



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 2 8 0 3 5 2 2

Company name in full Hevertech Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Michael

Surname Chamberlain

3 Administrator's address

Building name/number Resolution House

Street 12 Mill Hill

Post town Leeds

County/Region

Postcode L S 1 5 D Q

Country

4 Administrator's name ①

Full forename(s) Gareth

Surname Peckett

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Resolution House

Street 12 Mill Hill

Post town Leeds

County/Region

Postcode L S 1 5 D Q

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 2	^d 9	^m 0	^m 4	^y 2	^y 0	^y 2	^y 0	
To date	^d 2	^d 8	^m 1	^m 0	^y 2	^y 0	^y 2	^y 0	

7 Progress report

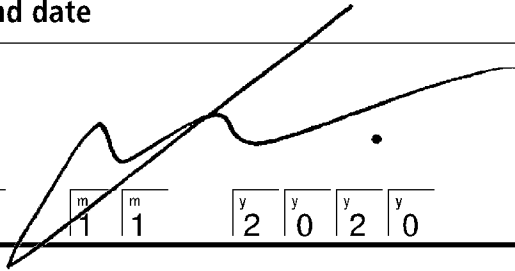
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

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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 **David Render**

Company name **Chamberlain & Co**

Address **Resolution House**

12 Mill Hill

Post town **Leeds**

County/Region

Postcode

L	S	1		5	D	Q
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Country

DX

Telephone **0113 2420808**

**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

Hevertech Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 29/04/2020 To 28/10/2020 £	From 29/04/2020 To 28/10/2020 £
ASSET REALISATIONS		
Office Furniture & Equipment, Stock	620.00	620.00
Book Debts, Retentions & WIP	61,828.42	61,828.42
Engineer Floats	1,980.00	1,980.00
Cash at Bank	170,589.60	170,589.60
Business Assets Sale	10,000.00	10,000.00
Aldermore Savings Account	1,381.41	1,381.41
Bank Interest Gross	20.98	20.98
	<u>246,420.41</u>	<u>246,420.41</u>
COST OF REALISATIONS		
Specific Bond	1,030.00	1,030.00
Agents/Valuers Fees (Leslie Keats)	16,815.68	16,815.68
Agents Fees (Clumber Consultancy)	3,059.70	3,059.70
Legal Fees (Clarion)	5,125.00	5,125.00
Agents/Valuers Fees (Michael Steel)	650.00	650.00
Agents Fees (Chas W Harrison)	275.55	275.55
Irrecoverable VAT	26.23	26.23
Computer Cost (Eitex)	997.76	997.76
Accountants Fees (Jane Jeal & Co)	100.00	100.00
Statutory Advertising	79.00	79.00
Insurance	168.00	168.00
Directors Assistance Cost	500.00	500.00
Wages & Salaries	4,130.88	4,130.88
	<u>(32,957.80)</u>	<u>(32,957.80)</u>
	213,462.61	213,462.61
REPRESENTED BY		
VAT Receivable		5,384.32
Current A/c		215,439.57
Deposit A/C		(1,881.52)
Office		(157.35)
VAT Payable		(5,322.41)
		<u>213,462.61</u>

Gareth Peckett
Joint Administrator

Joint Administrators' Progress Report

Hevertch Limited - In Administration

For the period from 29 April 2020 to 28 October 2020

Dated: 24 November 2020

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APPENDICES

- A** Receipts and Payments Account for the Period 29 April 2020 to 28 October 2020
- B** Time Analysis for the Period from 29 April 2020 to 28 October 2020
- C** Additional Information in relation to the Joint Administrators Fees, Expenses & Disbursements

THE ADMINISTRATOR'S PROGRESS REPORT

1 Introduction

- 1.1 I, together with my Michael Chamberlain of Chamberlain & Co, were appointed Joint Administrator of Hevertech Limited (the Company) on 29 April 2020. The appointment was made by the Directors' of the Company.
- 1.2 This Administration is being handled by Chamberlain & Co at Resolution House, 12 Mill Hill, Leeds, LS1 5DQ. The Administrators' contact details are by phone on 0113 2420808 or via email at mail@chamberlain-co.com. The Administration is registered in the High Court of Justice Business and Property Courts in Leeds, reference number 371 of 2020.
- 1.3 As Joint Administrator, I am required to provide a progress report covering the period of six months commencing from the date the Company entered Administration and every subsequent period of six months. This progress report covers the period from 29 April 2020 to 28 October 2020 (the Period) and should be read in conjunction with my earlier proposals report and any previous progress reports which have been issued.
- 1.4 Information about the way that we will use, and store personal data in relation to insolvency appointments can be found on our website www.chamberlain-co.co.uk and is located in General Data Protection Regulation (GDPR) in the Creditors Area > Resources section. If you are unable to download this, please contact my office and a hard copy will be provided to you.
- 1.5 The trading address of the Company is Unit 2 Treefield Industrial, Estate, Gelderd Road, Leeds, LS27 7JU.
- 1.6 The registered office of the Company is Resolution House, 12 Mill Hill, Leeds, LS1 5DQ and its registered number 02803522.

