

The Insolvency Act 1986

Administrator's progress report

2.24B

Name of Company Datum Construction Limited

Company Number 02863320

In the High Court of Justice, Chancery Division, Manchester District Registry [full name of court]

Court case number (For court use only) 3631 of 2013
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Insert full name(s) and
address(es) of the
administrator(s)We^(a)

Kerry Bailey of BDO LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3AT

Jonathan D Newell of BDO LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3AT

administrators of the above company attach a progress report for the period

(b) Insert dates

(b) From 5 July 2013

(b) To 4 January 2014

Signed

For the Joint Administrators

Dated

5.7.13

Contact Details

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

Kerry Bailey

3 Hardman Street, Spinningfields, Manchester, M3 3AT

Tel 0161 817 7500

DX Number

DX Exchange

FRIDAY



A22

07/02/2014

#15

COMPANIES HOUSE

When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



TO HIGH COURT OF JUSTICE, CHANCERY DIVISION, MANCHESTER DISTRICT REGISTRY
TO THE REGISTRAR OF COMPANIES
TO ALL KNOWN CREDITORS

Our ref: JDN/KFB/SAF/JW/4009228/2400

4 February 2014

Dear Sirs

Datum Construction Limited – In Administration (“the Company”)
Report to creditors on the progress of the administration for the period 5 July 2013 to 4 January 2014 pursuant to Rule 2.47 of the Insolvency Rules 1986

1 INTRODUCTION

1.1 I write to give you a progress report on the conduct of the Administration for the period from 5 July 2013 to 4 January 2014 and the financial position as at 4 January 2014. This report should be considered in conjunction with the Joint Administrators’ letter dated 24 July 2013 as well as the Joint Administrators’ Proposals.

1.2 The following appendices are attached to this report:

- Statutory information,
- Summary of the Receipts and Payments Account of the Joint Administrators’ from 5 July 2013 to 4 January 2014,
- Summary of our time costs for the period 5 July 2013 to 4 January 2014; and
- Form 2.24B, Notice of Administrators Progress Report

2 ASSET REALISATIONS

Property at Unit 11C, Brindley Road, Reginald Road Industrial Estate

2.1 The above property was marketed for sale with GVA Grimley Limited (“GVA”).

2.2 Interested parties were asked to submit best and final offers by late September 2013. The highest offer received was from Datum Construction and Maintenance Limited.

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Email james.williams@bdo.co.uk | www.bdo.co.uk

BDO LLP | 3 Hardman Street | Spinningfields | Manchester | M3 3AT

Details of the authorising bodies of the insolvency appointment takers of BDO LLP are available at www.bdo.co.uk/services/advisory/business_restructuring/authorising_bodies_insolvency_appointment_takers

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- 2 3 Proof of funding was requested and provided, resulting in the offer being accepted
- 2 4 However, it now appears that Datum Construction and Maintenance Limited are going to be unable to proceed with their offer
- 2 5 The property has therefore been re-marketed and GVA are currently approaching the under bidders

Equipment, Motor Vehicles, Stock, Goodwill, Intellectual Property and Business Information

- 2 6 As previously advised, the business and assets of the Company were sold to Datum Construction & Maintenance Limited for a total consideration of £44,000.
- 2.7 A sale completed on 16 July 2013 and the consideration was apportioned as follows

	Realised (£)
Equipment	17,000
Motor Vehicles	20,800
Stock	6,197
Goodwill	1
Intellectual Property	1
Business Information	1

- 2 8 It was agreed that consideration of £34,000 would be paid on completion, with £10,000 to be paid one month later.
- 2.9 To date, the deferred consideration of £10,000 has not been received. This is due to the directors of Datum Construction and Maintenance Limited believing that book debts have been paid to the Joint Administrators that are actually due to Datum Construction and Maintenance Limited.
- 2.10 This position has been disputed and negotiations have on going. Negotiations have been protracted due to the complexity of the systems used by the Company and Datum Construction and Maintenance Limited.
- 2.11 It is considered that all information has now been collated and that the position will be formalised shortly.

Book Debts, Work In Progress ("WIP") and Applications

- 2.12 It was agreed that Datum Construction and Maintenance Limited would collect the book debts and applications submitted by the Company, for an agreed commission of 20%
- 2.13 Datum Construction and Maintenance Limited would also complete any work in progress completed by the Company at the date of Administration. The work in progress was valued as at the date of Administration. It was agreed that Datum Construction and Maintenance Limited would be entitled to commission of 20% of the value of the work in progress, in return for the completion of the work in progress and the progression of that work to invoice and payment
- 2 14 Book debt collections to date total £93,750. In addition, WIP and applications outstanding at the date of Administration have been finalised and invoiced, resulting in collections in respect of work in progress totalling £26,395 and collections in respect of applications totalling £6,130.

