

# AM23

## Notice of move from administration to dissolution



Companies House

For further information, please refer to our guidance at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number

Company name in full

#### → Filling in this form

Please complete in typescript or in bold black capitals.

### 2 Court details

Court name

Court number

### 3 Administrator's name

Full forename(s)

Surname

### 4 Administrator's address

Building name/number

Street

Post town


County/Region

Postcode

Country

AM23

Notice of move from administration to dissolution

<b>5</b>		<b>Administrator's name ①</b>	
Full forename(s)			
Surname			
		<b>① Other administrator</b> Use this section to tell us about another administrator.	
<b>6</b>		<b>Administrator's address ②</b>	
Building name/number			
Street			
Post town			
County/Region			
Postcode			
Country			
		<b>② Other administrator</b> Use this section to tell us about another administrator.	
<b>7</b>		<b>Final progress report</b>	
		<input type="checkbox"/> I have attached a copy of the final progress report	
<b>8</b>		<b>Sign and date</b>	
Administrator's signature	<div>Signature</div> <div>X </div>		X
Signature date	d   d     m   m     y   y   y   y		

**Presenter information**

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

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

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

**Important information**

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

**Where to send**

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

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

**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

# Joint Administrators' final progress report

## From 14 April 2022 to 12 October 2022

**Stonewell Property Company Limited -**  
(in administration)

In the High Court of Justice, Business and Property Courts of  
England and Wales, Manchester District Registry, Insolvency and  
Companies List (ChD)

Case no. CR-2019-MAN-001039

12 October 2022

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# Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report

Abbreviation or definition	Meaning
<b>Joint Administrators/we/us/our</b>	Peter David Dickens and Alison Grant
<b>Company</b>	Stonewell Property Company Limited
<b>Cumberland</b>	Cumberland Building Society, a Secured creditor
<b>Group</b>	The Company and its subsidiary companies
<b>Hampshire</b>	Hampshire Trust Bank Plc, a secured creditor
<b>HHL</b>	Hollinwood Homes Limited - dissolved, formerly in administration
<b>HMRC</b>	HM Revenue & Customs
<b>IR16</b>	Insolvency (England and Wales) Rules 2016
<b>IA86</b>	Insolvency Act 1986
<b>Lloyds</b>	Lloyds Bank Plc
<b>MWCL</b>	Marcus Worthington and Company Limited - dissolved, formerly in administration
<b>Prescribed part</b>	The amount set aside for Unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
<b>Preferential creditors</b>	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
<b>PwC</b>	PricewaterhouseCoopers LLP
<b>Secured creditors</b>	Creditors with security in respect of their debt, in accordance with section 248 IA86 - see Cumberland and Hampshire above
<b>SIP</b>	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply.
<b>Unsecured creditors</b>	Creditors who are neither Secured nor Preferential creditors

This report has been prepared by Peter Dickens and Alison Grant as Joint Administrators of the Company, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Administrators' previous reports issued to the Company's creditors, which can be found at <https://www.pwc.co.uk/stonewell>. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Peter Dickens and Alison Grant 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. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at:

<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Joint Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Administrators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

# Key messages

## Why we've sent you this report

We're pleased to let you know that our work on the administration of the Company is now complete and so, we set out below our final report.

You can still view our earlier reports on our website at [www.pwc.co.uk/stonewell](http://www.pwc.co.uk/stonewell). Please get in touch with Beth Stoker on 0113 289 4000 or at [beth.stoker@pwc.com](mailto:beth.stoker@pwc.com) if you need the password to access the reports.

## How much creditors have received

The following table summarises the final outcome for creditors.

Class of creditor	Final outcome (p in £)	Previous estimate (p in £)
<b>Secured creditors:</b>		
Cumberland	Repaid	Repaid
Hampshire	91	75-80
Lloyds	Repaid	Repaid
Preferential creditors	N/A	N/A
Unsecured creditors	0.15	0.1 - 0.2

### Secured creditors

As you may recall from my earlier reports, Cumberland's lending in the Company was cross-guaranteed across HHL and MWCL, both related entities, as well as by Winckley Properties Ltd, a separate legal entity over which we were not appointed. We were appointed as administrators over MWCL on 30 September 2019 and HHL on 14 October 2019 and the Joint Administrators' appointment over both of these entities came to a conclusion following the issuing of final progress reports. As noted in our previous report the total distributed was £7.65m and the lending has been repaid in full.