2 Progress of the Administration

- 2.1 You may recall that the statutory objective being pursued in the Administration was achieving a better realisation for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration). In addition to the pursuance of this statutory objective, the Administrators have duties imposed by insolvency and other legislation, some of which may not provide any financial benefit to creditors.
- 2.2 This section of the report provides creditors with an update on the progress made in the Period, both in terms of the achievement of the statutory objective, but also work which is required of the Administrators under other related legislation.
- 2.3 At Appendix A is my Receipts and Payments Account covering the Period
- 2.4 Attached at Appendix B is a time analysis outlining the time spent by the Administrators and their staff during the Period. since the Joint Administrators' Appointment to the end of the Period.
- 2.5 Further information about the basis of remuneration agreed in this case and the Administrators' fees estimate can be found in section 4 of this report, together with any relevant information about revisions to my initial estimate, where applicable.

Administration (including statutory compliance & reporting)

- 2.6 As noted above, the Administrators must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work that I anticipated would need to be done in this area was outlined in my initial fees estimate/information.
- 2.7 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Administrators.
- 2.8 As noted in my initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

Realisation of Assets

Cash at Bank

- 2.9 The Company held a bank account with Lloyds Bank plc ("Lloyds"), who hold a fixed and floating charge over the assets of the Company.
- 2.10 Upon appointment the Joint Administrators wrote to Lloyds and were advised that the bank account had a credit balance of £125,250.
- 2.11 The Joint Administrators requested that the monies held be transferred to this office and that the account remained open to accept receipts so that any debtor payments can be received.
- 2.12 On 16 June 2020 Lloyds transferred the sum of £170,590 into the account held by the Joint Administrators. It is expected that the reason for the increase in the monies transferred will be due to payments received from the customers of the Company.
- 2.13 Included in the Company's cash at bank was £49,017.17 of receipts which were received into the account between the 29 April 2020 and the closure of the bank account which appear to relate mainly to book debts due to the Company which were received into the bank account following the appointment of the Joint Administrators.
- 2.14 The Company also held an account with Aldermore Bank plc ('Aldermore') I have received £1,381.41 from Aldermore in respect of the balance held in the account.

Book Debts & Retentions

- 2.15 Upon the appointment of the Joint Administrators the information obtained from the Company showed that there were outstanding book debts of £680,347 and retentions of £195,841 totalling £876,188.
- 2.16 Included within this total is the amount owed to the Company by Excell Construction Limited in the sum of £371,506. Excel Construction Limited entered Administration on 31 March 2020 with Jeremy Woodside and Christopher Ratten of RSM Restructuring Advisory LLP appointed as Joint Administrators. The Joint Administrators progress report details that the likelihood of a dividend being paid to the unsecured creditors is unknown.
- 2.17 The Joint Administrators will continue to monitor the progress of the Administration of Excel Construction Limited to establish whether any dividend will be received for the benefit of the Company.
- 2.18 As previously reported Leslie Keats Quantity Surveyors ("Leslie Keats") a specialist quantity surveying practice base in Leeds has been instructed to assist in the review of the book debts and retentions and collection of the outstanding amount due. Due to the nature of the monies

due and the expiry of defect periods, Leslie Keats have indicated that the collection process is expected to take 2 to 3 years to complete.

- 2.19 Leslie Keats have continued with their collection activity and entered into correspondence with debtors regarding the debts due. To date, £61,828.42 has been received and Leslie Keats are holding a further £1,701.52 which is due to be remitted shortly.
- 2.20 I have recently obtained a backup of the Company's server and further details are held on the server which are required to assist with the collection of the remaining book debts which is to be provided to Leslie Keats. Further information regarding the book debt collection process will be provided in future reports.

Work In Progress

- 2.21 From an analysis of the Company books and records it has been established that there is outstanding Work In Progress in respect of two contracts in the sum of £8,616. The recoverability of this amount is uncertain.
- 2.22 Leslie Keats has been instructed to assist the Joint Administrators with the collection of these amounts.

