement of affairs of the Company was delivered to the Administrators on 5 October 2011. The statement was signed by Mr Willie Wardrop, a turnaround director employed by the Group.

The Administrators make the following comments on the statement of affairs: -

- In accordance with the standard format of the statement of affairs, no provision has been made for the costs of realising the Company's assets or the costs of the Administration.
- The Administrators have not carried out anything in the nature of an audit on the information.
- Given the commercial sensitivity, it is inappropriate for the Administrators to comment on the potential realisable values attributed by the directors to the Company's assets.
- The Administrators are aware that the statement of affairs does not include any amounts for preferential creditors.

The statement of affairs are reproduced at Appendix B, as is required by statute, includes details of the names, addresses and debts of creditors (including details of any security held).



## 2. The Administrators' statement of proposals

### d. Statutory and other information

<b>Court details for the Administration:</b>	High Court of Justice, Chancery Division, Companies Court Case no. 7490 of 2011
<b>Full name:</b>	Parkridge Gate Developments Limited
<b>Trading name:</b>	Parkridge Gate Developments Limited
<b>Registered number:</b>	03561277
<b>Registered address:</b>	Benson House, 33 Wellington Street, Leeds, LS1 4JP
<b>Company directors:</b>	John Charles Cutts, Philip Thomas O'Callaghan, David Brian Clements, Linda Karen Hanks
<b>Company secretary:</b>	Corin Robert Winfield
<b>Shareholdings held by the directors and secretary:</b>	Not applicable
<b>Date of the Administration appointment:</b>	24 August 2011
<b>Administrators' names and addresses:</b>	Robert Jonathan Hunt and Matthew Hammond, PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT
<b>Appointor's / applicant's name and address:</b>	By order of the court upon the application of John Cutts, 22-23 Old Burlington Street, London, W1S 2JJ
<b>Objective being pursued by the Administrators:</b>	c) Realising property in order to make a distribution to one or more secured or preferential creditors.
<b>Division of the Administrators' responsibilities:</b>	In relation to paragraph 100(2) Sch.B1 IA86, during the period for which the Administration is in force, the Administrators acknowledge that their powers and liabilities in respect of the appointment are joint and several.
<b>Proposed end of the Administration:</b>	Creditors voluntary liquidation/Dissolution
<b>Estimated dividend for unsecured creditors:</b>	Unknown
<b>Estimated values of the prescribed part and the company's net property:</b>	Not applicable
<b>Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:</b>	Not applicable
<b>The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):</b>	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings.
<b>Any other information which the Administrators think necessary to enable creditors to decide whether or not to vote for adoption of the proposals:</b>	Not applicable

## Appendix A      Copy of the statement of affairs

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### Statement of Affairs

Name of Company

Parkridge Gate Developments Limited

Company Number

03561277

In the

High Court of Justice, Chancery Division,  
Companies Court

Court case number

7490 of 2011

(full name of court)

Statement as to the affairs of      Parkridge Gate Developments Limited, 22-23 Old Burlington Street, London, W1S 2JJ.

On the      24th August 2011      , the date that the company entered administration.

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### Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 24th August 2011 the date the company entered administration.

Full name      W. J. WARDROP

Signed      

Dated      5/10/11

### Copy of the statement of affairs

#### A - Summary of Assets - Parkridge Gate Developments Limited

## Assets

Assets subject to fixed charge

Assets subject to floating charge

Investment property

### Fixtures and equipment

Trade debtors

Accounts receivable I/Co

### Uncharged assets

other debtors

Estimated total assets available for preferential creditors

Signed \_\_\_\_\_

Dated \_\_\_\_\_

Book Value £	Estimated to realise £
151,696	
87,123	
15,210	
18,817,200	
132,368	
19,203,597	0

# Appendix A Copy of the statement of affairs

## A1 - Summary of Liabilities - Parkridge Gate Developments Limited

		Estimated to realise
Estimated total assets available for preferential creditors (carried forward from page A)		0.00
<b>Liabilities</b>		
Preferential creditors	0.00	
Estimated deficiency/surplus as regards preferential creditors		0.00
Estimated prescribed part of net property where applicable (to carry forward)	0.00	
Estimated total assets available for floating charge holders		0.00
Debts secured by floating charges - Royal Bank of Scotland	692,016.00	
Estimated deficiency/surplus of assets after floating charges		(692,016.00)
Estimated prescribed part of net property where applicable (brought down)	0.00	
Total assets available to unsecured creditors		(692,016.00)
Unsecured non-preferential claims(excluding any shortfall to floating charge holders)	1,793,956.00	
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)		(2,485,972.00)
Shortfall to floating charge holders (brought down)	0.00	
Estimated deficiency/surplus as regards creditors		(2,485,972.00)
Issued and called up capital	1,000.00	
Estimated total deficiency/surplus as regards members		(2,486,972.00)

Signature \_\_\_\_\_

Date \_\_\_\_\_

**Am I obliged to vote at the meeting that is being conducted by correspondence?**

No. Your claim and entitlement to dividend will not be affected if you do not do so.