A second Secured creditor, Hampshire, was owed approximately £4m by the Company at the date of administration, upon which interest continued to accrue. Hampshire had first ranking fixed charge security on a property known as Whittingham Lane, over which it appointed receivers. Hampshire was repaid £2.45m from the sale proceeds of Whittingham Lane by its receivers, leaving an outstanding capital balance of approximately £1.55m, which has since increased to £2m owed by the Company, including interest and charges. Following the sale of the final asset, on 25 April 2022 we made a distribution to Hampshire of £0.8m and a further distribution of £0.4m on 28 June 2022. A final cash distribution of £0.3m was paid in October 2022, together with the assignment of outstanding VAT refunds of £86k. Overall, Hampshire should recover some £4.06m against its lending.

### Preferential creditors

The Company does not have Preferential claims as it did not have any employees.

### Unsecured creditors

We've paid a dividend of 0.15p in the £ to the Company's unsecured creditors totalling £32,826.07 from the Prescribed part.

## What you need to do

This report is for your information and you don't need to do anything.

## What happens next

In line with our proposals approved by creditors on 22 November 2019, we filed notice of move from administration to dissolution on 12 October 2022. The Company will be dissolved three months after the notice has been registered by the Registrar of Companies.

We ceased to act on 12 October 2022.

As decided by the secured creditors we will be discharged from liability in respect of any of our actions as joint administrators on 26 October 2022.

# Overview of our work

## Why we were appointed

You may remember that when we were appointed, the position was as follows:

- The Company owned and operated commercial Investment properties and had investments in wholly owned subsidiaries.
- We were appointed following cash flow pressures in the Company and the wider group as a result of a number of commercial and residential developments. Following a restructuring review and potential funding options falling through, the directors of MWCL concluded that MWCL was insolvent and filed a Notice of Intention to appoint Administrators. As MWCL was the main operating entity within the Group, and ceased trading on appointment, the ongoing viability of other entities was impacted.
- Due to the administration of MWCL, a number of cross guarantees and performance bonds in relation to the Company were called upon, and there was not the financial means to repay them. Accordingly, the directors appointed administrators to the Company on 14 October 2019.

## Asset realisation

After an initial review, we decided the most appropriate strategy was to pursue a sale of the Company's properties to realise value for creditors.

Immediately on our appointment, we secured and took control of the Company's assets, which included 7 commercial properties with a book value of £10.2m. We produced individual realisation strategies for each of the properties. This meant that whilst some properties were placed immediately on the market, work was undertaken in relation to others (for instance by negotiating improvements in the tenant covenants) to improve the value of the assets.

As explained in our earlier reports, we had sold six of the seven properties in the period leading up to 13 April 2022. Details of the property sales can be found in previous reports with a summary of the funds realised below:

Property	Sale Price (£'000)
Faraday Court	1,000
Aldi St Annes	5,000
Lingmell House	925
Castle House	625
Heaton Street	1,075
Grey House Barns	300
<b>Total</b>	<b>8,925</b>

During the period since we last reported, we completed the sale of Currock Road, Carlisle and have received £1.725m into the Company account.

There were also a number of residual freehold plots sold earlier in the administration for a total of c.£46k, bringing the total realised from investment properties to £10,696m.

We've now finished realising the Company's assets.

## Connected party transactions

In the period covered by this report no transactions to connected parties have taken place. Details of transactions that have taken place in previous periods can be found in earlier reports.

## Approval of our proposals

We issued to creditors our proposals dated 22 November 2019 for achieving the purpose of administration.

We said in our proposals that we thought neither of the first two objectives of administration, being rescuing the Company as a going concern or failing that, 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), could be achieved.

This meant that we did not seek a decision from creditors regarding the approval of proposals and our proposals would be treated as approved if creditors did not request a decision in the required manner. As creditors did not request a decision be sought, our proposals were treated as approved on 5 December 2019.

We attach a summary of our proposals at Appendix A.

## Investigations and actions

Nothing came to our attention during the period under review to suggest that we needed to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

As you may recall from earlier reports we investigated a number of potential antecedent transactions. Following review of Company records, consultation with lawyers and costs of the administration, settlements were reached with these parties for the benefit of the Company's creditors. Further detail can be found in earlier progress reports.

## Tax clearance

We fulfilled our duties as proper officers for tax during the administration and filed VAT and corporation tax returns for all relevant accounting periods. HMRC raised no queries on our returns and has confirmed that it has no objection to the administration ending.

