

AM10

Notice of administrator's progress report



Companies House

WEDNESDAY



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22/01/2020

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COMPANIES HOUSE

1 Company details

Company number 01516922

Company name in full Jistcourt South Wales Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Huw Morgan

Surname Powell

3 Administrator's address

Building name/number 1st Floor North, Anchor Court

Street Keen Road

Post town Cardiff

County/Region

Postcode CF245JW

Country

4 Administrator's name ①

Full forename(s) Katrina Jane

Surname Orum

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 1st Floor North, Anchor Court

Street Keen Road

Post town Cardiff

County/Region

Postcode CF245JW

Country

② Other administrator
Use this section to tell us about
another administrator.

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Period of progress report

From date	d	2	d	7	m	0	m	6	y	2	y	0	y	1	y	9
To date	d	2	d	6	m	1	m	2	y	2	y	0	y	1	y	9

7

Progress report

☒ I attach a copy of the progress report

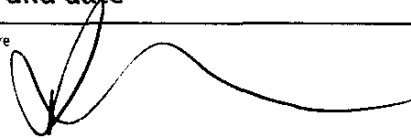
8

Sign and date

Administrator's
signature

Signature

X



X

Signature date

d	2	d	2	m	0	m	1	y	2	y	0	y	2	y	0
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**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	Katrina Jane Orum
Company name	Begbies Traynor (Central) LLP
Address	1st Floor North, Anchor Court Keen Road
Post town	Cardiff
County/Region	
Postcode	C F 2 4 5 J W
Country	
DX	
Telephone	029 2089 4270

**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

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Jistcourt South Wales Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 27/06/2019 To 26/12/2019 £	From 27/06/2019 To 26/12/2019 £
POST APPOINTMENT SALES		
Sales	91,005.72	91,005.72
	91,005.72	91,005.72
OTHER DIRECT COSTS		
Sub Contractors		
Bristol - Labour Only	15,122.13	15,122.13
Bristol - Labour & Materiels	8,548.02	8,548.02
Direct Labour		
Weekly	3,897.92	3,897.92
Salary	17,326.47	17,326.47
Direct Expenses		
Fuel	1,087.90	1,087.90
Motor tax	143.00	143.00
Travel	1,012.00	1,012.00
Sundries	58.40	58.40
PAYE, NI & CIS		
CIS	3,788.07	3,788.07
PAYE/NI	4,969.36	4,969.36
	(55,953.27)	(55,953.27)
TRADING EXPENDITURE		
Employee Benefits - Healthcare	146.95	146.95
Rent		
Baglan Office	1,952.07	1,952.07
Rates		
Baglan Office	288.16	288.16
Bristol Office	1,003.46	1,003.46
Heat, Light & Water		
Baglan Office - Electricity	209.36	209.36
Bristol Office - Water	26.75	26.75
Telephone/IT		
Unassigned	181.58	181.58
Telephone/Internet	200.96	200.96
IT/Software	1,800.00	1,800.00
Stationery	49.56	49.56
	(5,858.85)	(5,858.85)
TRADING SURPLUS/(DEFICIT)	29,193.60	29,193.60

