

AM10

Notice of administrator's progress report



Companies House

For further information, please



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04/05/2019

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COMPANIES HOUSE

Please complete in typescript or in
bold black capitals

SATURDAY

1 Company details

Company number 0 1 2 7 7 2 6 9

Company name in full Owen Pugh Aggregates Limited

2 Administrator's name

Full forename(s) Christopher J

Surname Petts

3 Administrator's address

Building name/number Rotterdam House

Street 116 Quayside

Post town Newcastle-Upon-Tyne

County/Region

Postcode N E 1 3 D Y

Country

4 Administrator's name ¹

Full forename(s)

Surname

¹ Other administrator

Use this section to tell us about
another administrator

5 Administrator's address ²

Building name/number

Street

Post town

County/Region

Postcode

Country

² Other administrator

Use this section to tell us about
another administrator

AM10

Notice of administrator's progress report

6	Period of progress report																
From date	d	0	d	9	m	1	m	0	y	2	y	0	y	1	y	8	
To date	d	0	d	8	m	0	m	4	y	2	y	0	y	1	y	9	
7	Progress report																
☒ I attach a copy of the progress report																	
8	Sign and date																
Administrator's signature	Signature X  X																
Signature date	d	0	d	3	m	0	m	5	y	2	y	0	y	1	y	9	

AM10

Notice of administrator's progress report



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	Suzanne Blakey
Company name	Grant Thornton UK LLP
Address	Rotterdam House
	116 Quayside
Post town	Newcastle-Upon-Tyne
County/Region	
Postcode	N E 1 3 D Y
Country	
DX	
Telephone	Tel/Fax



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 or email enquiries@companieshouse.gov.uk

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Grant Thornton

Owen Pugh Aggregates Limited - in Administration (the Company)

Administrator's progress report for the
period 9 October 2018 to 8 April 2019

Recovery and Reorganisation
Grant Thornton UK LLP
Rotterdam House
116 Quayside
Newcastle-Upon-Tyne
NE1 3DY

Prepared by: Christopher J Petts, Administrator

Contact details: Should you wish to discuss any matters in
this report, please do not hesitate to
contact Suzanne Blakey on
0191 203 7789

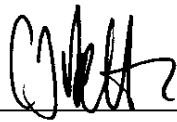
Definitions

The following definitions are used either within the body of this report, the appendices to it, or both.

DLA		DLA Piper UK LLP
CGT		Capital Gains Tax
VAT		Value Added Tax
GVA		GVA Grimley Limited

1 Executive summary

- This progress report for the Company's Administration covers the period from 9 October 2018 to 8 April 2019
- My proposals were approved on 14 December 2017 by deemed consent.
- The key work done in the period has been liaising with relevant parties regarding the transfer of the landfill permit, reporting to the secured creditors, including payment of a final distribution and complying with statutory matters.
- The Administration is currently due to end on 9 October 2019. It is anticipated that this matter will take a further 3 months to be completed.
- There are insufficient funds to make a distribution to unsecured creditors and therefore it is intended to exit the Administration and move to dissolution



Christopher J Petts
Administrator

3 May 2019

Please be aware fraudsters have been known to masquerade as legitimate administrators. Fraudsters will contact creditors asking for an upfront fee or tax. The Administrator would never ask for such a payment nor instruct a third party to make such a request

2 Progress to date

2.1 Strategy and progress since my statement of proposals

As detailed in the Administrator's proposals dated 30 November 2017, the Administrator will pursue the objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.

The strategy for achieving this was for the Administrator to continue to manage the business for as long as he believed it appropriate in attempting a more advantageous realisation of assets.

The main work carried out in the period since my previous report has been:

- Liaising with relevant parties regarding the transfer of the landfill permit for the Marsden Quarry operation
- Liaising with the secured creditors
- Complying with statutory matters

all of which is reflected in the SIP9 information (Appendix B).

I can advise that David J Dunckley has been removed from office as Administrator, by Court Order, dated 25 February 2019. This was done as Mr Dunckley's role has changed within Grant Thornton UK LLP and he no longer holds any insolvency appointments.