Company Information

- 2.23 As detailed previously retained the services of one of the Directors and a member of the finance team to assist with the collation of financial information, including information regarding the Company contracts and the outstanding book debts due and to gain access to the Company server to secure essential electronic records. These contracts of employment were terminated on 11 May 2020 and wages paid in the Period as detailed in the Receipts and Payments account attached. Following the termination of the Director employment the director assisted the Joint Administrators in collating further information to assist with the realisation of assets. A fee of £500 was paid to the Director in respect of this assistance.
- 2.24 The Company stored a lot of its current books and records on a computer server which was located at its offices in Leeds. Information was initially obtained regarding the Company book debts and contracts however during the book debt collection activity further information was required to assist in their collection.
- 2.25 The Joint Administrators instructed the Company's former IT Company, Eitex of Castleford to obtain a full backup of the Company's server so that this could be integrated to obtain further information as required. Due to issues with obtaining access to the premises and the restrictions of the COVID-19 pandemic there was a number of delays in obtaining the back up.
- 2.26 The back up has now been obtained and we are currently extracting information to assist with the book debt collection activity.

Office Furniture & Equipment & Stock

- 2.27 The Company leased the majority of its Office Furniture & Equipment. The Company owns a small amount of office furniture and IT equipment consisting of desks, chairs, ladders and personal computers.
- 2.28 We have instructed our agents, Jon Briggs of C W Harrison & Son, Auctioneers and Asset Valuers of Ossett to sell these assets. During the period a sale of some of these items were agreed by my agent for the sum of £620. The remainder of the items have been collected and placed in auction.
- 2.29 The Company held a small amount of Stock which consisting of copper pipe and fittings and air filters and electrical consumables. These items have been collection by our agents, Jon Briggs of C W Harrison & Son, Auctioneers and Asset Valuers of Ossett and have been placed in auctions.

- 2.30 I can advise that C W Harrison & Son have attended site to remove any assets which have any value, and these assets have been placed in auction and further progress will be provided in my next report to creditors.

Company Contracts, Name and Website Domain

- 2.31 The Company had a number of contracts with third parties for ongoing works at various locations. Shortly after my appointment I was contacted by an interested unconnected party who wished to purchase any interest the Joint Administrators and Company had in such contracts, the Company name and the website domain.
- 2.32 Clarion Solicitors of Leeds were instructed to assist with these negotiations and to draft any sale agreement. The Joint Administrators also instructed Leslie Keats and Michael Steel & Co Chartered Surveyors both of Leeds to advise regarding the acceptability of any offers made for the assets of the Company.
- 2.33 An offer for the company contracts, Company name and website domain of £10,000 plus VAT was received and on the advice of agents this offer was accepted. The sale proceeds were received in October 2020.
- 2.34 Included in the sale agreement was a deferred consideration clause in respect of a percentage of turnover which was achieved by the purchaser in respect of the contracts over any amount stipulated in the sales contract in the period of 18 months from completion. The turnover is to be reviewed by the Joint Administrators to establish whether any further consideration is to be received in respect of the sale agreement.

Engineers Floats

- 2.35 The Company's engineers held cash floats to cover expenses when working on site. The Company records indicate that these floats amount to £7,022.
- 2.36 I have requested settlement of the floats from the engineers and to date have received £1,980.00. A number of engineers have failed to respond to correspondence, and it has been necessary to instruct Clarion solicitors of Leeds to attempt to recover any further balances. It is not known whether any further recoveries will be achieved.

Amounts Owed By Group Undertakings & Related Party Undertakings

Hevertech Holdings Limited

- 2.37 Hevertech Holdings Limited ('Holdings') owns 100% of the shareholding of the Company. In 2004 it acquired 100% of the share capital of the Company from the previous owners.
- 2.38 A debt of £867,188 is owed to the Company by Holdings and relates to the purchase of the shares in the Company by Holdings. The Directors have advised that Holdings has never traded and its only asset is the investment in the Company. The Directors have advised me that Holdings is unable to repay the debt and I have requested evidence that Holdings have no funds.

Further investigations are to be made regarding this loan however based upon current information it is not anticipated that this debt will be recoverable.