## Our final receipts and payments account

We set out in Appendix B an account of our final receipts and payments in the administration from appointment to 12 October 2022.

## Our expenses

We set out in Appendix C a statement of the final expenses that we incurred to the date covered by this report.

## Our fees

We set out in Appendix D an update on our remuneration which covers our fees, disbursements and other related matters.

## Pre-administration costs

You can find in Appendix E information about the approval of the unpaid pre-administration costs previously detailed in our proposals. A partial recovery of the fees incurred by the administrators prior to their appointment of £67,091.50 was paid in the period covered by this report.

## Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34 IR16. This information can also be found in the guide to fees at:

**<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.ashx?la=en>**

You can also get a copy free of charge by telephoning Beth Stoker on 0113 289 4000.

Yours faithfully

Former Joint administrator

A handwritten signature in black ink, appearing to read 'P. Dickens', with a long horizontal stroke extending to the right.

Peter Dickens

# Appendices

# Appendix A: Summary of our proposals

We issued our Proposals for the Group to creditors setting out the reason for our appointment and subsequent proposed work.

The administrators would pursue objective (c) of the statutory purpose of administration, namely to realise assets in order to make a distribution to one or more secured creditors. This was because the administrators considered that it was not reasonably practical to rescue the Company as a going concern or achieve a better result for creditors than would be likely if the Company were to be wound up without first being in administration.

On appointment, the Company owned seven investment properties and a number of small residual parcels of land. We secured the properties, established contact with the tenants or managing agents, and undertook a tendering process to appoint selling agents on each of the properties. We proposed to work with these agents to manage vacant units, renew and enhance the covenants of leases, and agree a strategy for marketing the properties with the aim of achieving the best outcome for creditors.

On appointment the Company had no employees and did not continue to trade following the appointment. We proposed to fund the administration from the rents collected and from assets realisations.

The Company had a lot of trading with connected companies, both within the Group and other companies connected by common directors and shareholders. Books and records were held on a mixture of servers owned by MWCL and third party cloud providers and were mixed with those of other connected parties, and we proposed to continue an exercise to separate out these records. We proposed to investigate the transactions with connected companies and parties (including directors loans) with the aim of realising claims that the Company may have against connected parties.

It was anticipated that the Secured creditors Cumberland and Hampshire would recover between 80-100% and 20-100% respectively for the Company and that there would be a potential return to Unsecured creditors. As noted above, the Company had no employees and therefore no Preferential claims.

We proposed that our fees be fixed by reference to the time properly spent by the administrators and our staff attending to matters arising in the administration.

It was anticipated that, following the distribution to Unsecured creditors from the Prescribed Part, we would file notice with the Registrar of Companies and the Company would be dissolved three months later.

# Appendix B: Receipts and payments

## Stonewell Property Company Limited - in administration

Statement of Affairs £		Total as at 13 April 2022 £	From 14 April 2022 to 12 October 2022 £	Total as at 12 October 2022 £
<b>Receipts subject to fixed charge</b>				
9,680,000	Investment property	8,971,000.00	1,725,000.00	10,696,000.00
	Rental income	685,845.76	(20,585.58)	665,260.18
<b>5,105,000</b>	<b>Total receipts</b>	<b>9,656,845.76</b>	<b>1,704,414.42</b>	<b>11,361,260.18</b>
<b>Payments subject to fixed charge</b>				
	Distributions to chargeholder1	(7,650,308.68)	-	(7,650,308.68)
	Distribution to chargeholder 2	-	(1,432,164.21)	(1,432,164.21)
	Legal fees & Expenses	(218,619.40)	(19,816.62)	(238,436.02)
	Insurance	(112,832.51)	5,000.12	(107,832.39)
	Rent	(80.00)	-	(80.00)
	Rates	(1,807.75)	-	(1,807.75)
	Agents fees - property and assets	(120,735.84)	(29,187.50)	(149,923.34)
	Property and asset expenses	(9,210.00)	-	(9,210.00)
	Inter-company account - MWCL - wages and salaries	(36,804.06)	-	(36,804.06)
	Joint Administrators fees	(1,456,044.98)	(260,127.84)	(1,716,172.82)
	Joint Administrators disbursements	-	(6,553.95)	(6,553.95)
	Irrecoverable VAT	(15,987.53)	4,020.57	(11,966.96)
	<b>Total payments</b>	<b>(9,622,430.75)</b>	<b>(1,738,829.43)</b>	<b>(11,361,260.18)</b>
	<b>Fixed charge balance</b>	<b>34,415.01</b>	<b>(34,415.01)</b>	<b>-</b>

