

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

02851490

Name of Company

South Midlands Construction Limited

I / We

Peter John Windatt, 100 St James Road, Northampton, NN5 5LF

John William Rimmer, 100 St James Road, Northampton, NN5 5LF

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 22/05/2014 to 21/05/2015

Signed



Date

20.7.15

BRI Business Recovery & Insolvency
100 St James Road
Northampton
NN5 5LF

Ref 6452N/PJW/JWR/IC/rm

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COMPANIES HOUSE

South Midlands Construction Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 22/05/2014 To 21/05/2015
	ASSET REALISATIONS	
12,020 00	Cash at bank - client account	12,020 00
Uncertain	Applications and retentions	3,881 01
400 00	Furniture and equipment	NIL
	Bank interest gross	1 18
	Sale of assets	800 00
	Rates refund	244 68
		<u>16,946 87</u>
	COST OF REALISATIONS	
	Indemnity Bond	81 00
	Preparation of S of A	9,000 00
	Liquidator's Remuneration	1,000 00
	Agents/Valuers Fees (1)	610 64
	Quantity Surveyor's fees	2,500 00
	Petition costs	2,167 00
	Statutory Advertising	222 00
		<u>(15,580 64)</u>
	PREFERENTIAL CREDITORS	
(8,583 00)	Employees wage/holiday arrears	<u>NIL</u>
		NIL
	FLOATING CHARGE CREDITORS	
(158,259 00)	Lloyds TSB Bank Plc	<u>NIL</u>
		NIL
	UNSECURED CREDITORS	
(1,528,560 00)	Trade & Expense Creditors	NIL
(78,814 00)	Employees	NIL
(187,098 00)	Directors loan accounts	NIL
(1,645,598 00)	South Midlands Plant Ltd - associate	NIL
(60,906 00)	H M Revenue & Customs (PAYE/NIC)	<u>NIL</u>
		NIL
	DISTRIBUTIONS	
(100 00)	100 ordinary shares of £1 each	<u>NIL</u>
		NIL
<u>(3,655,498.00)</u>		<u><u>1,366.23</u></u>
	REPRESENTED BY	
	VAT Receivable	17 13
	Floating Current A/c	1,349 10
		<u>1,366.23</u>



Peter John Windatt
Joint Liquidator
08 July 2015 15 21

**SOUTH MIDLANDS CONSTRUCTION LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)
JOINT LIQUIDATORS' ANNUAL REPORT TO MEMBERS AND CREDITORS
FOR THE YEAR ENDED 21 MAY 2015**

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**SOUTH MIDLANDS CONSTRUCTION LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)
JOINT LIQUIDATORS' ANNUAL REPORT TO MEMBERS AND CREDITORS
FOR THE YEAR ENDED 21 MAY 2015**

1. Statutory and general information

Company number: 02851490

Date of incorporation: 8 September 1993

Previous name(s) of Company: None

Registered office: 100 St James Road
Northampton
NN5 5LF

Formerly: Venture Courts 2 Debdale Road
Wellingborough
Northamptonshire
NN8 5AA

Liquidators: Peter John Windatt of BRI Business Recovery and Insolvency, 100 St James Road, Northampton, NN5 5LF, licensed to act as an Insolvency Practitioner in the United Kingdom by the ACCA under registration number 008611 and John William Rimmer of BRI Business Recovery and Insolvency, 100 St James Road, Northampton, NN5 5LF, licensed to act as an Insolvency Practitioner in the United Kingdom by the ACCA under registration number 13836

Date of appointment: 22 May 2014

2. Joint liquidators' actions since appointment

2.1 This report should be read in conjunction with my receipts and payments account which is attached as Appendix 1, please note that the figures are shown net of VAT

2.2 As noted in my receipts and payments account, realisations are broadly in line with the estimated statement of affairs amounts. Greater detail is provided below

2.3 Cash at bank – client account

This relates to funds that were held in the client account

2.4 Applications and retentions

Leslie Keats Quantity Surveyors ("LKQS") were instructed to collect all applications and retentions

To date, an amount of £3,881 has been collected

Any future realisations will be heavily impacted by the additional costs of other contractors completing the incomplete works

As advised in the director's report, the collection process is anticipated to be completed over a period between 3-4 years from the date of liquidation and remain ongoing

2.5 Furniture and equipment

As detailed in the director's report, the furniture and equipment consisted of dismantled office equipment and was valued by Barry Hales of John Pye & Sons Ltd ("the Agent"). Primarily it was scheduled as estimated to realise at £400 but due to further inspection the Agent deemed it not cost effective to collect and sell these items because the costs of removal would outweigh any potential benefit.

2.6 Rates refund

A refund of £245 has been received in respect of overpaid business rates.