Jistcourt South Wales Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 27/06/2019 To 26/12/2019 £	From 27/06/2019 To 26/12/2019 £
	HIRE PURCHASE		
150,000.00	Motor Vehicles	141,200.00	141,200.00
(140,907.49)	JCB Finance	(140,907.49)	(140,907.49)
		292.51	292.51
	ASSET REALISATIONS		
36,500.00	Plant & Machinery	29,955.00	29,955.00
1,750.00	Equipment, fixtures & fittings	320.00	320.00
90,000.00	Motor Vehicles	85,900.00	85,900.00
401,017.00	Contract Debts & Retentions		
	Book Debts	298,719.15	298,719.15
	Retentions	16,334.16	16,334.16
Uncertain	Cash held against specific penalty bon	NIL	NIL
149,008.64	Cash at Bank	149,008.64	149,008.64
8,500.00	Employee Loans	500.00	500.00
NIL	Connected Party Loans	NIL	NIL
	Bank Interest Gross	1,057.89	1,057.89
	Trading Surplus/(Deficit)	29,193.60	29,193.60
	Sundry Refunds	11,277.81	11,277.81
		622,266.25	622,266.25
	COST OF REALISATIONS		
	Pre Administration Fees	37,134.00	37,134.00
	Pre Administration Costs		
	Legal Fees & Expenses	10.00	10.00
	Agents' Fees & Expenses	6,275.00	6,275.00
	Quantity Surveyor's Fees	10,000.00	10,000.00
	Mileage	63.90	63.90
	Agents/Valuers Fees & Expenses		
	Fees & Commission	14,885.50	14,885.50
	Disbursements	12,178.33	12,178.33
	Records - Collection & Storage Costs	1,644.91	1,644.91
	Statutory Advertising		
	Advertising	75.00	75.00
		(82,266.64)	(82,266.64)
	PREFERENTIAL CREDITORS		
(60,223.03)	Employees re Arrears/Hol Pay	NIL	NIL
		NIL	NIL
	FLOATING CHARGE CREDITORS		
(230,969.31)	DBW Investments (14) Limited	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(1,297,471.95)	Trade Creditors	NIL	NIL
(424,199.95)	Employees	NIL	NIL
(575,018.00)	Directors/Connected Parties	NIL	NIL
(602,772.00)	HM Revenue & Customs	NIL	NIL
(1,444,642.72)	Subcontractors	NIL	NIL
(97,704.40)	Employee Loans	NIL	NIL
(3,947.00)	Pension Contributions	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(4,041,180.21)		540,292.12	540,292.12
	REPRESENTED BY		

Jistcourt South Wales Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 27/06/2019 To 26/12/2019 £	From 27/06/2019 To 26/12/2019 £
REPRESENTED BY CONTINUED		
Vat Receivable		56,337.45
Bank 2 Current		530,519.24
Vat Payable		(46,564.57)
		540,292.12

Huw Morgan Powell
Joint Administrator

Huw Morgan Powell and Katrina Jane Orum were appointed joint administrators on 27 June 2019

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

Jistcourt South Wales Limited (In Administration)

Progress report of the joint administrators

Period: 27 June 2019 to 26 December 2019

Important Notice

This progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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- ☐ Progress during the period
- ☐ Estimated outcome for creditors
- ☐ Pre-administration costs
- ☐ Remuneration and disbursements
- ☐ Expenses
- ☐ Assets that remain to be realised and work that remains to be done
- ☐ Other relevant information
- ☐ Creditors' rights
- ☐ Conclusion
- ☐ Appendices
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 - 2. Time costs information
 - 3. Statement of administrators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	<i>Jistcourt South Wales Limited (In Administration)</i>
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 27 June 2019
"the administrators" "we" "our" and "us"	Huw Morgan Powell and Katrina Jane Orum of Begbies Traynor (Central) LLP, 1st Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	<p>(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and</p> <p>(ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)</p>
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	Jistcourt South Wales Limited
Trading name(s):	Jistcourt
Date of Incorporation:	11 September 1980
Company registered number:	01516922
Company registered office:	1st Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the administrators:	Huw Morgan Powell and Katrina Jane Orum, Licensed Insolvency Practitioners of Begbies Traynor (Central) LLP, 1st Floor North, Anchor Court, Keen Road, Cardiff, CF24 5JW
Date of administrators' appointment:	27 June 2019
Date of administrators' resignation:	N/A

Court:	High Court of Justice, Business and Property Courts of England and Wales, Insolvency Companies List
Court Case Number:	4010 of 2019
Person(s) making appointment / application:	The Directors
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EU Regulation on Insolvency Proceedings:	Regulation (EU) 2015/848 of the European Parliament and of the Council applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	There have been no previous extensions to the administration period.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 27 June 2019 to 26 December 2019.

RECEIPTS

Trading Account

Post appointment sales of £91,005.72 plus VAT were achieved and payment in respect of these sales has been received in full. Details of trading expenditure paid to date is itemised in the receipts and payments trading account. The account of receipts and payments is currently showing a trading surplus of £28,622.30. However, as per our estimate of expenses, once all trading expenditure has been paid, we anticipate trading will have been conducted at approximately break even or at a small trading loss after accounting for the administrators' costs in respect of trading

It should be noted that continued trading allowed the Company to bring part of the Bristol City Council ("BCC") project to practical completion and so mitigated claims against contract debts and retentions. This strategy has resulted in £298,719.15 being received from BCC in relation to this contract resulting in a significant net benefit to the Administration.