**How do I ensure that my vote counts?**

In order to be counted, a creditors' vote must be received by the Administrators by 12.00 hours on the closing date specified on Form 2.25B and must be accompanied by written details of the creditor's claim unless written details of the claim have been given previously for voting purposes (Rule 2.48(2)).

If any vote is received without written details of the creditor's claim, or the Administrators decide that the creditor is not entitled to vote according to Rules 2.38 and 2.39, that creditor's vote shall be disregarded (Rule 2.48(3)).

The closing date shall be set at the discretion of the Administrators. In any event, it must not be set less than 14 days from the date of issue of the Form 2.25B (Rule 2.48(4)).

**Who decides whether my claim ranks for voting purposes?**

The Administrator can accept or reject the whole or any part of your claim (Rule 2.39(1)). If he is in doubt whether your claim should be admitted, he should mark it as objected to and allow you to vote. However, if the objection is sustained, your vote will be declared invalid (Rule 2.39(3)). If your vote was critical to the outcome of the meeting, this could change the resolutions that were passed and/or result in a further meeting (Rule 2.39(4)).

**What happens if I disagree with the Administrator's decision?**

You are entitled to appeal to the court for an order reversing the Administrator's decision on your claim provided you do so within 21 days of the meeting (Rule 2.39(5)). If the court does reverse the Administrator's decision it can order that another meeting be held or make such other order as it thinks just (Rule 2.39(4)).

Creditors also have the right to appeal to the court if they believe that the administration unfairly harms their interests (Paragraph 74(1) Sch.B1 IA86).

It is recommended that you seek legal advice about the merits of taking these steps in any particular circumstances.

**How do I calculate my claim for voting purposes?**

Votes are calculated according to the amount of a creditor's claim as at the date on which the Company entered administration, less any payments that have been made to him after that date in respect of his claim and any adjustments by way of set-off in accordance with Rule 2.85 as if that Rule were applied on the date that the votes were counted (Rule 2.38(4)).

**What majorities are needed to approve resolutions?**

A resolution to approve the proposals or any modification to them is passed at the creditors' meeting if supported by a majority in excess of 50% in value of the creditors voting on the resolution (Rule 2.43(1)).

Any resolution is invalid if those voting against it include more than 50% in value of the creditors to whom notice of the meeting was sent and who are not, to the best of the Administrator's belief, connected with the Company (Rule 2.43(2)).

**What happens if I cannot yet quantify my claim with certainty?**

A creditor cannot vote in respect of a debt for an unliquidated amount or any debt whose value is not ascertained, unless the Administrator agrees to put on the debt an estimated minimum value for voting purposes (Rule 2.38(5)).

**What happens if my debt is wholly or partly secured?**

A secured creditor whose debt is wholly or partly secured is entitled to vote only in respect of the balance (if any) of his debt after deducting the value of his security as estimated by him. However, if the Administrators have made a statement under Paragraph 52(1)(b) Sch.B1 IA86 and an initial creditors' meeting has been requisitioned by creditors under Paragraph 52(2) Sch.B1 IA86, a secured creditor is entitled to vote in respect of the full value of this debt without any deduction for the value of his security (Rule 2.40).

**What happens if I hold a negotiable instrument?**

A creditor shall not vote in respect of a debt on or secured by a current bill of exchange or promissory note unless he is willing: -

- a) to treat the liability to him on the bill or note of every person who is liable on it antecedently to the Company and against whom a bankruptcy order has not been made (or in the case of a company, which has not gone into liquidation) as security in his hands; and
- b) to estimate the value of the security and, for the purpose of his entitlement to vote (but not for dividend), to deduct it from his claim (Rule 2.41).

**What happens if I am a creditor under a hire-purchase, conditional sale agreement or leasing agreement?**

An owner of goods under a hire-purchase or chattel leasing agreement, or a seller of goods under a conditional sale agreement is entitled to vote in respect of the amount of the debt due and payable to him by the Company on the date the Company entered Administration. In calculating the amount of any debt for this purpose, no account shall be taken of any amount attributable to the exercise of any right under the relevant agreement, so far as the right has become exercisable solely by virtue of: -

- the making of an administration application
- a notice of intention to appoint an administrator or any matter arising as a consequence, or
- of the Company entering administration (Rule 2.42).