2.2 Realisation of assets

As advised in my previous progress reports all assets have been realised.

3 Creditors

3.1 Secured creditors

HSBC Bank plc was granted a fixed and floating charge debenture over the Company's assets on 6 October 2005. At the date of Administration the balance due secured by this debenture was £5,569,245.

HSBC Bank plc also had a legal mortgage created on 6 October 2005 in respect of freehold land on the East Side of Lizard Lane, Marsden

HSBC Bank plc also had a chattels mortgage created on 6 July 2015.

HSBC Asset Finance (UK) Ltd and HSBC Equipment Finance (UK) Ltd were granted a fixed charge over the Company's assets on 21 May 2015. At the date of Administration, the balance due secured by this charge was £645,782 spread across a number of Owen Pugh Group companies. This liability has been repaid in full from asset realisations in other Owen Pugh Group companies.

Merino Industries Ltd (as Security Agent) was granted a fixed and floating charge debenture over the Company's assets on 28 July 2017. At the date of Administration, the balance due secured by this debenture was £1,000,000.

DLA was engaged to provide legal advice to the Administrator on the validity of the security. No issues were identified.

To date, a distribution of £2,212,082 has been paid to HSBC Bank plc under its security. There is likely to be a shortfall to the secured creditors.

There will be no funds to enable a distribution to Merino Industries Ltd, whose security ranks behind that of HSBC Bank plc.

3.2 Preferential creditors

Preferential creditor claims consist of employee claims for wages and holiday pay, up to certain statutory limits. A significant element of these claims will be subrogated to the Secretary of State, following payment of claims by the Redundancy Payments Service.

There were 17 employees, all of whom have been transferred with the sale of the business. As a result, I do not consider there to be any preferential claims in respect of wages and holiday pay.

There is a small preferential claim from The Insolvency Service (£513.22) in respect of unpaid pension contributions prior to appointment. I can advise, however, that due to a CGT liability there are no floating charge funds available to make a preferential distribution.

3.3 Prescribed part – unsecured creditors

In accordance with section 176A of the Insolvency Act 1986, a prescribed part is to be set aside from the floating charge assets and made available to the unsecured creditors of the Company. The prescribed part calculation is applied to the net property available and is calculated at 50% of the first £10,000 of net realisations and 20% of all further amounts, up to a maximum prescribed part of £600,000.

As noted above, due to the CGT liability, there are insufficient assets to enable a prescribed part distribution.

4 Investigations into the affairs of the company

4.1 Statutory investigations

As advised in my report dated 4 May 2018, based on the outcome of my investigations into the affairs of the Company to date, there are no matters identified that need to be reported to the creditors. However, I would be pleased to receive from any creditor any useful information concerning the Company, its dealing or conduct which may assist me.

5 Fees and costs

5.1 SIP9 disclosures

For information regarding payments, remuneration and expenses to me or my associates, please refer to the respective 'Statement of Insolvency Practice 9 disclosure' at Appendix B to this report, which covers:

- fee basis
- work done by me and my team during the period
- hourly charge out rates
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

6 Future strategy

6.1 Future conduct of the Administration

I will continue to manage the affairs, business and property of the Company in order to achieve the purpose of the Administration. This will include but not be limited to.

- payment of Administration expenses, including my firm's remuneration
- finalisation of the Company's tax affairs, including completion of corporation tax and VAT returns and settlement of any liabilities, and
- complying with statutory and compliance obligations

It is estimated that the Administration will take approximately 3 months to be concluded due to an outstanding VAT refund that is required to settle the above liabilities.

6.2 Exit from Administration

Once all matters have been concluded, the Administrator will progress the case to closure. As per the Administrator's proposals, it is proposed that the Administration will end by the Administrator filing a notice to dissolve the Company.

6.3 Discharge from liability

As there are insufficient funds to make a distribution to creditors other than by virtue of the prescribed part, I will seek a resolution from the secured creditors in order to obtain my discharge from liability.