- 2 15 Datum Construction and Maintenance Limited have been paid commission totalling £23,750 plus VAT in respect of their assistance with book debt, WIP and application collections.

Post Appointment Trading

- 2.16 As detailed in the Joint Administrators' Proposals, invoices raised by the Joint Administrators totalled £12,599. This figure was inclusive of VAT
- 2 17 To date, collections in respect of the invoices raised by the Joint Administrators totals £12,479, inclusive of VAT.
- 2.18 The Joint Administrators' Proposals detailed applications raised by the Joint Administrators totalling £9,021.
- 2 19 To date, collections in respect of applications raised by the Joint Administrators total £6,042.64
- 2 20 The PAYE and NI incurred by the Joint Administrators in respect of the wages paid in the period of the Joint Administrators' trade, totalling £1,492, has now been paid
- 2.21 The gas and electric used in the period of Administrators' trade totalling £99 has also been paid in full.
- 2 22 The business rates incurred for the period of the Joint Administrators trade have been off-set against a refund that is due from Warrington Borough Council Consultiam Property Limited, who trade as Capa, have been instructed to process the refund and we currently await payment
- 2 23 There are other utilities, such as water rates and phone line costs, which have been incurred in the period of the Joint Administrators' trade However, it is understood that these costs have been met by Datum Construction and Maintenance Limited. The Joint Administrators currently await copies of the bills settled to agree the off-set of these bills against amounts owed to the Joint Administrators by Datum Construction and Maintenance Limited.

Licence to Occupy

- 2 24 The Licence to Occupy granted to Datum Construction and Maintenance Limited commanded a rent of £1,600 per month
- 2 25 In the period of this report, rent has been collected up to and including the 15 December 2013 totalling £8,000.

3 LIABILITIES

Secured Creditors

- 3 1 The Company granted a Legal Mortgage to Natwest Bank Plc which was secured against the property at Unit 11C, Brindley Road, Reginald Road Industrial Estate
- 3 2 Natwest's outstanding lending totals £108,161. It is anticipated that a sale of the Company's property will raise sufficient funds to settle Natwest's lending in full.

Preferential Creditors

- 3.3 Preferential creditor claims consist of the wage arrears and outstanding holiday of the four joiners made redundant at the date of Administrators' appointment.
- 3 4 A distribution of 100 pence in the pound has been made to these creditors
- 3 5 The Company also had significant arrears in respect of pension scheme contributions relating to pension schemes taken out on behalf of employees
- 3 6 The claim in respect of the pension scheme arrears is currently being agreed. It is anticipated that an element of the claim will be a preferential claim, and once agreed, a distribution of 100 pence in the pound will be made in respect of the preferential element of this claim

Unsecured Creditors

- 3 7 From the information provided by the Company directors and correspondence received from creditors, it now appears that there are 83 trade and expense creditors owed approximately £295,591.
- 3 8 HM Revenue and Customs' claim in respect of both pre and post CVA liabilities now totals £397,108
- 3.9 It should be noted that not all creditors have notified us of their claims and as a result these figures are only provisional.
- 3 10 It is anticipated that there will be sufficient funds to make a distribution to unsecured creditors. However, the timing and quantum of any dividend is currently uncertain.

Prescribed Part

- 3.11 Section 176A of the Insolvency Act 1986 requires Administrators to set aside a prescribed amount of the company's 'net property' towards the satisfaction of non-preferential claims 'Net property' is defined as the amount which would, if it were not for the aforementioned provision, be available to floating charge holders (created after 15 September 2003), after accounting for fixed charges, preferential creditors and the costs of realisation.
- 3 12 As there is no floating charge in this matter the provisions of the Prescribed Part will not apply.

4 ADMINISTRATORS' PROPOSALS

- 4.1 The Joint Administrators' proposals were modified following business conducted by correspondence
- 4 2 The deadline for submission of forms was 13 September 2013

5 INVESTIGATIONS

- 5 1 The conduct of the directors has been investigated and a report has been submitted to the Secretary of State. The contents of this report are confidential.

6 JOINT ADMINISTRATORS' REMUNERATION AND COSTS

6.1 Following receipt of the Joint Administrators' Proposals, creditors approved the Joint Administrators being remunerated on a time costs basis by reference to BDO LLP's normal rates for time spent by them and their staff attending to matters arising in the Administration, with the provision to draw remuneration on account

6.2 Creditors also approved the drawing of category 2 disbursements

6.3 From the date of my appointment to 4 January 2014, I have incurred time costs of £60,113 plus VAT which represents 256 hours at an average charge out rate of £235 per hour.