**Am I bound by the Administrators' proposals if they are approved at the meeting?**

The Administrators' proposals, when approved by the creditors' meeting, will dictate how the Company's affairs will be conducted in future and how creditors' claims will be addressed.

Once approved the proposals are binding on all creditors, including those who did not vote at the meeting. For this reason, it is important that creditors properly consider the proposals and decide whether and how they wish to vote.

**II A creditor’s guide to administrators’ fees (in accordance with Statement of Insolvency Practice No.9)**

The following information about the Administrators’ fees is from Statement of Insolvency Practice No.9 (“SIP 9”) produced by the Association of Business Recovery Professionals, Appendix C: A Creditors’ Guide to Administrators’ Fees (England and Wales) (Revised with effect from 6 April 2010).

**1. Introduction**

1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator’s fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.

**2. The nature of administration**

2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration, or, if the administrator thinks neither of these objectives is reasonably practicable
- realising property in order to make a distribution to secured or preferential creditors.

**3. The creditors’ committee**

3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator’s remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

**4. Fixing the administrator’s remuneration**

4.1 The basis for fixing the administrator’s remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed:

- as a percentage of the value of the property which the administrator has to deal with,
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration, or
- as a set amount.

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the administrator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the administrator.

It is for the creditors’ committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the committee to determine

the percentage or percentages to be applied, and where it is a set amount, to determine that amount. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property which the administrator has to deal with.

4.2 If there is no creditors’ committee, or the committee does not make the requisite determination (and provided the circumstances described in paragraph 4.3 do not apply), the administrator’s remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as apply in the case of the committee. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator, but the administrator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment.

4.3 There are special rules about creditors’ resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets. In this case, if there is no creditors’ committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of

- each secured creditor of the company; or
- if the administrator has made or intends to make a distribution to preferential creditors –
  - each secured creditor of the company; and
  - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval, having regard to the same matters as the committee would.

Note that there is no requirement to hold a creditors’ meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

4.4 A resolution of creditors may be obtained by correspondence.

## **5. Review of remuneration**

5.1 Where there has been a material and substantial change in circumstances since the basis of the administrator’s remuneration was fixed, the administrator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

## **6. Approval of pre-administration costs**

6.1 Sometimes the administrator may need to seek approval for the payment of costs in connection with preparatory work incurred before the company went into administration but which remain unpaid. Such costs may relate to work done either by the administrator or by another insolvency practitioner. Details of such costs must be included in the administrator’s proposals.

6.2 Where there is a creditors’ committee, it is for the committee to determine whether, and to what extent, such costs should be approved for payment. If there is no committee or the committee does not make the necessary determination, or if it does but the administrator, or other insolvency practitioner who has incurred pre-administration costs, considers the amount agreed to be insufficient, approval may be given by a meeting of creditors. Where the circumstances described in paragraph 4.3 apply, the determination may be made by the same creditors as approve the administrator’s remuneration.

6.3 The administrator must convene a meeting of the committee or the creditors for the purposes of approving the payment of pre-administration costs if requested to do so by another insolvency practitioner who has incurred such costs. If there is no determination under these provisions, or if there is but the



administrator or other insolvency practitioner considers the amount agreed to be insufficient, the administrator may apply to the court for a determination.

## **7. What information should be provided by the administrator?**

### **7.1 When seeking remuneration approval**

7.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought;
- the stage during the administration of the case at which it is being sought; and
- the size and complexity of the case.

7.1.2 Where, at any creditors’ or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

7.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator’s own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy.
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.

- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

7.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff.

## **7.2 After remuneration approval**

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution (see further paragraph 8.1 below). Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 7.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 7.1.4 above regarding work which has been sub-contracted out.

## **7.3 Disbursements and other expenses**

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements, but there is provision for the creditors to challenge them, as described below. Professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

## **8. Progress reports and requests for further information**

8.1 The administrator is required to send a progress report to creditors at 6-monthly intervals. The report must include:

- details of the basis fixed for the remuneration of the administrator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it);
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report);
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report;
- a statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was actually made during that period;
- the date of approval of any pre-administration costs and the amount approved;
- a statement of the creditors' rights to request further information, as explained in paragraph 8.2, and their right to challenge the administrator's remuneration and expenses.

8.2 Within 21 days of receipt of a progress report a creditor may request the administrator to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured

creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

8.3 The administrator must provide the requested information within 14 days, unless he considers that:

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the administration or might be expected to lead to violence against any person, or
- the administrator is subject to an obligation of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information.