6.4 Data Protection

Any personal information held by the company will continue to be processed for the purposes of the administration of the company and in accordance with the requirements of data protection.

6.5 Future reporting

The date of my next, and final, report to creditors is anticipated to be no later than 9 October 2019.

A Abstract of the Administrator's receipts and payments

from 9 October 2017 to 8 April 2019

	Statement of Affairs £	From 09/10/2017 to 08/10/2018 £	From 09/10/2018 to 08/04/2019 £	Total £
Receipts				
Fixed Charge				
Freehold Land & Property	1,083,414 00	2,539,994 00	-	2,539,994 00
Plant & Machinery	845,777 00	372,757 00	-	372,757 00
Goodwill	6,199 00	1 00	-	1.00
Minerals reserve	79,130 00	-	-	-
Fixed Charge VAT on Sales		9,800 00	-	9,800 00
HMRC - Fxd VAT received/paid		4,304 49	72,792 38	77,096 87
Floating Charge				
Sales		109,335 90	(726.23)	108,609 67
Miscellaneous income		258 00	-	258 00
Plant & Machinery		7,723 00	-	7,723 00
Stock	85,000 00	10,000 00	-	10,000 00
Motor Vehicles	780 00	-	-	-
Intellectual Property		1 00	-	1 00
Customer List		1 00	-	1 00
Information Technology		1 00	-	1 00
Book Debts	221,000 00	315,189 35	15 18	315,204.53
Intra Group Loan		-	-	-
Vehicle Licence Refunds		57 50	-	57 50
Miscellaneous Refunds		-	104 34	104 34
VAT on Purchases		-	10,069 88	10,069 88
VAT on Sales		21,291.70	3,956 93	25,248 63
		3,390,714 94	86,212 48	3,476,927 42
Payments				
Fixed Charge				
Administrators Fees		253,176 00	-	253,176 00
Administrators Expenses		2,201 20	-	2,201 20
Legal Fees		103,716 69	-	103,716 69
Agents/Valuers Fees		60,511 34	-	60,511 34
IT Costs		15,009 13	-	15,009 13
Insurance		28,977 08	-	28,977 08
Bank Charges		110 02	67 93	177 95
Fixed Charge VAT on Purchases		86,896 87	-	86,896 87
Distribution to charge holder				
HSBC Bank plc		2,100,000 00	112,082 00	2,212,082 00

	Statement of Affairs	From 09/10/2017 to 08/10/2018	From 09/10/2018 to 08/04/2019	Total
	£	£	£	£
Cont				
Floating Charge				
Purchases		100.52	-	100.52
Rents		25,780.98	-	25,780.98
Rates		962.47	-	962.47
Heat & Light		8,443.82	-	8,443.82
Telephone		49.64	-	49.64
Subscriptions		1,313.00	-	1,313.00
IT Costs		28,000.00	2,137.50	30,137.50
Lease/HP Payments		65,336.41	-	65,336.41
Petty Cash		500.00	-	500.00
Property Expenses		43,123.76	-	43,123.76
Vehicle Running Costs		1,989.30	-	1,989.30
PAYE/NI		75,320.77	2,282.22	77,602.99
Net Wages		215,322.88	-	215,322.88
Other Pay roll Deductions		18,520.07	-	18,520.07
Sundry Trading Expenses		116.00	-	116.00
VAT irrecoverable		800.00	-	800.00
Misc Float Payments		3,318.46	303.45	3,621.91
Legal Fees		7,600.00	-	7,600.00
Agents/Valuers Fees		19.46	3,865.00	3,884.46
Professional Fees		9,292.77	-	9,292.77
Subscriptions		1,409.00	-	1,409.00
Telephone Telex & Fax		71.64	-	71.64
Re-Direction of Mail		980.00	-	980.00
Rents Payable		275.00	-	275.00
Bank Charges		255.27	63.34	318.61
VAT on Purchases		19,349.44	(19,349.44)	-
HMRC - VAT received/paid		5,654.47	30,626.99	36,281.46
		<u>3,184,503.46</u>	<u>132,078.99</u>	<u>3,316,582.45</u>
Net Receipts/(Payments)		<u>206,211.48</u>	<u>(45,866.51)</u>	<u>160,344.97</u>
Made up as follows				
Floating Current Account NIB				160,344.97
				<u>160,344.97</u>