<b>Receipts subject to floating charge</b>				
	Inter-company account - MWCL	7.00	-	7.00
22,549	Book debts including - Sales ledger, other debtors and prepayments	27,514.51	-	27,514.51
33,357	Cash on appointment	34,859.36	769.69	35,629.05
647,372	Directors loan	-	-	-
	Directors' settlement agreements and preference claims -1	40,000.00	-	40,000.00
	Directors' settlement agreements and preference claims -2	32,925.10	-	32,925.10
	Directors' settlement agreements and preference claims -3	32,367.57	-	32,367.57
	Directors' settlement agreements and preference claims -4	47,994.58	-	47,994.58
	Undercroft settlement	300,000.00	-	300,000.00
	Dilapidations claim	30,000.00	-	30,000.00
	Bank interest	295.11	-	295.11
	Third party funds	21,540.00	-	21,540.00
<b>4,630,906</b>	<b>Total receipts</b>	<b>567,503.23</b>	<b>769.69</b>	<b>568,272.92</b>
<b>Payments subject to floating charge</b>				
	Distribution to floating charge holder	-	(175,490.68)	(175,490.68)
	Land registry charges	(7.00)	-	(7.00)
	Professional fees	(45.00)	-	(45.00)
	Statutory advertising	(154.00)	(90.00)	(244.00)
	Inter-company account - MWCL	(7.00)	-	(7.00)
	Third party funds	(21,540.00)	-	(21,540.00)
	Joint administrators pre appointment fees	-	(67,081.50)	(67,081.50)
	Joint administrators fees	(69,955.02)	-	(69,955.02)
	Joint administrators disbursements	-	(31,341.78)	(31,341.78)
	Pre-appointment legal expenses	(4,223.00)	-	(4,223.00)
	Legal fees & Expenses	(6,280.47)	(5,191.23)	(11,471.70)
	Storage costs	-	(6,629.70)	(6,629.70)
	Corporation tax	(112,613.57)	(23,812.13)	(136,425.70)
	Bank charges	-	(42.75)	(42.75)
	<b>Total payments</b>	<b>(214,825.06)</b>	<b>(309,679.77)</b>	<b>(524,504.83)</b>
	<b>Floating charge balance</b>	<b>352,678.17</b>	<b>(308,910.08)</b>	<b>43,768.09</b>
	VAT control account	(139,085.80)	139,085.80	-
	Distribution to unsecured creditors on 6 September 2022	-	(32,826.07)	(32,826.07)
	Joint Administrators Fees for distributing the Prescribed Part	-	(10,942.02)	(10,942.02)
	<b>Total balance held in interest bearing account</b>	<b>248,007.38</b>	<b>(248,007.38)</b>	<b>-</b>

## Notes to the R&P

1. Amounts shown exclude VAT. Final VAT refunds due from HMRC have been assigned to Hampshire as part of the final amount due to them and are included in the distributions to charge holder 2 / floating charge holder in the above accounts .
2. As explained further in appendix C, our fees are based on time costs The receipts and payments account shows the amount paid in the period and total to date. There have been no payments made to us, our firm or our associates other than from the insolvent estate of the Company as shown in the receipts and payments account provided above.
3. Funds are held in an non-interest bearing account in order to allow tax clearance to be obtained.
4. During the prior period we completed the annual VAT reconciliation in relation to the partial exemption. As a result of this, the irrecoverable VAT figure for the period was confirmed and the R&P above adjusted accordingly.
5. Remuneration and expenses have been allocated between the fixed and floating charges.
6. There is an adjustment in the brought-forward rent received and investment property realisations following the identification of an error. This does not affect the brought-forward balance.
7. Directors loan balance showing per the Statement of Affairs is split showing a breakdown of the balances received in respect of this in the lines below.

# Appendix C: Expenses

Expenses are amounts properly payable by us as administrators but exclude our fees and distributions to creditors. These include disbursements which are expenses met by and reimbursed to and office holder in connection with an insolvency appointment.

Expenses fall into two categories:

Expense	SIP 9 definition
Category 1	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
Category 2	Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors which approves our fees (in this case the [fee approving body]) also has the responsibility for agreeing the policies for payment of Category 2 expenses.