Lingar Properties Limited

- 2.39 Lingar Properties Ltd ('Lingar') is the ultimate parent company and acquiring 100% of the shareholding of Holdings in 2011.
- 2.40 A debt of £29,667 is owed to the Company by Lingar. The Directors have advised that the debt is in respect of a loan made to Lingar to assist in the purchase of the Company's trading

premises. The loan is a 15 year loan that commenced in July 2012 and is due to be repaid in 2027. The loan was being repaid at the sum of £4,000 per annum.

- 2.41 I have requested settlement of the loan from Lingar and they have made a counter offer due to claims as landlord of the Company which I am awaiting further information from Lingar so that the position can be considered. I will provide a further update in my next report to creditors.
- 2.42 It is considered that the work the Administrators and their staff have undertaken to date will bring a financial benefit to creditors. This may be a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any 3rd party security, result in a distribution to the preferential and unsecured creditors of the Company.

Creditors (claims and distributions)

- 2.43 Further information on the anticipated outcome for creditors in this case can be found at section 5 of this report. The Administrators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 2.44 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2.45 The above work will not necessarily bring any financial benefit to creditors generally, however the Administrators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Administrators in dealing with those claims.
- 2.46 I consider the following matters worth noting in my report to creditors at this stage:
- Lloyds Bank plc ("Lloyds") hold fixed and floating charges under the terms of their debenture dated 25 April 2012. It is understood that there is no liability to Lloyds.
 - The majority Company's employees were made redundant upon appointment. It is estimated that employee claims will be in the region of £311,237 of which £29,543 will be ranked as preferential and £281,694 as unsecured.
 - In addition, it has been established from the records of the Company that there are 127 creditors with expected claims in the amount of £1,313,876. Included in these claims are amounts owed to HM Revenue & Customs in the sum of £440,602.
 - The Joint Administrators have received notice of a Section 75 debt from the Plumbing & Mechanical Services (UK) Industry Pension Scheme. A formal proof of debt is yet to be submitted however the scheme actuaries have informed us that the debt is estimated to be in the region of £400,000. Any such debt is to be adjudicated upon and will form a unsecured debt in the Administration.

Landlord (Lingar Properties Limited)

Investigations

- 2.47 Some of the work the Administrators are required to undertake is to comply with legislation such as the Company Directors Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these

investigations reveal potential asset recoveries that the Administrators can pursue for the benefit of creditors.

- 2.48 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.
- 2.49 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment considered information provided by creditors either at the initial meeting (where held) or as a response to my request to complete an investigation questionnaire. My investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.

What remains to be done in the Administration

Assets remaining to be realised

- 2.50 The following assets remain to be realised:
- Office Furniture & Equipment & Stock – There is a small amount of office equipment and stock which is to be sold by our agents at auction.
 - Book Debts, Retentions & Work In Progress – Leslie Keats are continuing their collection activity. Information is currently being extracted from the Company's electronic books and records to assist with this collection process. Leslie Keats have indicated that the collection process is expected to take 2 to 3 years to complete.
 - Engineers Floats – Collection activity is continuing in respect of the collection of floats held by the Company's engineers upon the Company entering Administration.
 - Company Contracts – The Joint Administrators are to monitor the turnover achieved in respect of the sold contracts to establish whether any deferred consideration is due to the Company.
 - Amounts Owed By Group Undertakings & Related Party Undertakings – The Joint Administrators are seeking to recover the amount owed by the associated companies as detailed above.

Other outstanding matters

- 2.51 The Joint Administrators are currently liaising with the former Landlord to conclude the lease of the premises by way of informal surrender by operation of law. The Joint Administrators have been liaising with the Landlord, however, matters have become protracted and the Landlord is seeking to offset lease liabilities against the debt owed to the Company.
- 2.52 The Joint Administrator have sought the assistance of Freeth's, Solicitors of Leeds to deal with the surrender of the lease and negotiations regarding the offset of any lease liabilities against the debt due to the Company. Due to the above complications when trying to agree a surrender of the lease and this has resulted in increased time being spent on this category of work.

Dividends prospects

- 2.53 A dividend will be payable to the preferential creditors of the Company once the claim is received from the Redundancy Payments Service is received and the agreement of the remaining employee claims which have not been paid by the Redundancy Payments Service in respect of holiday pay and arrears of wages.

- 2.54 Once this claim has been received it will be reviewed by the Joint Administrators and adjudicated upon for the purposes of paying a dividend. A dividend will then be paid to the preferential creditors
- 2.55 Based on current information it is anticipated that the Company will be placed into liquidation and a distribution made to creditors once realisations are complete.