Financed Motor Vehicles

A number of motor vehicles and two generators were subject to finance agreements with JCB Finance. With the agreement of JCB Finance, these assets were sold at auction for £141,200 plus VAT where applicable. From these proceeds of sale the outstanding finance of £140,907.49 was settled leaving the equity to be paid into the estate for the benefit of creditors. Unfortunately the auction sale generated only a surplus of £292.51, however, Eddisons Commercial Limited ("Eddisons") did not charge any commission in relation to the sale of the assets. In addition, interest in these assets generated interest in the unencumbered assets that were also included in the auction sale.

Plant & Machinery, Equipment, Fixtures & Fittings and Unencumbered Motor Vehicles

Eddisons was instructed to secure, value and sell all of the Company's tangible assets. A desktop valuation of the Company's tangible assets was undertaken by Steve Jordan BA (Hons) on 19 June 2019. Following the

JISTCOURT SOUTH WALES LIMITED – IN ADMINISTRATION

administrators' appointment, these assets were collected and stored at a secure location before being placed into an auction for sale.

The estimated to realise values as per the statement of affairs and sums realised in this respect are detailed below:

Asset	Statement of Affairs £	Amount Realised £
Plant & Machinery	36,500.00	29,955.00
Equipment, Fixtures & Fittings	1,750.00	320.00
Unencumbered Motor Vehicles	90,000.00	85,900.00
Total	128,250.00	116,175.00

Contract Debts & Retentions

The director's estimated statement of affairs includes contract debts and retentions with an estimated to realise value of £401,017. Prior to our appointment, Dave Allerton of Craigdam Limited ("Craigdam") was instructed to review the contract debts and secure any imminent payments due to the Company. Following our appointment Craigdam was instructed to liaise with customers and collect the outstanding balances on our behalf. During the period covered by this report, total realisations amount to £315,053.31. The majority of outstanding retention balances are subject to a 12 month defects period, which has yet to expire.

Cash at Bank

On the date of the administrators' appointment, £149,008.64 was held in Begbies Traynor's client account, representing funds that had been transferred from the Company's business account to assist with working capital for post appointment trading. These funds were transferred into the administration estate account following the administrators' appointment.

Employee Loans

The directors' estimated statement of affairs included employee loans in the sum of £8,500. To date, the sum of £500 has been received from a former employee as repayment of an employee loan. Three further loans remain outstanding and steps have been taken to recover the same. Should payment not be forthcoming, debt collection agents will be instructed to recover the outstanding balances.

Bank Interest

Bank interest, gross of tax, of £1,057.89 has been received to date in this matter.

Sundry Refunds

The following sundry refunds have been received into the estate during the period covered by this report:

Company/Supplier	Amount Realised £
Wales & West Utilities Limited	3,439.67
Driver and Vehicle Licensing Agency	1,117.46
National House Building Council	6,720.68
Total	11,277.81

PAYMENTS

Sub-Contractors

£23,670.15 has been paid to subcontractors retained for the BCC contract, with site works being completed on 11 July 2019. There are no further monies due to subcontractors for the administration trading period.

JISTCOURT SOUTH WALES LIMITED – IN ADMINISTRATION

Direct Labour

£21,224.39 has been paid to retained employees in respect of weekly wages and monthly salaries to 31 July 2019. Following the Company ceasing to trade, final redundancies were made and no further salaries are payable.

Direct Expenses

£2,301.30 has been paid to the employees retained in the administration in respect of fuel, postage and sundries.

PAYE, NI & CIS

£3,788.07 has been paid to HM Revenue & Customs ("HMRC") in respect of CIS deducted from the subcontractor payments. £4,969.36 has also been paid to HMRC in respect of PAYE and NI deducted from retained employees' wages and salaries.

Employee Benefits

£571.30 has been paid in respect of retained employees' pension contributions. In addition, £146.95 has been paid to Westfield Health for June and July 2019 premiums in respect of retained employees' medical cover.

Rent

Rent of £1,952.07 plus VAT for the period ending 31 July 2019 has been paid to the director t/a Jistcourt Properties in respect of the Company's trading premises at Baglan. The property was vacated on 31 July 2019.

Rates

£288.16 has been paid to Bristol City Council for business rates during the period of occupation at the Company's Bristol trading address. £1,003.46 has been paid to Neath Port Talbot Council for business rates during the period of occupation at the Company's Baglan trading address.