The following table provides a breakdown of the Category 2 expenses have been incurred by us as administrators or our associates, together with details of the Category 1 expenses that have been incurred by PwC and will be recharged to the case:

Category	Costs incurred by	Policy	Costs incurred £
1	PwC	Storage costs	1,349.95
1	PwC	<i>HM Land Registry</i>	3.00
Total incurred in the period of this report			1,352.95
Brought forward as at 13 April 2022			36,542.78
<b>Total incurred</b>			<b>37,895.73</b>

The expense policy set out above has been approved by Secured creditors.

The table below provides details of the expenses incurred in the administration:

Nature of Expense	Brought forward as at 13 April 2022	Incurred in the period under review	Cumulative	Discount to actual paid	Actual paid	Initial estimate	Variance
	(£)			(£)	(£)	(£)	(£)
<b>Post appointment expenses</b>							
Office holders' fees	2,097,102.10	140,677.80	2,237,779.90	(440,710.04)	1,797,069.86	1,898,072.50	(101,002.64)
Office holders' expenses	36,542.78	1,352.95	37,895.73	-	37,895.73	32,890.35	5,005.38
Rent	80.00	-	80.00	-	80.00	80.00	-
Agents fees - property and assets	121,235.84	29,187.50	150,423.34	(500.00)	149,923.34	79,094.32	70,829.02
Property and asset expenses, rates	11,017.75	-	11,017.75	-	11,017.75	2,810.00	8,207.75
Legal fees	282,412.36	25,007.85	307,420.21	(57,512.49)	249,907.72	201,891.00	48,016.72
HM Land Registry fees	7.00	-	7.00	-	7.00	7.00	-
Professional services	36,849.00	-	36,849.00	-	36,849.06	36,849.00	0.06
Storage costs	-	6,629.70	6,629.70	-	6,629.70	-	6,629.70
Statutory advertising	154.00	90.00	244.00	-	244.00	237.00	7.00
Insurance costs	112,832.51	(5,000.12)	107,832.39	-	107,832.39	20,000.00	87,832.39
Corporation tax	112,613.57	23,812.13	136,425.70	-	136,425.70	-	136,425.70
<b>Total post-administration expenses</b>	<b>2,810,846.91</b>	<b>221,757.81</b>	<b>3,032,604.72</b>	<b>(498,722.53)</b>	<b>2,533,882.25</b>	<b>2,271,931.17</b>	<b>261,951.08</b>
<b>Pre appointment expenses</b>							
Pre-appointment office holders' fees	89,422.00	-	89,422.00	(22,340.50)	67,081.50	89,422.00	(22,340.50)
Pre-appointment legal fees	4,223.00	-	4,223.00	-	4,223.00	4,223.00	-
<b>Total pre-administration expenses</b>	<b>93,645.00</b>	<b>-</b>	<b>93,645.00</b>	<b>(22,340.50)</b>	<b>71,304.50</b>	<b>93,645.00</b>	<b>(22,340.50)</b>
<b>Total expenses ( excl VAT)</b>	<b>2,904,491.91</b>	<b>221,757.81</b>	<b>3,126,249.72</b>	<b>(521,063.03)</b>	<b>2,605,186.75</b>	<b>2,365,576.17</b>	<b>239,610.58</b>

The table also includes any potential tax liabilities that were paid as an administration expense.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

Our expenses have exceeded the estimate provided to all creditors before the basis of our fees was fixed. This is as a result of a number of factors, including delays around sale of properties as a result of the COVID-19 pandemic, which increased agent and property costs, Joint Administrators' time costs and insurance. Some of these additional costs have been mitigated by additional rental income or recharges to tenants, but also by the administrators and their legal advisors not being paid for the full amount of time spent on the administration. As noted in Appendix C, we decided not to seek further approval to take fees in excess of our original fee estimate beyond that in our remuneration report.

We have also incurred additional legal fees to those originally anticipated. These have been as a result of, but not limited to;

- additional due diligence in relation to property sales following the increased perceived risk caused by COVID-19; and
- protracted dialogue with directors with regards to directors loans and preference settlements, which resulted in funds of some £153k being realised from settlement agreements and £300k from the Undercroft settlement.

# Appendix D: Remuneration update

Our fees were approved on a time costs basis by the Secured Creditors. To date we have drawn fees of £1,797,164 in line with the approval given, as shown on the enclosed receipts and payments account.

Our fees relating to the distribution of the Prescribed part to Unsecured Creditors were also approved, to be fixed at 25% of the Prescribed part fund.