2.7 Sale of assets

There was a stockpile of steel left on one of the sites that the Company had previously worked on.

This stockpile of steel was not scheduled in the statement of affairs and sold for £800 to an unrelated company who were, at that time, occupying the site. The sale was in line with the Agent's recommendations.

2.8 Bank interest gross

An amount of £1 has been received in respect of bank interest.

2.9 In addition to dealing with the realisation of assets, I have to meet various legislative and best practice requirements and deadlines. These matters include filing of documents with the Registrar of Companies, ensuring that all receipts and payments are dealt with in a timely basis and proper accounting records are maintained, undertaking periodic case progression reviews, advising creditors of the liquidation and recording all claims received, together with other day to day matters that arise.

3. Investigation into the affairs of the Company

3.1 I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

3.2 There were no matters that justified further investigation in the circumstances of this appointment.

3.3 Within six months of appointment, any liquidator is required to report to the Secretary of State on any matters which have come to their attention during the course of their work which may indicate that the conduct of any past or present director would make them unfit to be concerned with the management of the Company. I have complied with these requirements, however due to the confidential nature of any return or report, I am unable to make any further comments.

4. Dividend prospects

4.1 Preferential creditors

I have received a claim from the redundancy payments office in respect of employees' wages and holiday pay. It is uncertain whether a dividend will become available to preferential creditors due to the uncertainty of any future realisations.

4.2 Unsecured creditors

Whilst I have received a various claims from unsecured creditors I have not incurred the costs of agreeing claims. It is uncertain whether a dividend will become available to unsecured creditors due to the uncertainty of any future realisations.

4.3 Floating charge creditor and the prescribed part

As there is a floating charge over the assets of the Company, the prescribed part provisions apply.

However, since the Company's net property is less than £10,000, the insolvency legislation does not require me to distribute the prescribed part of the net property to creditors if I think that the costs of distributing the prescribed part would be disproportionate to the benefits to creditors. I am of the view that the costs of distribution would be disproportionate and so will not be making a distribution of the prescribed part of the net property to unsecured creditors.

5. Pre-appointment remuneration

5.1 The costs and expenses incurred by BRI Business Recovery and Insolvency in respect of the preparation of the statement of affairs and convening the meeting of creditors have, in accordance with the resolution passed at the meeting of creditors been paid out of the assets of the liquidation. The amounts are as follows

Fees	£9,000 plus VAT
Disbursements	£81
Category 2 disbursements	£222 plus VAT

6. Joint liquidators' remuneration

6.1 My remuneration was previously authorised by creditors at a meeting held on 22 May 2014 to be drawn on a time costs basis. My total time costs to 21 May 2015 amount to £16,419, which have been charged at an average charge out rate of £128. I have drawn £1,000 to date. A schedule of my time costs incurred to date is attached as Appendix 1.

6.2 For the benefit of creditors, the Association of Business and Recovery Professionals publish "A Creditors' Guide to Liquidators' Fees". This document is available by entering the following website address, www.briuk.co.uk then clicking on the "Creditors' Guide to Fees" option on the grey headings bar. Please note that there are different versions for cases that commenced before or after 6 April 2010 and in this case you should refer to the post April 2010 version. A hard copy of this document can be obtained on request from any of our offices.

6.3 Our charge-out rates have changed since approval on 22 May 2015. The changes can be found by visiting our website (shown above) and selecting the tab "Creditors' Guide to Fees", then "charge-out rates" / "previous charge-out rates".

7. Joint liquidators' expenses

7 1 Details of the expenses that I have paid are shown on the attached receipts and payments account, and are largely self explanatory

7 2 The following expenses have been incurred but have not yet been paid

<u>Type of expense</u>	<u>Amount still to be paid</u>
Leslie Keats Quantity Surveyors fees	£5,500

LKQS have not been paid in full for their work relating to both pre and post appointment duties as of yet. It was agreed that they be paid the first £8,000 of realisations made from applications and retentions. To date, they have been paid £2,500.

7 3 The following disbursements have been incurred but have not yet been paid

<u>Disbursement</u>	<u>Amount still to be paid</u>
Postage/photocopying/stationery	£212
Room hire (creditors' meeting)	£50

7 4 My choice of professionals was based on my knowledge of their experience and ability to perform the type of work required. I have reviewed the fees charged and as they are in line with original estimates, I am satisfied that they are reasonable in the circumstances of this case.

8. Further information

8 1 An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the joint liquidators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

8 2 An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the joint liquidators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

9. Conclusion

9 1 The liquidation will remain open until all applications and retentions have been finalised, which are anticipated to be completed within 3 years.