Heat, Light & Water

£209.36 has been paid to Rowecord Holdings Limited for the electricity usage at the Company's Baglan trading address during the period of occupation. £26.75 has been paid to Water2Business for the water usage at the Company's Bristol trading address during the period of occupation. We have yet to receive final invoices from the electricity and gas suppliers of the Company's Bristol trading address.

Telephone/IT

£2,182.54 plus VAT has been paid in respect of internet and software licences, which terminated on the administrators' appointment and were therefore required to be paid for ongoing use.

Stationery

£49.56 has been paid to Clarity Copiers Limited for photocopier consumables.

JCB Finance

As detailed above, a number of motor vehicles and two generators were subject to finance agreements with JCB Finance. The outstanding finance of £140,907.49 was settled by Eddisons to enable the assets to be sold at auction and any equity to be paid into the estate for the benefit of creditors.

Pre Administration Fees

The Administrators' pre-administration fees of £37,134, which were approved by the secured and preferential creditors, have been drawn in the period covered by this report. Further details regarding the administrators' pre-appointment remuneration and disbursements are covered later in this report.

Pre Administration Costs

The following pre administration costs, which were approved by the secured and preferential creditors, have been paid during the period covered by this report:

JISTCOURT SOUTH WALES LIMITED – IN ADMINISTRATION

Description	Name of recipient	Amount £
Administrator's disbursements (Mileage)	Begbies Traynor	63.90
Administrator's disbursements (Swear Fees)	Morgan Rostron Solicitors	10.00
Agents' costs and disbursements	Eddisons Commercial Limited	6,275.00
Quantity Surveyors' costs	Craigdam Limited	10,000.00
TOTAL PRE-ADMINISTRATION COSTS		55,390.80

Further details regarding the pre-administration costs are covered later in this report.

Agents/Valuers Fees & Expenses

The sum of £27,063.83 has been paid to Eddisons in respect of their fees and expenses for the valuation, collection and sale of the Company's tangible assets.

Records Collection & Storage Costs

The sum of £1,644.91 has been paid to P A Miller in respect of the collection of books and records.

Statutory Advertising

The sum of £75.00 has been paid to EPE Reynell Limited in respect of statutory advertising of our appointment.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details>. Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2.

General case administration and planning

Insolvency Practitioners are required to maintain records to demonstrate how the case has been administered by the joint administrators and to document the reasons for any decisions that materially affect the case. Regular case reviews have been carried out to ensure that the case specific matters are progressed. Although there is no direct financial benefit to creditors, this work was undertaken in furtherance of our statutory and regulatory duties and ensures that the case is progressed appropriately.

Compliance with the Insolvency Act, Rules and best practice

The joint administrators are required to comply with statutory reporting requirements. Time has been incurred in preparing initial notices of the administrators' appointment and the administrators' statement of proposals. Again, although there is no direct financial benefit to the administration, all of the above will allow the joint administrators to effectively manage the administration and creditors do benefit from the information that they receive.

The administrators also have a duty to ascertain the anticipated level of realisations to ensure that the case is adequately bonded to cover funds received into the case. The bond level has been regularly reviewed.

Investigations

We have a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, an administrator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. These duties have been complied with during the period covered by this report.

Realisation of assets

Details of the assets realised to date in this matter are included above

Trading

Following our appointment, we assessed the viability of continuing to trade the business and carried out a detailed review of the Company's work in progress, which included a contract with BCC and three contracts with Bron Afon Housing Association ("BAHA").

Based on the Company's recent trading results and forecasts it was determined that it would not be possible to fully trade the Company without incurring significant trading losses. The decision on which projects could be completed was based on a combination of factors including negotiations with customers regarding picking up supplier payments and terms of payment of book debts. However, the biggest factor was the time and cost required to complete projects and potential return.

Consequently we decided that the best outcome would be achieved by trading the business in a limited capacity, which would provide enhanced realisations from existing projects. We undertook productive discussions with both BCC and BAHA, but concluded that only the contract with BCC was commercially viable to bring to practical completion.