B Statement of Insolvency Practice 9 disclosure: payments, remuneration and expenses to the Administrator or his associates

I can advise that the following resolutions:

- The Joint Administrators' remuneration be calculated according to the time properly given by the Administrators and their staff
- The Joint Administrators will charge out of pocket expenses at cost and are authorised to charge mileage at 45p per mile. VAT to be added to disbursement charges as necessary

were approved as follows

- On 22 June 2018 by HSBC Bank plc, the secured creditors
- On 2 July 2018 by Merino Industries Ltd (as Security Agent)

The time costs estimate provided to the creditors (secured and unsecured) was £401,854.15 with an estimated fee to be drawn of £363,200.

During the period from 9 October 2018 to 8 April 2019 (the Period) time costs were incurred totalling £16,044.35 represented by 56 73 hrs at an average of £282.82 (as shown in the 'Work done' section below). Description of the work done is provided in the respective section below.

As at Period end, as shown in the 'Work done' section below, recorded time costs have exceeded the time costs in the fees estimate and expenses have exceeded the expense estimate, both of which were provided to the creditors prior to the determination of my firm's fee basis.

The reason for the excess in respect of time costs is as follows:

- Time taken to properly effect the sale of Marsden Quarry and the associated matters, such as, but not limited to, the transfer of the Environmental Permit to allow trade to continue

The reasons for the increase in expenses were noted in the previous report, however expenses have increased further due to:

- Payment of Employer Class 1A NIC liability for the year ended 5 April 2018 in respect of staff retained for a short period after appointment
- Further IT costs incurred in order to access the Owen Pugh network, in particular, payroll software to be able to generate P11D forms for employees
- Legal costs
- Postage
- Bank charges

Under r18.30 of the Rules, I am not permitted to draw remuneration in excess of the total amount set out in the fees estimate, £401,854.15, without approval. At present I do not expect to seek approval to draw remuneration in excess of my fees estimate, however I reserve my right to do so in the future.

Work done by the Administrator and his team during the Period

Area of work	Work done	Why the work was necessary	Financial benefit to creditors		Fees incurred	
			0.75hrs	£363.75	£/hr	£485.00
Assets						
Property	Liaising with relevant parties regarding permit transfer	Necessary work to ensure the Administrator complies with legal requirements	This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it did not add financial value to the estate it adds value to the insolvency process	- Legal Fees : DLA £2,881.30 - Hilco Valuation Services Europe £3,865.00		
General	Overview with DLA regarding outstanding matters	Necessary work to ensure the Administrator complies with legal requirements	This work was necessary to discharge the office holders' duties As explained under 'Why the work was necessary', although it did not add financial value to the estate it adds value to the insolvency process			
Creditors			0.85hrs	£222.00	£/hr	£261.18
Secured	Updates, reports and meeting with the secured creditor(s)	To update the secured creditors of progress with the Administration	This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to creditors	Rail £213.94		
Unsecured	Dealing with creditor correspondence	All necessary work to ensure creditors are kept informed of the Administration	This work was necessary to discharge the office holders' duties As explained under 'Why the work was necessary', although it did not add financial value to the estate it adds value to the insolvency process			
Administration			55.13hrs	£15,458.60	£/hr	£280.40
Case management	- File reviews - Maintenance of records	All necessary work to ensure the Administrators and their staff can carry out their duties	This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to creditors	- Mileage : £6.30 - Parking : £6.67 - Postage £57.20		