The time cost charges incurred in the period covered by this report are £140,677.80. This amount does not necessarily reflect how much we drew as fees for this period.

Our time costs exceeded our initial fee estimate of £1,898,073 but we are not seeking further approval for these additional costs and have actually drawn less than the original fee estimate.

We set out later in this Appendix details of our work, disbursements, subcontracted work and payments to associates.

## Our hours and average rates

Aspect of assignment	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Total (Hrs)	Time cost	average hourly rate
								£	£
Accounting and treasury	-	0.75	-	3.50	5.60	7.75	17.60	7,978.25	453.31
Assets	9.75	-	0.20	7.10	3.55	0.20	20.80	13,951.00	670.72
Creditors	-	-	7.05	8.05	39.70	0.80	55.60	29,033.00	522.18
Secured creditors	18.75	2.70	0.20	0.65	0.05	-	22.35	19,688.00	880.89
Statutory and compliance	12.00	0.40	5.35	24.10	14.20	0.30	56.35	33,299.75	590.94
Strategy and planning			0.55	2.35	0.55		3.45	2,291.75	664.28
Tax & VAT		0.75	6.75	19.20	13.25	12.25	52.20	32,103.05	615.00
Closure procedures			0.70	3.25			3.95	2,333.00	590.63
<b>Total for the period</b>	<b>40.50</b>	<b>4.60</b>	<b>20.80</b>	<b>68.20</b>	<b>76.90</b>	<b>21.30</b>	<b>232.30</b>	<b>140,677.80</b>	<b>605.59</b>
Brought forward at 13 April 2022							4,167.64	2,097,102.10	
<b>Total</b>							<b>4,399.94</b>	<b>2,237,779.90</b>	

## Our time charging policy and hourly rates

We and our team charged our time for the work we needed to do in the administration. We delegated tasks to suitable grades of staff, taking into account their experience and any specialist knowledge needed and we supervised them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility was handled by our senior staff or us.

All of our staff who worked on the administration (including our cashiers, support and secretarial staff) charged time directly to the case and were included in any analysis of time charged. Each grade of staff has an hourly charge out rate which was reviewed from time to time. Work carried out by our cashiers, support and secretarial staff was charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time has been charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 units). We didn't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who worked on the administration.

Grade	Up to 30 June 2022 £	From 1 July 2022 £
<b>Partner</b>	875	980
<b>Appointment taking director</b>	740	960
<b>Director (not appointee)</b>	740	915
<b>Assistant director</b>	625	900
<b>Senior manager</b>	625	860
<b>Manager</b>	525	730
<b>Senior associate</b>	425	515
<b>Associate</b>	280	375
<b>Support staff</b>	130	160
<b>Offshore professionals</b>	280	375 -515

Reflecting the increasingly mobile and flexible nature of the PwC workforce and the narrowing of our London and regional cost bases we have moved to one uniform rate card for our standard restructuring and insolvency services from 1 July 2022. This is in line with other parts of PwC, and is also consistent with wider insolvency market practice. We will continue to have a separate rate card for specialist services including our tax, data and technologist support.

Should an increase in charge out rates result in our time costs exceeding the fee estimate provided to creditors at the time we sought approval of the basis of our remuneration, we will need to seek approval from the relevant creditor body in order to draw fees in excess of that estimate.

We have a diverse range of experience and capability within our director and senior manager teams. We have created two further grades within this population to reflect different levels of experience. We have differentiated between those directors who take insolvency appointments and lead insolvency cases (thereby providing considerable leverage to our appointment taking partners and reducing overall costs to insolvent estates), and those directors who help to support the delivery of our insolvency strategy. We have also created differential rates in our senior manager team, acknowledging those insolvency qualified and long serving insolvency experienced senior managers separately from those who are not yet insolvency qualified.

Role descriptions applicable to the new rates are below. In addition, as the range of work that may be undertaken by our offshore professional colleagues increases, we also provide updated information for that role.