9 2 Should you have any queries regarding this matter please contact Bob McDonald on 01604 595611.



P P Peter John Windatt
Joint Liquidator

Direct line 01604 595611 / Email rmcdonald@briuk.co.uk

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South Midlands Construction Limited
(In Liquidation)

Joint Liquidators' Abstract Of Receipts And Payments
To 21 May 2015

RECEIPTS	Statement of Affairs (£)	Total (£)
Cash at Bank - client acc		480 00
Cash at bank - client account	12,020 00	12,020 00
Applications and retentions	Uncertain	3,881 01
Furniture and equipment	400 00	0 00
Bank interest gross		1 18
Sale of assets		800 00
Rates refund		244 68
		<hr/>
		17,426 87
		<hr/>
PAYMENTS		
Book-keeping costs		480 00
Indemnity Bond		81 00
Preparation of S of A		9,000 00
Liquidator's Remuneration		1,000 00
Agents/Valuers Fees (1)		610 64
Quantity Surveyor's fees		2,500 00
Petition costs		2,167 00
Statutory Advertising		222 00
Employees wage/holiday arrears	(8,583 00)	0 00
Lloyds TSB Bank Plc	(158,259 00)	0 00
Trade & Expense Creditors	(1,528,560 00)	0 00
Employees	(78,814 00)	0 00
Directors loan accounts	(187,098 00)	0 00
South Midlands Plant Ltd - associate	(1,645,598 00)	0 00
H M Revenue & Customs (PAYE/NIC)	(60,906 00)	0 00
100 ordinary shares of £1 each	(100 00)	0 00
		<hr/>
		16,060 64
		<hr/>
Net Receipts/(Payments)		1,366 23
		<hr/>

MADE UP AS FOLLOWS

Floating Current A/c	1,349 10
VAT Receivable / (Payable)	17 13
	<hr/>
	1,366 23
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BRI (UK) Limited

SIP 9 Summary of hours and costs from 22/05/2014 to 21/05/2015

Client 6452N South Midlands Construction Ltd

Hours

Classification of work function	Lead IP	Manager	Assistant manager	Senior administrator	Administrator	Junior Administrator	Assistants and support staff
Admin & planning	0 40		9 20	0 10	0 30	40 10	
Cashiering	1 90				5 90	0 60	1 00
Creditors	2 30		1 00			23 30	
Investigations	0 60		1 60			31 90	
Realisation of assets	0 20		6 20			0 20	
Reporting					1 10		0 10

Total	Time Cost £	Average hourly rate £
50 10	£6,253 50	£124 82
9 40	£1,393 50	£148 24
26 60	£3,435 50	£129 15
34 10	£3,879 50	£113 77
6 60	£1,331 00	£201 67
1 20	£126 00	£105 00

Posted time 5 40 0 00 18 00 0 10 7 30 96 10 1 10 128 00 £16,419 00 £128 27

Unposted time
Total time

Total time costs/grade	1 810 00	3,607 50	13 50	767 00	10,105 00	116 00	16,419 00
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20 July 2015

BRI BUSINESS RECOVERY AND INSOLVENCY

CREDITORS' GUIDE TO FEES

Charge-out rates

Grade	Charge-out rate (£ per hour, charged in 6 minute units)
Directors/Insolvency Practitioners	230-350
Managers and Assistant managers	165-205
Administrators	110-165
Secretaries & Support Staff	110

Rates are subject to a periodic review and are likely to increase each April. A copy of our previous rates can be found on our website at www.briuk.co.uk

Agent costs

These are charged at cost based upon the charge(s) made by the Agent instructed. The term "Agent" includes

- Solicitors/legal fees
- Auctioneers/valuers
- Accountants
- Quantity surveyors
- Estate agents
- Other specialist advisors

Storage costs

Charged at actual cost incurred for storage (and retrieval, when appropriate) of records

Other disbursements

Category	Basis of charge
Category 1	
Indemnity Bond	At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment
Insurance of assets	At cost in relation to asset coverage requirements
Company searches	At cost incurred
Travel	At actual cost including train fare and all other public transport
Other	At actual cost charged
Category 2	
Mileage	Motor vehicle at 45p per mile from 6 April 2011
Room hire	Held at BRI offices £50 Any other venue at actual cost
Stationery	A standard £15 charge is made for all initial files with a further £1 17 or 85pence (lever arch or spiro sort respectively) for any additional files required
Photocopying	Specific calculation of 2 pence per sheet x number of creditors
Postage	Standard charge of £15 per case plus a specific calculation of postage cost x number of creditors
Storage	Case records stored in BRI's own facility will be charged at the same rate levied by external storage providers as follows. Box costs at £4 70 per box and storage charge of £7 60 per annum