Reports, circulars notices & decisions	- Administrator's progress report - Letters to creditors regarding: Administrator's progress report - Letter and Forms to Registrar of Companies	All necessary work to ensure the Administrators and their staff can carry out their duties	This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to creditors	- IT Costs : Perfect image £2,137 50 - PAYE : £2,282 22 - Bank Charges : £496 56 - Misc Float Payment : £303 45
Treasury, billing & funding	- Inputting receipts/journals - BACS payments, raising cheques & Fastpay - Bank reconciliations - Communication with Bank regarding accounts	To manage day to day banking requirements, transactions and to ensure sufficient funding available to support essential Administration costs and to ensure the Administrator and his staff can carry out their duties	This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to creditors	
Tax	- Preparation and submission of VAT return (Group company registration) - Further work (including research) regarding cost of quarry disposal - Detailed work carried out in respect of statutory returns, including calls with HMRC - Correspondence to HMRC re P11D returns	All necessary work to ensure the Administrator complies with legal and reporting requirements	This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it did not add financial value to the estate it adds value to the insolvency process	
Total fees incurred in the Period				56.73 hrs £16,044.35 £/hr £282.82

Detailed SIP9 time cost analysis for the period and fee estimate variance analysis as at period end
Period from 09/10/2018 to 08/04/2019

Area of work	Partner		Manager		Executive		Administrator		Period total		Cumulative total as at period end		Fees estimate		Variance	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£
Trading:																
Trading (general)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Realisation of assets:																
Sale of business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hive down	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property	0.25	121.25	-	-	-	-	-	-	0.75	363.75	485.00	239,437.75	395.73	209,579.25	(53.85)	(29,858.50)
Books & other debts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant, machinery,	-	-	-	-	-	-	-	-	0.25	121.25	485.00	338.95	143,665.25	423.85	-	-
fixtures & vehicles	-	-	-	-	-	-	-	-	-	-	-	42.85	14,640.25	341.66	-	-
Stock & work-in-	-	-	-	-	-	-	-	-	-	-	-	27.50	9,394.25	341.61	-	-
progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hire purchase,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
leasing agreements &	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
third party	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General	0.50	242.50	-	-	-	-	-	-	0.50	242.50	485.00	46.85	21,638.25	461.06	-	-
Investigations:																
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debtor / director /	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
senior employees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debtordirector/senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
employees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Creditors:																
Secured	-	-	-	-	-	-	-	-	0.85	222.00	261.18	92.30	31,608.50	342.45	-	-
Employees &	-	-	-	-	-	-	-	-	0.25	75.00	300.00	32.85	14,069.50	428.30	-	-
pensions	-	-	-	-	-	-	-	-	-	-	-	33.20	12,057.25	363.17	-	-
Unsecured	-	-	-	-	-	-	-	-	0.60	147.00	245.00	25.25	5,296.75	209.77	-	-
Retention of title	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	1.00	185.00	185.00	-	-
General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administration:																
Statement of affairs	-	-	-	-	-	-	-	-	55.13	15,458.60	280.40	424.42	132,497.65	312.19	1.79	14,020.65
Treasury, billing &	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax	-	-	-	-	-	-	-	-	5.60	1,118.50	194.35	104.93	22,836.10	217.83	-	-
Pensions	-	-	-	-	-	-	-	-	5.30	1,477.25	274.13	77.05	28,302.75	367.33	-	-
General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other IPs & OR	4.25	2,061.25	-	-	-	-	-	-	26.78	8,301.35	309.98	213.04	68,386.30	321.00	-	-
Shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reports to creditors,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
notices & decisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	5.00	2,425.00	9.80	4,287.50	26.83	7,255.10	12.10	2,075.75	56.73	16,044.35	282.82	1,161.85	414,253.00	356.55	(38.06)	(12,398.85)
																325.77

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant managers and executives
- Due to enhancements to our SIP9 reporting systems, allocation of time against areas of work may differ to previous periods, however this does not affect overall total time costs
- Adverse variances are presented in brackets
- Total time costs paid to date £253,176 (excludes VAT)

Hourly charge out rates

Time is charged in units of 6 minutes for each grade of staff used. The hourly charge out rates applied during the Period are as follows

Grade	From 9 October 2017 to current	
	Insolvency £/hr	Pensions & Tax £/hr
Partner	510	510
Director	485	485
Associate director	445	445
Manager	340	340
Assistant manager	300	300
Executive	245 - 260	260
Administrator	165 - 200	165 - 200
Treasury	180	n/a
Support	150	n/a

The current charge out rates have applied since 1 October 2017. We reserve the right to amend our charge out rates in the future. Any amendments will be detailed within the next report following such an amendment.