3 Pre-administration Costs

- 3.1 On 7 July 2020 the following amounts in respect of pre-administration costs were approved:

Name of recipient	Brief description of services provided	Total amount approved
Chamberlain & Co	Reviewed the financial position of the Company with a view to establishing the appropriate insolvency procedure, providing insolvency advice to the Company on the available options, attending meetings with management.	£9,386.25
Clarion Solicitors	Assistance in the preparation of appointment documentation. Liaising with key stakeholders.	£4,772.50 plus disbursements of £50

4 Joint Administrators' Remuneration

- 4.1 The basis of the Administrators' fees has been fixed in the Administration by reference to the time properly spent by him and his staff in managing the Administration. My fees estimate/information was originally provided to creditors when the basis of my remuneration was approved and was based on information available to me at that time.
- 4.2 A copy of that estimate is reproduced below:

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration (inc statutory compliance & reporting)	52.00	270.96	14,090.00
Realisation of assets	63.00	372.70	23,480.00
Creditors (claims & distributions)	57.00	298.16	16,995.00
Investigations	26.00	255.58	6,645.00
Total estimated fees			£61,210.00

- 4.3 My time costs for the Period are £76,164.75. This represents 256.85 hours at an average rate of £297 per hour. Attached at Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent in managing the Administration. To date, no amounts have been drawn on account.
- 4.4 I now consider that the fee estimate I previously provided for the Administration is insufficient to complete my duties because of:
- The Company's affairs requiring more extensive investigation than previously anticipated. This is due to it taken a long period of time to obtain the Company's books and records to assist with the investigations into the affairs of the Company.

- The Company's asset realisations have proved more protracted than was initially anticipated. This is partly due to further information being required to assist with the collection of debts due to the Company and the delays in obtaining the electronic books and records.
- Dealing with the claims of the Company's creditors has taken more time than initially anticipated due to creditors requesting continued updates regarding the realisations of assets and the prospects of a return to creditors.
- Extensive correspondence has been required with the finance companies in order to arrange to collect the assets on finance.

4.5 As a result, my revised fees estimate is set out below and I am seeking a decision to approve this by correspondence from the creditors originally responsible for approving the basis of my remuneration. In this case, that is the unsecured creditors.

Joint Administrators' Revised Fee Estimate

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration (inc statutory compliance & reporting)	98.00	249.49	24,450.00
Realisation of assets	88.20	362.55	31,977.00
Creditors (claims & distributions) *	89.40	329.07	29,419.00
Investigations	19.00	268.05	5,093.00
Total estimated fees			£90,939.00

4.6 A copy of "A Creditors' Guide to Administrators' Fees Version 4" is available on request or can be downloaded from our website www.chamberlain-co.co.uk and is located in Creditors Guides to Fees in the Creditors Area > Resources section.

4.7 Attached at Appendix C is additional information in relation to the Administrators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

5 Estimated Outcome for Creditors

Secured Creditors

5.2 Lloyds holds a fixed and floating charge over the Company's assets. At the date of the Administration the indebtedness to the secured creditor was estimated at nil. The charge was marked as satisfied on 12 June 2020.

Preferential Creditors

5.3 A summary of preferential claims is detailed below.

Preferential claim	Agreed Claim £	Estimated Claim £	Dividend paid p in the £1
Employee claims (Total number of claims = 34)	Not agreed to date	29,544.00	0.00
Department for Business, Energy & Industrial Strategy (BEIS)	Not received to date	0.00	0.00

- 5.4 It is estimated that preferential creditors will receive a dividend of 100p in the £ once the claim has been received from the Redundancy Payments Service and the claims of employees have been agreed.

Unsecured Creditors

- 5.5 I have received claims totalling £1,183,192.92 from 57 creditors.
- 5.6 The Company granted a floating charge to Lloyds on 25 April 2012. Accordingly, I am required to create a fund out of the Company's net floating charge property for unsecured creditors (known as the Prescribed Part).
- 5.7 Following our appointment, we were issued with notice of Section 75 debt by the Plumbing & Mechanical Services (UK) Industry Pension Scheme in respect of the Company. We have instructed Clumber Consultancy Limited a specialist Pensions Service to assist in reviewing the Section 75 debt. We are yet to receive a proof of debt in respect of this debt however the actuaries for the scheme have has estimated the Section 75 Debt to be £400,000.
- 5.8 Based on present information, there is no debt owed to Lloyds and therefore the Prescribed Part does not apply as the Company's net floating charge property is estimated to be nil as there is no amount outstanding to Lloyds.
- 5.9 I currently anticipate that a dividend may be available to the unsecured creditors other than from the Prescribed Part. As a result, unless it is more expedient to make an application to court to allow this to be distributed in the Administration, I anticipate that the Company will exit into Creditors' Voluntary Liquidation in due course to facilitate the payment of a dividend to the unsecured creditors. Further details will be provided in due course.