The Company employed 66 people but had made 48 redundancies prior to our appointment. We retained 18 employees, comprising key office and operational staff, to assist the administrators as follows:

- Complete work in progress;
- Collect book debts, including the completion of associated contract files and quality packages;
- Assist with payroll and bringing the Company's accounting records up to date;
- Provide physical security over assets;
- Assist with retention of title claims and the recovery of consignment stock, third party assets and assets subject to finance agreements; and
- Assist the administrators with their duties generally.

Site based trading continued until 11 July 2019, when there was no further work in progress to complete. This led to a further seven redundancies on that date.

Further redundancies were made on a staged basis during the trading period with the final retained employees being made redundant on 26 June 2019.

Total sales achieved during the administration trading period amount to £91,005.72 plus VAT, which has been collected in full.

Dealing with all creditors' claims (including employees), correspondence and distributions

As is expected with such an assignment, general queries are received from creditors throughout the course of the administration, which we aim to respond in a timely and effective manner.

Other matters which includes seeking decisions of creditors via deemed consent procedure and/or decision procedures, meetings, tax, litigation, pensions and travel

Notification of the administration has been sent to HM Revenue & Customs and an initial VAT return has been submitted covering the period from the joint administrators' appointment to 30 September 2019.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

Secured creditors

The Company granted a Debenture, dated 11 February 1986, to National Westminster Bank plc ("NatWest"), creating a fixed and floating charge over the Company's assets. There was no outstanding liability due to NatWest at the date of administration and the Company's business account with NatWest was in credit. NatWest has guaranteed a specific penalty bond in respect of a contract that has yet to reach practical completion. However, we believe there are sufficient funds held in the Company's business account to cover the bond if it was called upon in full. We do not therefore expect NatWest to have a claim in the administration.

The Company also granted Debentures, dated 11 January 2016 and 6 September 2018, to DBW Investments (8) Limited ("DBW8"), formerly Finance Wales (8) Limited, and DBW Investments (14) Limited ("DBW14"), fixed and floating charges over the Company's assets. DBW8 has confirmed that no monies remain due from the Company. The sum outstanding to DBW14 at the date of administration was £230,969.31. We currently anticipate that DBW14 will suffer a shortfall on their indebtedness, the quantum of which will be determined by final realisations from contract debts and retentions.

Preferential creditors

We consider that there will be sufficient funds for a dividend to 100p in the £ be paid to preferential creditors and will take steps to agree and pay claims when the claim from the Redundancy Payments Service is available.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part for unsecured creditors is calculated were provided in our statement of proposals.

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in Section 176A(6) of the Act, to be £236,338 and the prescribed part of the Company's net property to be £50,268.

On present information we do not intend to make an application to court under Section 176A(5) of the Act for an order not to distribute the prescribed part of net property to the unsecured creditors. However we reserve our position generally in this regard should circumstances materially change

Unsecured creditors

Based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors other than by virtue of a distribution of the prescribed part detailed above.

Effect of administration on limitation periods under the Limitation Act 1980

As we have previously confirmed, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

6. PRE-ADMINISTRATION COSTS

The pre-administration costs that were unpaid at the date of our appointment were detailed in our statement of proposals for achieving the purpose of administration.

At the time our statement of proposals were circulated to creditors, we sought approval from each secured creditor of the Company and by seeking decisions of the preferential creditors that the pre-administration costs be paid as an expense of the administration.

In order to provide sufficient information to consider approval of the payment of the unpaid pre-administration costs, a Pre-Administration Time Costs Analysis and a pre-administration Time Costs Summary was provided to the secured and preferential creditors. These showed the number of hours spent by each grade of staff involved in the case and gave the average hourly rate charged. They also provided an explanation of the work undertaken prior to our appointment.

We can confirm that on 27 September 2019, approval was obtained from each secured creditor and the preferential creditors that the pre-administration costs be paid as an expense of the administration.

7. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by each secured creditor of the Company and by seeking decisions of the preferential creditors by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters as set out in the fees estimate dated 31 July 2019 in the sum of £175,883 plus VAT.

We are also authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our time costs for the period from 27 June 2019 to 26 December 2019 amount to £91,329, which represents 335.5 hours at an average rate of £272.18 per hour. Further information in relation to our time costs is set out at Appendix 2 and provides details of the work undertaken by us and our staff following our appointment only. To 26 December 2019, we have drawn no fees on account of our remuneration, against total time costs of £91,315 incurred since the date of our appointment.