Statement of expenses and disbursements incurred in the Period

This table provides details of expenses and disbursements incurred in the Period in connection with the work done by the Administrator, description of which is provided in the 'Work done' section above

Category	Incurred in the Period (£)	Cumulatively incurred as at Period end (£)	Of which paid by the estate as at Period end (£)
Category 1 disbursements			
Oyster card top up re meetings with HSBC Bank, London		16.67	16.67
Tolls		23.25	23.25
Parking	6.67	53.34	46.67
Rail	213.94	495.94	282.00
Subsistence		268.33	268.33
Companies House Search		9.00	9.00
Joint Administrators' Bond		100.00	100.00
Accommodation		375.83	375.83
Postage	57.20	57.20	0.00
Category 2 disbursements			
Mileage @ 45p per mile	6.30	1,085.75	1,079.45
Expenses			
Purchases		100.52	100.52
Rent		26,055.98	26,055.98
Rates		962.47	962.47
Heat & Light		8,443.82	8,443.82
Telephone		121.28	121.28
Subscriptions		2,722.00	2,722.00
IT Costs : Perfect Image	2,137.50	45,146.63	45,146.63
Lease/HP Payments		65,336.41	65,336.41
Petty Cash		500.00	500.00
Property Expenses		43,123.76	43,123.76
Vehicle Running Costs		1,989.30	1,989.30
PAYE/NI	2,282.22	77,602.99	77,602.99
Net Wages		215,322.88	215,322.88
Other Payroll Deductions		18,520.07	18,520.07
Sundry Trading Expense		116.00	116.00
Administrators' Remuneration	16,044.35	414,253.00 ¹	253,176.00

¹ Whilst this figure may be greater than the time cost estimate, the Administrator will not be drawing remuneration in excess of the creditor approved time cost estimate.

Legal Fees:			
DLA Piper UK LLP	2,881.30	114,117.99	111,236.69
The Coal Authority		80.00	80.00
Agents/Valuers' Fees:			
GVA Grimley Ltd		54,866.96	54,866.96
Hilco Valuation Services Europe	3,865.00	4,528.84	4,528.84
Walker Singleton (Asset Management) Ltd		5,000.00	5,000.00
Insurance		28,977.08	28,977.08
Bank Charges	137.09	502.38	502.38
VAT Irrecoverable		800.00	800.00
Misc Float Payments	303.45	3,621.91	3,621.91
Professional Fees		9,292.77	9,292.77
Re-direction of Mail		980.00	980.00
Total expenses and disbursements	27,935.02	1,145,570.35	981,327.94

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

Category 1 disbursements

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories:

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example
- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

They also include expenses which have been paid using a Grant Thornton Loan, the balance of which (if any) can be seen on the Administrator's receipts and payment account at Appendix A.

Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration.

To the extent that recovery of category 2 disbursements is sought, this will be for mileage only. Accordingly, the following resolution was made by the secured creditors on 22 June and 2 July 2018 respectively.

- The Joint Administrators will charge out of pocket expenses at cost and are authorised to charge mileage at 45p per mile, VAT to be added to disbursement charges as necessary

Mileage is charged at 45p a mile. VAT is added as appropriate. Details of these costs are also provided in the table above.

Sub-contracted out work

I confirm that, in the Period, I have not sub-contracted out any work that could otherwise have been carried out by me or my team.

Payments to associates

Where I have enlisted the services of others, I have sought to obtain the best value and service. In the interest of transparency, I disclose below services I have sought from within my firm or from a party with whom (to the best of my knowledge) my firm, or an individual within my firm, has a business or personal relationship

Service provider	Services enlisted	Cost of service
Grant Thornton UK LLP	Tax work/advice (narrative is included within the above narrative of work done)	Costs are included within the above SIP9 time cost analysis

Relationships requiring disclosure

I confirm that I am not aware of any business or personal relationships with any parties responsible for approving the Administrator's fee basis, or who provide services to me as Administrator, which may give rise to a potential conflict.