6 Ending the Administration

- 6.1 In accordance with the terms of the administrator's proposals, dependent upon the realisations, the Company will be dissolved under the provisions of Paragraph 84, Schedule B1, of the Insolvency Act 1986 or placed into creditors' voluntary liquidation under provisions of Paragraph 83, Schedule B1, of the Insolvency Act 1986.
- 6.2 If the Company is placed into creditors voluntary liquidation, I will become Joint Liquidator following the approval of the Administrator's proposals in this regard.
- 6.3 The Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.
- 6.4 Based upon current information it is anticipated that the Company will exit Administration by being placed in creditors' voluntary liquidation to facilitate the realisation of its assets, in particular its books debts and the payment of a distribution to unsecured creditors.

7 Creditors' Rights

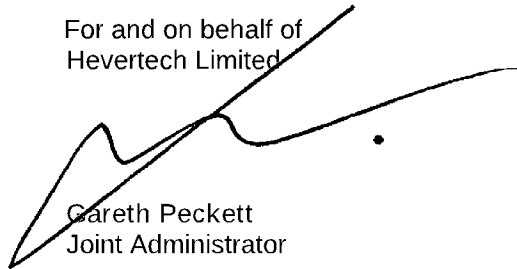
- 7.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 7.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the

Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Administrators , as set out in this progress report, are excessive.

8 Next Report

- 8.1 The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised or they wish to extend it.

For and on behalf of
Hevertech Limited

A handwritten signature in black ink, appearing to read 'Gareth Peckett', is written over the text 'For and on behalf of Hevertech Limited'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Gareth Peckett
Joint Administrator

Appendix A

Receipts and Payments Account for the Period 29 April 2020 to 28 October 2020.

Hevertech Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 29/04/2020 To 28/10/2020 £	From 29/04/2020 To 28/10/2020 £
ASSET REALISATIONS		
Office Furniture & Equipment, Stock	620.00	620.00
Book Debts, Retentions & WIP	61,828.42	61,828.42
Engineer Floats	1,980.00	1,980.00
Cash at Bank	170,589.60	170,589.60
Business Assets Sale	10,000.00	10,000.00
Aldermore Savings Account	1,381.41	1,381.41
Bank Interest Gross	20.98	20.98
	<u>246,420.41</u>	<u>246,420.41</u>
COST OF REALISATIONS		
Specific Bond	1,030.00	1,030.00
Agents/Valuers Fees (Leslie Keats)	16,815.68	16,815.68
Agents Fees (Clumber Consultancy)	3,059.70	3,059.70
Legal Fees (Clarion)	5,125.00	5,125.00
Agents/Valuers Fees (Michael Steel)	650.00	650.00
Agents Fees (Chas W Harrison)	275.55	275.55
Irrecoverable VAT	26.23	26.23
Computer Cost (Eitex)	997.76	997.76
Accountants Fees (Jane Jeal & Co)	100.00	100.00
Statutory Advertising	79.00	79.00
Insurance	168.00	168.00
Directors Assistance Cost	500.00	500.00
Wages & Salaries	4,130.88	4,130.88
	<u>(32,957.80)</u>	<u>(32,957.80)</u>
	<u>213,462.61</u>	<u>213,462.61</u>
REPRESENTED BY		
VAT Receivable		5,384.32
Current A/c		215,439.57
Deposit A/C		(1,881.52)
Office		(157.35)
VAT Payable		(5,322.41)
		<u>213,462.61</u>

Gareth Peckett
Joint Administrator

Appendix B

Time Analysis for the Period from 29 April 2020 to 28 October 2020.