Any creditor may apply to the court within 21 days of the administrator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information.

### **9. 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.

### **10. What if a creditor is dissatisfied?**

10.1 If a creditor believes that the administrator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the administrator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court.

10.2 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 8.1 above). 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.

10.3 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the administration.

### **11. What if the administrator is dissatisfied?**

11.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they

may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

**12. Other matters relating to remuneration**

12.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.

12.2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

12.3 If a new administrator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new administrator until a further determination, resolution or court order is made.

12.4 Where the basis of the remuneration is a set amount, and the administrator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing administrator. The application must be made to the same body as approved the remuneration. Where the outgoing administrator and the incoming administrator are from the same firm, they will usually agree the apportionment between them.

**13. Effective date**

This guide applies where a company enters administration on or after 6 April 2010, except where:

- the application for an administration order was made before that date, or
- where the administration was preceded by a liquidation which commenced before that date.

## **Appendix C      The Administrators' charging and disbursements recovery policy**

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### **Overview of the Administrators' strategy and objectives**

Rob Hunt and Matthew Hammond were appointed Administrators of the Company on 24 August 2011 with the objective of:

- (a) Primarily, rescuing the Company as a going concern, or failing that
- (b) 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 finally
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors.

As stated earlier in the proposals, the Administrators believe that the statutory purpose will be achieved by virtue of the Administrators strategy to preserve value in the Group's assets with funds being returned to the Company through intercompany balances and shareholdings via a dividend distribution to unsecured creditors, from its parent, PHL.

### **Summary of legal and other professional firms**

The Administrators have instructed the following professionals / subcontractors: -

<b>Service provided</b>	<b>Name of firm / organisation</b>	<b>Reason selected</b>	<b>Basis of fees</b>
Legal advice	Wragge & Co LLP	Expertise	Timecosts
Chattel agents and valuers	Edward Symmons LLP	Local knowledge and expertise	% of realisations

The Administrators require all third party professionals to submit time costs analyses and narrative in support of invoices rendered. The Administrators review all professional firms' costs in relation to work undertaken in the Administration.

### **Office holder's charging and disbursement policy**

The time charged to the Administration is by reference to the time properly given by the Administrators and their staff in attending to matters arising.

It is the Administrators' policy to delegate tasks in the Administration to appropriate members of staff considering their level of experience and any requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or the Administrators themselves.

### **Hourly rates**

Set out below are the relevant charge-out rates per hour worked for the grades of the Administrators' 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.

<b>Grade</b>	<b>Rate per hour £</b>
Partner	520
Director	436
Senior Manager	383
Manager	299
Senior associate	226
Associate	142
Support staff	76

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

Grade	Specialist maximum rate per hour £
Partner	960
Director	725
Senior Manager	575
Manager	495
Senior associate – qualified / consultant	350
Senior associate – unqualified	320
Associate	245
Support staff	100

In common with all professional firms, the scale rates used by the Administrators may periodically rise (for example to cover annual inflationary cost increases) over the period of the Administration. Any material amendments to these rates will be advised to the creditors in the next statutory report.

The Administrators' firm's expenses policy allows for all properly incurred expenses to be recharged to the case. Disbursements are charged to the assignment as follows: -

**Disbursements for services provided by the Administrators' own firm(s) (Category 2 disbursements)**

<b>Photocopying</b>	At 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying.
<b>Mileage</b>	At a maximum of 64 pence per mile (up to 2,000cc) or 81 pence per mile (over 2,000cc)

The Administrators incurred the following Category 2 disbursements (excluding VAT) during the period 24 August 2011 to 10 October 2011: -

Photocopying/Printing: £30.00

Mileage: £106.55

Other (specify): Company search £4.00

**Narrative of work carried out for the period 24 August 2011 to 7 October 2011**

The key areas of work have been:

- Strategy and planning
- Statutory and other compliance
- Employee matters
- Other case specific matters.

**Appendix C****The Administrators' charging and disbursements recovery policy****Charge-out rate summary for the period 24 August 2011 to 7 October 2011**

Classification of work function	Hours						Time cost	Average
	Partner	Director	Senior Manager/Manager	Senior Associate	Associate/Support	Total hours	£	hourly rate £
Strategy and planning	-	6.00	26.25	-	-	32.25	11,271.25	349.50
Debtors	-	-	-	0.50	-	0.50	84.00	168.00
Asset realisations	-	2.50	3.00	-	-	5.50	2,197.00	399.45
Statutory and other compliance	-	-	9.02	28.25	2.75	40.02	7,832.73	195.72
Accounting and treasury	-	-	-	1.50	-	1.50	561.40	374.27
Creditors	-	-	13.00	0.50	-	13.50	3,971.00	294.15
Employee matters	-	-	1.25	14.85	-	16.10	3,600.55	223.64
Other case specific	-	-	17.55	-	-	17.55	5,251.65	299.24
Total hours	-	<b>8.50</b>	<b>70.07</b>	<b>45.60</b>	<b>2.75</b>	<b>126.92</b>	<b>34,769.58</b>	<b>273.95</b>

Note: the amounts referred to above exclude VAT.