6.4 A detailed analysis of the time costs incurred is enclosed and the charge out rates for the period are summarised as follows:

Staff grade	Average rate (£ per hour)
Partner / Director	461 - 295
Senior Manager / Manager	295 - 203
Assistant Manager / Senior Administrator	183 - 146
Administrator / Support Staff	155 - 64

6.5 These amounts are derived from BDO LLP's normal rates for time properly spent by the administrators and their staff in attending to matters arising in the administration. Where members of staff have been employed on this case they have been so based on their experience and abilities in dealing with a case of this nature. Where appropriate certain staff have dealt with a specific area of the administration due to their specialist skills in that area. BDO LLP's scale rates may increase from time to time over the period of an assignment

6.6 All staff who have worked on this matter, including cashiers and secretarial staff, have charge time directly to the assignment and are included in the enclosed analysis. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates "

6.7 In the period of this report, fees of £44,427 have been drawn on account of the time costs incurred

6.8 It should be noted that since the period of this report, a further £25,000 has been drawn in respect the time costs incurred in this report, as well as further time costs incurred since the report

6.9 In addition to the above, creditors approved the pre-appointment costs and expenses incurred by the Joint Administrators totalling £22,130. The Joint Administrators were authorised to pay such pre-appointment costs as expenses of the Administration.

6.10 The pre-appointment costs and expenses incurred by the Joint Administrators have been discharged in full.

6.11 Agents fees incurred in respect of the valuation of the Company's assets totalling £2,450 have been discharged in full.

6.12 Legal fees incurred in respect of the sale of the business and assets totalling £5,900 have been discharges in full.

- 6 13 Disbursements incurred since the date of my appointment to 4 January 2014 total £302
- 6 14 Category 1 disbursements These are costs where there is a specific expenditure directly referable both to the appointment in question and a payment to an independent third party These may include, for example, advertising, room hire, storage, postage telephone charges, travel expenses, and equivalent costs reimbursed to the office holder or his or her staff
- 6.15 All category 1 disbursements will be charged at the actual cost incurred
- 6 16 Category 2 disbursements These are costs that are directly referable to the appointment in question but not to a payment to an independent third party They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage, internal room hire, storage and photocopying and printing
- 6 17 Mileage is currently charged at 45 pence per mile with an additional surcharge of 5 pence if there is a passenger(s).
- 6 18 The disbursements incurred have been discharged in full

Statement of creditors right to further information

- 6 19 A creditors guide to fees, which provides information regarding creditors' rights in relation to insolvency practitioners' fees can be obtained by visiting our website at <http://www.bdo.co.uk/services/business-restructuring/authorising-bodies-of-insolvency-appointment-takers/the-creditors-guides-to-fees>. Alternatively a copy can be sent upon request
- 6.20 Any unsecured creditor with the concurrence of at least 5% in value of the total unsecured creditors (including the value of their own claim) or with the permission of the court, or any secured creditor may make a formal request in writing to the Joint Administrators for further information about the remuneration or expenses (other than pre-administration costs) set out in this report Such a request must be made within 21 days from the date of receipt of this progress report
- 6 21 Additionally, creditors who believe that the administrators remuneration is, in the circumstances, excessive or inappropriate may apply to the court under the provisions of Rule 2.109 of the Insolvency Rules 1986 Such application may be made by a secured creditor or any unsecured creditor, the latter requiring the concurrence of 10% of the total unsecured creditors (including their own claim) or the permission of the court.

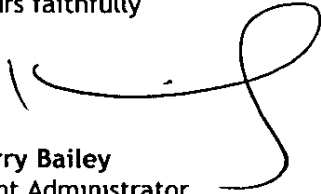
7 AUTOMATIC END TO ADMINISTRATION

- 7 1 The Administration is due to automatically expire on 4 July 2014 unless the Joint Administrators seek the agreement of the creditors or an order of the court for the period of the administration to be extended
- 7.2 The Joint Administrators Proposals were modified by creditors to specify that the Company will move from Administration to Liquidation only It was stated that Liquidation may be CVL in accordance with S83 of Sch. B1 of The Insolvency Act 1986, or compulsory under Rule 4 7(7) of The Insolvency Rules 1986, as the Administrator deems appropriate.
- 7 3 It is currently anticipated that steps will be taken to move the Company from Administration to Creditors Voluntary Liquidation (CVL) prior to the automatic end to the Administration
- 7 4 This will allow a distribution to be made to the unsecured creditors.

8 CONCLUSION

- 8.1 I trust that the above provides sufficient information. However, should you require any further information please contact James Williams of this office.

Yours faithfully

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned to the right of the typed name.