As this is our first progress report since the basis of our remuneration was fixed, we are obliged to provide creditors with details of the costs incurred in the period since appointment and a description of the work undertaken for the period since our appointment. This information is provided in section 4 above.

As can be seen from the information above, our previously approved estimate has not been exceeded. We are pleased to report that we do not anticipate that it is likely to be exceeded if matters progress to conclusion as envisaged.

Disbursements

To 26 December 2019, we have also incurred but not yet drawn disbursements in the sum of £252 in respect of the administrators' specific penalty bonds and £76.40 in respect of document storage.

Category 2 Disbursements

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been drawn since the necessary approval was obtained in the total sum of £ are as follows:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage – 114 miles @ 45p per mile	51.30

Disbursements treated as Category 2 disbursements

Other amounts paid or payable to any party in which the office holder or his firm or any associate has an interest	
Type and purpose	Amount £
Eddisons Commercial Limited, which is a member of the Begbies Traynor group, was instructed by the joint administrators to secure, value and sell all of the Company's tangible assets.	27,063.83

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017 which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

8. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the administration would total £286,097.49 plus VAT where applicable, plus 17.5% of debtor realisations and 19% of bank interest received gross of tax. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

9. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

Assets that remain to be realised

The only assets that remain to be realised are the outstanding contract debts and retentions and employee loans. As detailed above, NatWest has guaranteed a specific penalty bond in respect of a contract that has yet to reach practical completion. If the bond is not called upon in part or in full, we anticipate receipt of the credit balance held in the Company's NatWest business account.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

The joint administrators will be required to undertake periodic reviews of the case and to update their case strategy to ensure that the case is being progressed appropriately. Effective case management and planning benefits creditors generally as it ensures that the administration is progressed in a strategic manner. It also ensures that our duties are carried out correctly and effectively, with realisations being achieved as quickly as possible.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Act, Rules and best practice require us to undertake various activities during the course of the administration, which will include the following:

- Providing creditors with six monthly progress reports, including filing at Companies House;
- Producing a final report at the end of the administration;
- Carrying out six monthly files reviews; and
- Performing regular statutory bond reviews.

Realisation of assets

Details of the assets that remain to be realised are as above.

Trading

We have yet to finalise all trading expenditure. In this regard, we anticipate further time being incurred in agreeing the final trading costs and settling the same.

Dealing with all creditors' claims (including employees), correspondence and distributions

We will continue to deal with general creditor queries as and when they arise until the administration is closed.

Once we have received the final claim from The National Insurance Fund, steps will be taken to agree and pay preferential creditor claims.

Once all assets have been realised, Notice of Intended Dividend will be circulated to non preferential creditors who have yet to submit their claims. Steps will then be taken to agree claims and pay a distribution to non preferential creditors of the prescribed part.

Other matters which includes seeking decisions of creditors via the deemed consent procedure and/or decision procedures, meetings, tax, litigation, pensions and travel

We will continue to submit quarterly VAT returns to HMRC until we have deregistered the Company for VAT. Once all assets have been realised, we will take steps to deregister for VAT and file a final VAT return. Corporation tax returns will also be filed as and when they fall due. We will seek clearance from HMRC prior to closure of the administration.

How much will this further work cost?

In accordance with our originally approved fees estimate, we anticipate that the further work involved will total £84,568 plus VAT.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors on 31 July 2019 which included all of the expenses that we anticipate that we will incur throughout the administration.

10. OTHER RELEVANT INFORMATION

Report on Directors conduct

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Energy and Industrial Strategy on the conduct of the directors. We have complied with our duties in this respect.

Connected party transactions

In accordance with Statement of Insolvency Practice 13, where assets have been acquired by a connected party of the company, we are required to disclose details of the same to creditors. We have not been made aware of any connected party transactions in this regard. Details of the rent paid to the director t/a Jistcourt Properties are included above.

Proposed exit route from administration

On present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of a distribution of the prescribed part. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

However, as detailed in the joint administrators' statement of proposals, we anticipate that it will not be possible to finalise the administration as envisaged within one year of the date of our appointment. In particular, this situation will arise where we are not able to conclude the realisation of contract retentions falling due after the appointment anniversary. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. We are therefore seeking creditor consent from the secured and preferential creditors to extending the period of the administration for a further twelve months in order to ensure that the objective of the administration can be fully achieved.