Time Entry - Detailed SIP9 Time & Cost Summary

10491 - Hevertech Limited
From: 29/04/2020 To: 28/10/2020
All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
700 : Notificaton of Appointment	0.00	2.50	0.00	0.00	2.50	662.50	265.00
703 : Completion/Review of Bond	0.00	0.20	0.00	0.00	0.20	53.00	265.00
704 : Set up file - IPS, Diary and VC	0.20	0.00	0.00	0.00	0.20	79.00	395.00
705 : Dealing with Books & Records	7.30	3.30	0.00	0.00	13.10	4,041.00	308.47
706 : Management of OH Cashbook and Accounts & Bank Recs	0.20	0.00	0.00	0.00	0.40	132.00	330.00
707 : Processing of Receipts and Payment Vouchers	0.60	5.70	6.20	0.00	12.50	2,803.50	224.28
708 : Case Reviews	3.10	1.50	0.00	0.00	4.60	1,622.00	352.61
709 : Case Strategy Review and Decisions	0.60	1.50	0.00	0.00	2.10	667.50	317.86
710 : Case Checklists, Compliance & Diary Completion	1.70	1.50	0.00	0.00	3.20	1,069.00	334.06
711 : Post appointment Tax issues	0.40	0.00	0.40	0.00	0.80	218.00	272.50
713 : General Administration (Include Post & Filing)	0.80	0.20	2.00	9.85	12.85	1,670.75	130.02
AP-CASH : Cashiering, Financial Admin	0.00	0.60	0.00	0.60	0.60	96.00	160.00
AP-COMP : Compliance, Bordereau, Diary	0.20	1.00	0.00	0.00	1.20	344.00	286.67
AP-GEN : General Admin, Inc Post & Filing	3.60	7.10	4.30	14.70	29.70	5,405.00	181.99
AP-REVIEW : File Review	0.80	0.40	0.00	1.50	2.70	573.50	212.41
AP-SETUP : Setting Up File, Star & IPS	1.00	0.00	0.00	0.00	1.00	395.00	395.00
Admin & Planning	20.50	24.90	16.20	26.05	87.65	19,831.75	226.26
CR-ANN : Annual Reports	2.00	0.00	0.00	0.00	2.00	790.00	395.00
CR-CLAIMS : Agreeing Creditor Claims/Payment Of Divi	10.40	13.60	0.00	0.00	24.00	7,712.00	321.33
CR-CON : Convening Of Meetings	0.00	3.50	0.00	0.00	3.50	927.50	265.00
CR-EMP : Employee Matters	9.00	7.10	2.30	0.00	17.40	5,524.50	317.50
501 : Unsecured Creditors - Enquiries/Correspondence/Agr	5.00	8.50	0.00	0.00	13.50	4,227.50	313.15
502 : Employee Matters	6.70	6.90	0.10	0.00	13.70	4,496.00	328.18
503 : Committee Reports & Meetings	0.00	1.10	0.00	0.00	1.10	291.50	265.00
504 : Statutory Reporting to Creditors	0.90	0.50	3.00	0.00	4.40	1,118.00	254.09
505 : Convening Post Appt Decision Procedures	0.50	0.00	0.00	0.00	0.50	197.50	395.00
507 : Report / Secured Creditor	0.00	0.00	1.00	0.00	1.00	210.00	210.00
Creditors	33.50	41.20	6.40	0.00	81.10	25,494.50	314.36
201 : CDDA Reports	1.30	1.50	0.00	0.00	2.80	911.00	325.36
202 : SIP 2 Investigations	0.60	2.00	0.00	0.00	2.60	767.00	295.00
203 : Investigating Antecedent Transactions	0.00	0.50	0.00	0.00	0.50	132.50	265.00
IN-ANT : Antecedent Transactions	0.50	0.30	0.00	0.00	0.80	277.00	346.25
IN-CDDA : CDDA	0.00	0.40	0.00	0.00	0.40	106.00	265.00
Investigations	2.40	4.70	0.00	0.00	7.10	2,193.50	308.94
RA-DEBT : Debt Collection	10.30	1.70	7.20	0.00	19.20	5,599.00	291.61
RA-SALE : Sale Of Assets/Business	36.10	0.90	0.00	0.00	37.00	14,498.00	391.84
300 : Identifying / Securing & Insuring	0.60	0.00	0.00	0.00	0.60	237.00	395.00
303 : Property	1.20	0.00	0.00	0.00	1.20	474.00	395.00
304 : Book Debts	3.70	8.50	0.00	0.00	12.20	3,714.00	304.43
305 : Plant & Machinery / Motor Vehicles	0.30	0.30	0.00	0.00	0.60	198.00	330.00
306 : Stock	0.30	0.00	0.00	0.00	0.30	118.50	395.00
307 : Sale of Business	8.40	0.00	0.00	0.00	8.40	3,318.00	395.00
308 : Other Assets	0.70	0.80	0.00	0.00	1.50	488.50	325.67
Realisation of Assets	61.60	12.20	7.20	0.00	81.00	28,645.00	353.64

Time Entry - Detailed SIP9 Time & Cost Summary

10491 - Hevertech Limited
From: 29/04/2020 To: 28/10/2020
All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Total Hours	118.00	83.00	29.80	26.05	256.85	76,164.75	296.53
Total Fees Claimed						0.00	

Appendix C

Additional Information in Relation to the Joint Administrators' Fees, Expenses & Disbursements

1 Staff Allocation

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.