Information for creditors

Provided below is information to help creditors to understand their rights in insolvency and regarding officeholders' fees, and the roles and functions of committees.

R3 is the trade association for the UK's insolvency, restructuring, advisory and turnaround professionals. Amongst other things, R3 has made available written guidance for stakeholders affected by insolvency, in particular creditors, for some of which the web links are provided below.

Where web links are provided for the information, we will supply this information by post, free of charge on request.

'Office holder' means, for example, the appointed administrator(s), liquidator(s) or trustee(s) in bankruptcy.

R3 creditor guides

- Rights of creditors during an insolvency process guides: <https://www.r3.org.uk/what-we-do/publications/professional/creditors-guides>
- Background information regarding the fees of officeholders: <https://www.r3.org.uk/what-we-do/publications/professional/fees>
- Liquidation/Creditors' committees and commissioners: <https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf>

Creditors' and members' rights to request information about remuneration or expenses under r18.9 of the Rules

- (1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14:
- (a) a secured creditor;
 - (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
 - (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
 - (d) any unsecured creditor with the permission of the court; or
 - (e) any member of the company in a members' voluntary winding up with the permission of the court.
- (2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.
- (3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by:
- (a) providing all of the information requested;
 - (b) providing some of the information requested; or
 - (c) declining to provide the information requested
- (4) The office-holder may respond by providing only some of the information requested or decline to provide the information if:
- (a) the time or cost of preparation of the information would be excessive; or

- (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
 - (c) disclosure of the information might reasonably be expected to lead to violence against any person, or
 - (d) the office-holder is subject to an obligation of confidentiality in relation to the information.
- (5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.
- (6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of
- (a) the office-holder giving reasons for not providing all of the information requested; or
 - (b) the expiry of the 14 days within which an office-holder must respond to a request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

Creditors' and members' rights to challenge the office-holder's remuneration and expenses under r18.34 of the Rules

(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that:

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
- (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
- (c) the expenses incurred by the office-holder are in all the circumstances excessive.

(2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable:

- (a) a secured creditor,
- (b) an unsecured creditor with either
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
- (c) in a members' voluntary winding up:
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

C Statutory information

Company Information

Company name	Owen Pugh Aggregates Limited
Date of incorporation	15 September 1976
Company registration number	01277269
Former trading address	Cramlington Road Dudley Cramlington Northumberland NE23 7PR
Former registered office	As above
Present registered office	4 Hardman Square Spinningfields Manchester M3 3EB

Administration information

Administration appointment	The administration appointment granted in the High Court of Justice, Business and Property Court, 894 of 2017
Appointor	the directors
Date of appointment	9 October 2017
Administrator's name	Christopher J Petts
Administrator's address	Rotterdam House, 116 Quayside, Newcastle-Upon-Tyne, NE1 3DY
Changes in office holder(s)	David J Dunckley removed as office holder on 25 February 2019
Purpose of the administration	Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up
Functions	In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the administrators are to be exercised by any or all of them.
Current administration expiry date	9 October 2019

D Notice about this report

This report has been prepared by Christopher J Petts, the Administrator of Owen Pugh Aggregates Limited – in Administration, solely to comply with the Administrator's statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 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 purposes, or in any other context.

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

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors

Any persons choosing to rely on this report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 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.

Christopher J Petts is authorised in the UK to act as an Insolvency Practitioner by the Insolvency Practitioners Association

The Administrator is bound by the Insolvency Code of Ethics.

The Administrator acts as agent for the Company and contract without personal liability. The appointment of the Administrator is personal to him and to the fullest extent permitted by law, Grant Thornton UK LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the Administration.

Please note you should read this progress report in conjunction with the Administrator's previous progress reports and proposals issued to the Company's creditors, which can be found on the Grant Thornton portal. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT. For definitions of abbreviations please refer to the 'Definitions' table at the start of this progress report



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