Use of personal information

Please note that in the course of discharging our statutory duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

11. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

12. CONCLUSION

The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, the administrator's term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months.

In order to ensure that the objective of the administration is achieved and that we have fully discharged our duties as administrators, it is necessary to extend the period of the administration. Accordingly we are seeking the consent of the secured creditors to extend the period of the administration for 12 months following the anniversary of our appointment up to 26 June 2021.

We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner.



Katrina Orum
Joint Administrator

Dated: 22 January 2020

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 27 June 2019 to 26 December 2019

**Jistcourt South Wales Limited
(In Administration)
Joint Administrators' Trading Account
To 26/12/2019**

S of A £	£	£
POST APPOINTMENT SALES		
Sales	91,005.72	91,005.72
OTHER DIRECT COSTS		
Sub Contractors		
Bristol - Labour Only	15,122.13	
Bristol - Labour & Materiels	8,548.02	
Direct Labour		
Weekly	3,897.92	
Salary	17,326.47	
Direct Expenses		
Fuel	1,087.90	
Motor tax	143.00	
Travel	1,012.00	
Sundries	58.40	
PAYE, NI & CIS		
CIS	3,788.07	
PAYE/NI	4,969.36	
Employee Benefits		
Unassigned	146.95	
Pension	571.30	
		(56,671.52)
TRADING EXPENDITURE		
Rent		
Baglan Office	1,952.07	
Rates		
Baglan Office	288.16	
Bristol Office	1,003.46	
Heat, Light & Water		
Baglan Office - Electricity	209.36	
Bristol Office - Water	26.75	
Telephone/IT		
Telephone/Internet	382.54	
IT/Software	1,800.00	
Stationery	49.56	
		(5,711.90)
TRADING SURPLUS/(DEFICIT)		28,622.30

Jistcourt South Wales Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 26/12/2019

S of A £		£	£
	HIRE PURCHASE		
150,000.00	Financed Motor Vehicles	141,200.00	
(140,907.49)	JCB Finance	(140,907.49)	
			292.51
	ASSET REALISATIONS		
36,500.00	Plant & Machinery	29,955.00	
1,750.00	Equipment, fixtures & fittings	320.00	
90,000.00	Motor Vehicles	85,900.00	
401,017.00	Contract Debts & Retentions		
	Book Debts	298,719.15	
	Retentions	16,334.16	
Uncertain	Cash held against specific penalty bon	NIL	
149,008.64	Cash at Bank	149,008.64	
8,500.00	Employee Loans	500.00	
NIL	Connected Party Loans	NIL	
	Bank Interest Gross	1,057.89	
	Trading Surplus/(Deficit)	28,622.30	
	Sundry Refunds	11,277.81	
			621,694.95
	COST OF REALISATIONS		
	Pre Administration Fees	37,134.00	
	Pre Administration Costs		
	Legal Fees & Expenses	10.00	
	Agents' Fees & Expenses	6,275.00	
	Quantity Surveyor's Fees	10,000.00	
	Mileage	63.90	
	Agents/Valuers Fees & Expenses		
	Fees & Commission	14,885.50	
	Disbursements	12,178.33	
	Records - Collection & Storage Costs	1,644.91	
	Statutory Advertising		
	Advertising	75.00	
			(82,266.64)
	PREFERENTIAL CREDITORS		
(60,223.03)	Employees re Arrears/Hol Pay	NIL	
			NIL
	FLOATING CHARGE CREDITORS		
(230,969.31)	DBW Investments (14) Limited	NIL	
			NIL
	UNSECURED CREDITORS		
(1,297,471.95)	Trade Creditors	NIL	
(424,199.95)	Employees	NIL	
(575,018.00)	Directors/Connected Parties	NIL	
(602,772.00)	HM Revenue & Customs	NIL	
(1,444,642.72)	Subcontractors	NIL	
(97,704.40)	Employee Loans	NIL	
(3,947.00)	Pension Contributions	NIL	
			NIL

Jistcourt South Wales Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 26/12/2019

S of A £		£	£
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
(4,041,180.21)			539,720.82
	REPRESENTED BY		
	Vat Receivable		56,337.45
	Bank 2 Current		529,947.94
	Vat Payable		(46,564.57)
			539,720.82



Katrina Jane Orum
Joint Administrator

TIME COSTS INFORMATION

- a. Begbies Traynor (Central) LLP's charging policy; and
- b. Time Costs Analysis for the period from 27 June 2019 to 26 December 2019.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 (London £150) per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates;

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval).