Title	Description
<b>Appointment taking director</b>	A licensed insolvency practitioner acting as an office holder on the insolvency appointment and subject to additional office-holder responsibilities compared to a Director

	who is not an appointed office-holder. Highly experienced in insolvency matters at a senior level, including managing complex insolvencies and supervising teams.
<b>Assistant director</b>	Individuals of Senior Manager title but who are highly experienced in insolvency matters and either with more than 10 years insolvency experience at Senior Manager level or are qualified to JIEB level.
<b>Offshore professional</b>	Offshore professional colleagues may provide assistance, albeit that the majority of the work on this case will be undertaken by the UK based team. An off-shore professional at the higher end of the fee bracket generally has appropriate insolvency experience or an accounting qualification, depending on the nature of the work and will assist with planning and control of various aspects of the insolvency. An off-shore professional at the lower end of the fee bracket will typically have a finance-related qualification and appropriate skills to complete basic insolvency related tasks and provide administrative support to the team including efficient document preparation and data entry, records management, and general data analytics. All work under the supervision of more senior staff.

We call on colleagues such as those in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. We may also utilise Technology Specialists from the wider Business Restructuring Services team or other parts of our firm. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

<b>Grade</b>	<b>Up to 30 June 2022 £</b>	<b>From 1 July 2022 £</b>
<b>Partner</b>	1,680	1,810
<b>Director</b>	1,540	1,660
<b>Senior manager</b>	1,425	1,570
<b>Manager</b>	860	950
<b>Senior associate/consultant</b>	640	690
<b>Associate/assistant consultant</b>	345	190
<b>Support staff</b>	190	190
<b>Offshore professionals</b>	190	205

In common with many professional firms, our scale rates may rise eg to cover annual inflationary cost increases.

## Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff.

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work

Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<b>Accounting and treasury</b>		
<ul style="list-style-type: none"> <li>Process receipts and payments</li> <li>Carry out bank reconciliations</li> <li>Raising dividend payments and dealing with uncashed dividend cheques</li> </ul>	Ensure secure stewardship of funds	To ensure correct management of funds for distribution to creditors
<b>Assets</b>		
<ul style="list-style-type: none"> <li>Deal with post completion matters in relation to the sale of the Currock Road property, including realising the sale proceeds into the administration accounts.</li> <li>Deal with other post sale enquiries across the sold portfolio, and investigate any interest for some minimal residual land strips.</li> <li>Settle expenses arising from the properties including legal and agents marketing costs</li> </ul>	Realise assets to maximise returns for creditors	To realise assets in order to secure funds for distribution to the Secured and Unsecured creditors
<b>Unsecured creditors</b>		
<ul style="list-style-type: none"> <li>Maintain and update dedicated website for delivery of ongoing communications and reports</li> <li>Receive and file proofs of debt</li> <li>Agree Unsecured claims and preparation for making a distribution from the Prescribed part</li> <li>Deal with all incoming creditor enquiries</li> <li>Update systems as required for creditor details</li> <li>Issue NOID in respect of Prescribed part dividend and following this prepare and pay distribution to Unsecured creditors</li> <li>Pay distributions to Secured creditors and provide updates to the Secured creditors</li> </ul>	Update creditors and keep them informed of case progression	To update creditors and keep them informed of case progression To pay a dividend to Unsecured creditors
<b>Secured creditors</b>		
<ul style="list-style-type: none"> <li>Update Secured creditors on progress of administrations</li> </ul>	Update creditors and keep them	To update creditors and keep them informed of

<ul style="list-style-type: none"> <li>Respond to Secured creditor queries</li> <li>Make distributions in accordance with security entitlements</li> </ul>	informed of case progression	case progression To make distributions to the Secured creditors
<b>Statutory and compliance</b>		
<ul style="list-style-type: none"> <li>Issue fifth progress report to creditors</li> <li>Prepare and issue final progress reports to creditors</li> <li>Filing and case management</li> </ul>	To comply with regulatory requirements	Required by statute
<b>Strategy and Planning</b>		
<ul style="list-style-type: none"> <li>Monitor and internally report on costs</li> <li>Team strategy and progress meetings</li> <li>Prepare and implement closure strategies</li> </ul>	To ensure timely case progression and management	To ensure orderly and efficient management of cases
<b>Tax and VAT</b>		
<ul style="list-style-type: none"> <li>Liaise with internal tax and VAT teams to prepare the required returns</li> <li>Prepare and submit annual tax returns including details of assets sold in the period</li> <li>Prepare and submit final tax returns following the sale of the final assets</li> <li>Prepare and submit quarterly VAT returns for period to June 2022, September 2022 and the final return and assignment of outstanding VAT</li> <li>Liaising with HMRC regarding the delayed release of VAT refunds due to the Company, as HMRC has raised queries over the allocation of the tax charges paid by the Joint Administrators</li> <li>request tax clearance, repeatedly chase and finally obtain clearance.</li> </ul>	To ensure compliance with regulatory requirements	Required by statute or regulation