Kerry Bailey
Joint Administrator

**Datum Construction Limited
In Administration**

STATUTORY INFORMATION

Company Number	02863320
Date of Incorporation	18 October 1993
Registered Office (Pre-appointment)	Unit 11c Brindley Road Reginald Road Industrial Estate St Helens Merseyside WA9 4HY
Registered Office (Post-appointment)	BDO LLP 3 Hardman Street Spinningfields Manchester M3 3AT
Trading Addresses	Unit 11c Brindley Road Reginald Road Industrial Estate St Helens Merseyside WA9 4HY
Company Directors	Robert J Morris Ralph Edwards
Company Shareholders	Robert J Morris and Ralph Edwards 1 Ord £1 Robert J Morris 277,722 Ord £1 Ralph Edwards 277,722 Ord £1
Nature of Business	General construction and civil engineering
Date of Appointment	5 July 2013
Appointees	Kerry Bailey BDO LLP 3 Hardman Street Spinningfields Manchester M3 3AT Jonathan Newell BDO LLP 3 Hardman Street Spinningfields Manchester M3 3AT
Appointers	The Company directors

Court and Court Reference

High Court of Justice
Chancery Division
Manchester District Registry
3631 of 2013

EU Regulations

The European Community Regulation on Insolvency Proceedings applies to Datum Construction Limited and the proceedings are the main proceedings

**Datum Construction Limited
(In Administration)**

**Receipts and Payments Account
05 July 2013 to 04 January 2014**

RECEIPTS

	Total (£)
Administrators' Sales	10,399 56
Administrators' Applications	6,042 64
WIP	26,395 41
Furniture & Equipment	7,000 00
Motor Vehicles	20,800 00
Stock	6,197 00
Applications	6,130 13
Book Debts	93,750 88
Goodwill	1 00
Intellectual Property Rights	1 00
Business Information	1 00
Insurance Refund	7,761 13
Rent	8,000 00
3rd Party Book Debts	1,287 20
Bank Interest Gross	38 51
	<hr/> 193,805 46 <hr/>

PAYMENTS

Direct Labour	4,324 48
Gas & Electric	99 06
PAYE/NI Trading Period	1,492 76
Office Holders Pre-Appointment Fees	22,130 25
Office Holders Pre-Appointment Expenses	22 79
Office Holders Fees	44,427 40
Office Holders Expenses	67 90
Datum Const & Maint - Commission	23,760 55
Agents/Valuers Fees	2,450 00
Agents/Valuers Disbursements	65 00
Legal Fees	5,900 00
Legal Disbursements	128 00
Non-Reclaimable VAT	4,752 11
Stationery & Postage	59 49
Statutory Advertising	75 37
Bank Charges	296 00
Employees Wage Arrears / Holiday Pay	3,374 02
	<hr/> 113,425.18 <hr/>

Balance

80,380.28

MADE UP AS FOLLOWS

VAT Receivable	19 16
Bank 1 - Current	80,361 12
	<hr/> 80,380.28 <hr/>

Summary of Time Charged and Rates Applicable for the Period From 05/07/2013 to 04/01/2014

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AV R
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
B Steps on Appointment					0 50	91 50			9 74	1,511 25			10 25	1,602 75	156 37
C Planning and Strategy	21.30	9,819.30	2 85	655 50	3 40	622 20							27 55	11,097 00	402 79
D General Administration	0 10	46.10	14.35	3,177 85	23 70	4,373 10		4 40	760 65	1 05	178 05	6 60	483 00	9,018 75	179 66
E Assets Realisation/Dealing	18 90	8,712 90	41.35	8,642 45	47 25	8,740 75							107 50	26,096 10	242 75
F Trading Related Matters			2 20	446 60	7 10	1,299 30							9 30	1,745 90	187 73
G Employee Matters			1 50	405 70	15 80	2,891 40						2 65	262 35	3,559 45	178 42
H Creditor Claims			1 80	365 40	5 00	915 00							6 80	1,280 40	188 29
I Reporting	3 50	1 613 50			21 05	3,852 15							24 55	5,465 65	222 63
J Distribution and Closure	0 25	115 25			0 40	73 20							0 65	188 45	289 92
K Work			0 20	59 00									0 20	59 00	295 00
	44 05	20,307 05	64 25	13,752 50	124 20	22,858 60	4 40	760 65	10 80	1,689.30	9 25	745.35	256 95	60,113 45	
										Net Total					
										Secretarial Expense				0 00	
										Other Disbursements Billed				302 09	
														-60,303 09	
										Grand Total				1,956 45	

The Insolvency Act 1986

Administrator's progress report

2.24B

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Company Number 02863320

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Insert full name(s) and
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Jonathan D Newell of BDO LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3AT

administrators of the above company attach a progress report for the period

(b) Insert dates

From (b) 5 July 2013

To (b) 4 January 2014

Signed

For the Joint Administrators

Dated

5.2.14