Instruction of Eddisons Commercial Limited to provide assistance with the valuation and sale of the Company's tangible assets. Their charges will be equivalent to 15% of realisations from the auction sale plus charges on a time costs basis for site attendance prior to and immediately following the auction at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The forecasted cost of insurance for the 6 week period immediately following appointment is £3,000 inclusive of Insurance Premium Tax. The costs of insurance cover for subsequent periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile
- Printing and photocopying
- Stationery

Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Cardiff office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 December 2018 – until further notice
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Subcontractors	Various Subcontractors	23,670.15	23,670.15	Nil
Direct Labour	Various Retained Employees	21,224.39	21,224.39	Nil
Direct Expenses (Fuel, Motor Tax, Travel & Sundries)	Various Retained Employees	2,301.30	2,301.30	Nil
PAYE & NI Deductions	HM Revenue & Customs	4,969.36	4,969.36	Nil
CIS Deductions	HM Revenue & Customs	3,788.07	3,788.07	Nil
Employee Benefits – Healthcare	Westfield Health	146.95	146.95	Nil
Employee Benefits – Pension	NEST, Scottish Widows and Royal London	571.30	571.30	Nil
Rent	Jistcourt Properties	1,952.07	1,952.07	Nil
Rates	Neath Port Talbot CBC	288.16	288.16	Nil
Rates	Bristol City Council	1,003.46	1,003.46	Nil
Utilities – Baglan	Rowecord Holdings Limited	209.36	209.36	Nil
Utilities - Bristol	Opus Energy & NPower	2,500.00 (estimated)	Nil	2,500.00 (estimated)
Utilities - Bristol	Water2business	26.75	26.75	Nil
Telephone/Internet	Pisys.net Limited	181.58	181.58	Nil
Telephone/Internet	Gamma Business Communications Limited	200.96	200.96	Nil

Telephone/Internet	EE	750.00 (estimated)	Nil	750.00 (estimated)
IT/Software	RedSky	1,800.00	1,800.00	Nil
Stationery	Clarity Copiers Limited	49.56	49.56	Nil
HP Finance Settlement	JCB Finance	140,907.49	140,907.49	Nil
Pre Administration Costs – Legal Fees & Expenses	Blake Morgan LLP	1,807.80	Nil	1,807.80
Pre Administration Costs – Swear Fees	Morgan Rostron Solicitors	10.00	10.00	Nil
Pre Administration Costs – Quantity Surveyors' Fees	Craigdam Limited	10,000.00	10,000.00	Nil
Legal Fees	Blake Morgan LLP	650.00	Nil	650.00
Quantity Surveyors' Fees and Expenses	Craigdam Limited	64,338 (estimated)	Nil	64,338 (estimated)
Collection of books and records	P A Miller	1,644.91	1,644.91	Nil
Statutory advertising	EPE Reynell Advertising Limited	75.00	75 00	Nil
Specific bond	AUA Insolvency Risk Services Limited	252.00	Nil	252.00
Document storage	Restore Plc	76.40	Nil	76.40
Corporation tax (2019/2020)	HM Revenue & Customs	200.83 (estimated)	Nil	200.83 (estimated)
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Charging Policy</i>)				
Pre Administration Costs – Agents' Fees	Eddisons Commercial Limited	6,275.00	6,275.00	Nil
Pre Administration Costs – Mileage	Eddisons Commercial Limited	63.90	63.90	Nil
Agents/Valuers Fees and Expenses	Eddisons Commercial Limited	27,063.83	27,063.83	Nil
Insurance of Assets	Eddisons Insurance Services Limited	3,000.00 (estimated)	Nil	3,000.00 (estimated)
Mileage	Begbies Traynor Employees	51.30	Nil	51 30

NOTE: VAT will be charged where appropriate. As the Company was VAT registered, VAT can be reclaimed from HM Revenue & Customs.

Begbies Traynor has discharged the following expenses, which will be recovered as disbursements from funds in the estate in due course:

- Specific Bond - £252
- Mileage - £51.30
- Document Storage - £76.40