## Our future work

Work undertaken	Estimated cost £	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<b>Accounting and treasury</b>		
<ul style="list-style-type: none"> <li>Close down bank accounts</li> </ul>		To ensure correct management of funds for distribution to creditors
<b>Statutory and compliance</b>		
<ul style="list-style-type: none"> <li>Filing this report with the Registrar</li> <li>Internal compliance and closure procedures including release of bonds, archiving of records</li> </ul>		Required by statute or regulation

## Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the period of this report. Relevant parties would have been chosen due to their specific area of expertise or technical knowledge and payments to those parties based on standard commercial terms.

## Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the administration where the relationship could give rise to a conflict of interest.

## Details of subcontracted work

We have not subcontracted any work during the period covered by this report.

## Legal and other professional firms

We instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
<b>Legal services, including:</b>  Appointment related matters Advice regarding intangible assets Advice regarding sale of property	Eversheds Sutherland Shepherd and Wedderburn LLP CG Professional	Industry knowledge and insolvency expertise	Time costs
<b>Insurance advice, including:</b>  Review initial insurance requirements Insurance premiums, including Insurance Premium tax	Marsh Limited (formerly JLT)	Industry knowledge and insolvency expertise	Fixed premium
<b>Chattel agents and valuers</b>	Walker Singleton (Asset Management) Ltd	Industry knowledge	% of realisations
<b>Property agents and others, including:</b> <ul style="list-style-type: none"><li>• Security</li><li>• Property marketing and valuation</li><li>• Surveyors</li></ul>	Moorcroft Property Guardians M.N.S Commercial Protection Limited Richard Barber and Company Armistead Barnett Robert Pinkus and Co LLP Lamb and Swift Commercial Shepherd and Wedderburn Gooch Cunliffe Whale LLP Avison Young Sanderson Weatherall LLP	Industry knowledge	Time costs and disbursements Fixed fee
<b>IT Services</b>	Sentinel IT Services Ltd	Previous company knowledge	Fixed fee

# Appendix E: Pre-administration costs

The following costs incurred before our appointment with a view to the Company going into administration were approved for payment. An element of the pre appointment costs have been paid, however not in full. Details can be found in the receipts and payments account.

Nature of costs	Amount (£)
Our fees as administrators in waiting	89,422.00
Expenses incurred as administrators in waiting - Evershed Sutherlands fees	4,223.00
<b>Total</b>	<b>93,645.00</b>

This work was performed with a view to the Company entering administration.

This work entailed:

- Work preparing for the administration and agreeing strategy;
- Review of property portfolio and Group structure;
- Identifying key areas of risk and health and safety matters;
- Working with Cumberland and its legal advisors in preparing for the administration;
- Statutory documentation and declarations required for effecting the appointment;
- Internal procedures in preparation for accepting the appointment; and

Addressing Group employees and other day 1 tasks following the appointment.

Since the end of this reporting period, we have drawn fees of £67,081.50 in relation to our fees as administrators in waiting and in line with our fee approval.

Details of legal fees paid can be found in the Receipts and Payments account at Appendix A.

# Appendix F: Other information

<b>Court details for the administration:</b>	In the High Court of Justice, Business and Property Courts of England and Wales, Manchester District Registry, Insolvency and Companies List (ChD)  CR-2019-MAN-001039
<b>Company's registered name:</b>	Stonewell Property Company Limited
<b>Trading name:</b>	Stonewell Property Company Limited
<b>Registered number:</b>	02327137
<b>Registered address:</b>	Central Square, 8th Floor, 29 Wellington Street, Leeds, LS1 4DL
<b>Date of the joint administrators' appointment:</b>	14 October 2019
<b>Joint administrators' names, addresses and contact details:</b>	Peter David Dickens, 1 Hardman Square, Manchester, M3 3EB and Alison Grant, (from 30 November 2021) 8th Floor Central Square, 29 Wellington Street, Leeds, LS1 4DL Former Joint Administrator Toby Scott Underwood, (14 October 2019 to 30 November 2021) 8th Floor Central Square, 29 Wellington Street, Leeds, LS1 4DL Contact: 0113 289 4067
<b>Extensions to the initial period of appointment:</b>	Twelve month extension to 13 October 2021 as approved by the Secured creditors Twelve month extension to 13 October 2022 as approved by the Court