Professional Advisors & Sub Contractors

- 1.3 On this assignment we have used the professional advisors & Sub Contractors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Clarion Solicitors (legal advice)	Hourly rate and disbursements
Leslie Keats (book debt collection)	Time Costs and 15% of realisations on first £30,000 and 20% of realisations on any balance of over £30,000 recovered
C W Harrison & Son (valuation and disposal advice)	Hourly rate and disbursements
Freeths (legal advice)	Hourly rate and disbursements
Michael Steel & Co Ltd (Valuation Fee)	Fixed Fee
Clumber Consultancy (Employment & Pension Advice)	Fixed Fees
Jane Jeal & Co (Payroll)	Fixed Fee

- 1.4 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

2 Joint Administrators' Expenses & Disbursements

- 2.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the Administration was provided to creditors in the Administrators' Proposals Report a copy of which is set out below:

Expense	Estimated cost £
Agents' costs	650.00
Solicitors' costs	4,796.00
Bool Debt Collection	5,950.00
Statutory advertising	79.00
Specific penalty bond	1,030.00
Employee Costs	3,205.00
Employment Advice	1,323.00
Site IT Services	131.12
Site Broadband Services	29.50

Current position of Joint Administrators' expenses

- 2.2 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below. Amounts incurred in the period may include estimates where actual invoices have not been received. The quantum costs have increased due to the complexity of the assignment:

	Paid in prior period £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Agents' costs (Leslie Keats)	0.00	16,815.68	340.30	17155.98
Agent's Fees (Clumber)	0.00	3,059.70	0.00	3,059.70
Agents Fees (Chas W Harrison)	0.00	275.55	0.00	1200.00
Agents Fees (Michael Steel)	0.00	650.00	0.00	650.00
Solicitors costs (Freeths Solicitors)	0.00	0.00	2,139.10	4,000.00
Solicitors' costs (Clarion Solicitors)	0.00	5,125.00	1,000.00	6,125.00
Insurance (Assets)	0.00	168.00	0.00	168.00
Statutory advertising	0.00	79.00	0.00	79.00
Specific penalty bond	0.00	1,030.00	0.00	1,030.00
Computer cost (Eitex)	0.00	997.76	0.00	997.76
Accountants fees (Jane Jeal & Co)	0.00	100.00	0.00	100.00

- 2.3 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.
- 2.4 Agents fees have been incurred in respect of the book debt collection activity (Leslie Keats) and in respect of the collection and disposal of the Company's Office Furniture, Equipment and Stock and the collection and storage of physical books and records (Chas W Harrison). Specialist valuation agents was instructed to advise regarding the sale of the Contracts, domain name and Company name (Leslie Keats and Michael Steel & Co).
- 2.5 Solicitors were instructed in respect of the sale purchase agreement in respect of the Contracts, company Name and website domain and in respect of assisting with the collection of the Engineer floats (Clarion Solicitors). Solicitors have also been instructed in respect of the surrender of the lease and negotiations regarding the debts of the landlord (Freeths Solicitors).
- 2.6 The Company's former IT Company (Eitex) were instructed to obtain and secure a back up of the Company's server and provide remote access to the email accounts of key personnel so that Company information could be obtained. Accountancy fees were incurred in respect of the final calculation of the Company's payroll in respect of the two employees which were retained by the Administrator.
- 2.7 Clumber Consultancy Limited were instructed to assist with the calculations of the claim of the employees and submissions to the Redundancy Payments Service to assist with the processing of payments to the employees and also to advise upon the pension schemes of the Company and in particular the Section 75 debt of the Plumbing & Mechanical Services (UK) Industry Pension Scheme.
- 2.8 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.
- 2.9 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where

appropriate) were provided in the Administrators' Proposals Report and approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

3 Charge-Out Rates

3.1 Chamberlain & Co's charge-out rates effective from 1 September 2019 are detailed below. Where rates have changed during the Administration, the new charge-out rates are also detailed below. Please note this firm records its time in minimum units of 6 minutes.

	£ per hour 01/09/2019
Director	315-395
Manager	215-310
Administrator	105-210
Support	30-100