**Parkridge Gate Developments Limited - in Administration – statement of claim**

Creditor's name and address.	
Registered number (if creditor is a company)	
<p>Claim amount</p> <ul style="list-style-type: none"> <li>• Total amount of your claim (including VAT) at the date the administration commenced*[<i>or, if the company was in liquidation, when it entered administration, at the date the prior liquidation commence</i>].</li> <li>• Any payment received by the creditor in relation to the claim after the appointment of the administrators [<i>or, if applicable, prior liquidators</i>]</li> <li>• Total value (including VAT) of any monies owed by the creditor to the company.</li> <li>• Total value (including VAT) of any retention of title in respect of any goods to which the debt relates</li> </ul>	<p>£</p> <p>£</p> <p>£</p> <p>£</p>
Please provide details of any documents that substantiate your claim including where applicable, details of any reservation of title. If available, please attach a statement of account.	
What goods or services did you provide?	
<p>If you have security for your debt, please provide details of the type and value of the security, the date it was given, and provide details of how you have valued your security.</p> <p>If no security held, leave this section blank.</p>	
<p>We have a duty as administrators to consider the conduct of the directors prior to our appointment. Are there any particular matters relating to the purchase of goods and services from yourselves, or any other matters that you feel should be reviewed?</p> <p>If so, please provide brief details on this form, or on a separate sheet if there is insufficient room.</p>	
Signature of creditor or person authorised to act on behalf of the creditor.	Date
Name in block capitals.	
Position with or relation to the creditor (e.g. director, company secretary, solicitor).	

CC/300811/D355Ev2

\* You must deduct any trade or other discounts which would have been available to the company but for its administration, except any discount for immediate, early or cash settlement.



## Notice of conduct of business by correspondence

Name of Company

Parkridge Gate Developments Limited

Company Number

03561277

In the

High Court of Justice, Chancery Division, Companies Court

(full name of court)

Court case number

7190 of 2011

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

Notice is hereby given by (a) Robert Jonathan Hunt and David Matthew Hammond of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT

(b) Insert full name and address of registered office of the company

to the creditors of (b) Parkridge Gate Developments Limited, Benson House, 33 Wellington Street, Leeds, LS1 4JP

(c) Insert number of resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c) four resolutions for your consideration. Please indicate below whether you are in favour or against each resolution.

(d) Insert address to which form is to be delivered

This form must be received at (d) PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP

(e) Insert closing date

by 12.00 hours on (e) 1 November 2011 in order to be counted. It must be accompanied by details in writing of your claim. Unless those details have already been submitted for the purpose of a meeting of creditors. Failure to do so will lead to your vote(s) being disregarded.

Repeat as necessary for the number of resolutions attached

Resolution (1) That the joint administrators proposals be approved.

I am \*in Favour / Against

Resolution (2) That the joint administrators fees be fixed by reference to time properly given and various grades of staff according to the firm's usual charge out rates for work of this nature as set out in Appendix C of the proposals.

I am \*in Favour / Against

Resolution (3) That disbursements be recovered pursuant to the administrators' policy as set out in Appendix C of the proposals.

I am \*in Favour / Against

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor: \_\_\_\_\_

Signature of creditor: \_\_\_\_\_

(If signing on behalf of creditor, state capacity e.g. director/solicitor)

If you require any further details or clarification prior to returning your votes, please contact me / us at the address above.

Signed \_\_\_\_\_

Joint Administrator(s)

Dated \_\_\_\_\_

13.10.11

The Insolvency Act 1986

# Statement of administrator's proposals

# 2.17B

Name of Company  
Parkridge Gate Developments Limited

Company Number  
03561277

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

Court case number  
7190 of 2011

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

We (a) David Matthew Hammond and Robert Jonathan Hunt of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE 2RT

attach a copy of \*my / our proposals in respect of the administration of the above company.

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 13 October 2011

\* Delete as applicable

Signed [Signature]  
Joint / Administrator(s)

Dated 13.10.11.

## 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

Chris Cockerill	
Benson House, 33 Wellington Street, Leeds, LS1 4JP	
	Tel 0113 289 4399
DX Number	DX Exchange

Companies House receipt date barcode

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