

The Insolvency Act 1986

## Administrator's progress report

**2.24B**

Name of Company Datum Construction Limited
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Company Number 02863320
----------------------------

In the High Court of Justice, Chancery Division, Manchester District Registry [full name of court]
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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<sup>(a)</sup>

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

Ian J Gould 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 January 2014
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To (b) 30 June 2014
---------------------------

Signed

For the Joint Administrators

Dated

31.7.14

## 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

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

Tel 0161 817 7500

DX Number

DX Exchange



\*A3DC9LW2\*

A23

01/08/2014

#299

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

Private and Confidential

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

31 July 2014

Our ref JDN/KFB/JCT/JW/4009228

Direct line 0161 833 8339  
Email James.R.Williams@bdo.co.uk

Dear Sirs

**Datum Construction Limited – In Liquidation (“the Company”)**  
**Report to creditors on the progress of the administration for the period 5 January 2014 to 30 June 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 January 2014 to 30 June 2014 and the financial position as at 30 June 2014. This report should be considered in conjunction with the Joint Administrators' previous reports.
- 1.2 Please note that on 28 May 2014, an order was made by the High Court of Justice, Chancery Division, Companies Court in London, No 3691 of 2014 removing Jonathan David Newell as Joint Administrator of Datum Construction Limited following his retirement from BDO LLP.
- 1.3 The court order also provided for Ian James Gould to be appointed as Joint Administrator of Datum Construction Limited in place of Jonathan David Newell. Ian James Gould is authorised and licensed by the Institute of Chartered Accountants in England and Wales to act as an insolvency practitioner.
- 1.4 The following appendices are attached to this report:
- Statutory information,
  - Summary of the Receipts and Payments Account of the Joint Administrators from 5 January 2014 to 30 June 2014,
  - Summary of our time costs for the period 5 January 2014 to 30 June 2014,
  - Form 2.24B - Notice of Administrators' Progress Report, and
  - Form 2.34B - Notice of move from Administration to Creditors' Voluntary Liquidation



**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 Following initial marketing, the highest offer received was from Datum Construction and Maintenance Limited ("DC&ML") in the sum of £165,000. However, during the sales process it became apparent that DC&ML would be unable to proceed with the purchase.
- 2.3 Under bidders were approached and the property was remarketed. Two competing bids were received and all parties were again asked to submit best and final offers.
- 2.4 The highest revised offer received was from Evolution Products Limited in the sum of £171,250. This offer was accepted and a sale completed on 13 June 2014.
- 2.5 Although the sale completed in the period of this report, funds were not received from solicitors until after the period of this report. The funds received therefore do not show on the attached Receipts and Payments Account.

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

- 2.6 The business and assets of the Company were sold to DC&ML on 16 July 2013 for a total consideration of £44,000.
- 2.7 It was agreed that consideration of £34,000 would be paid on completion, with £10,000 to be paid one month later.
- 2.8 As detailed in my previous report, the deferred consideration of £10,000 had not been received due to on going discussions in respect of the book debt collections which had become protracted, partly due to the complexity of the systems used by the companies.
- 2.9 The position in respect of the book debt collections has now been agreed. However, the directors of DC&ML have not paid the deferred consideration.
- 2.10 The Joint Administrators have instructed solicitors to commence recovery proceedings in respect of the outstanding amounts.

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

- 2.11 There have been no further collections of book debts, WIP or applications by the Joint Administrators in the period of this report. However, £3,378 (net of commission) has been received by DC&ML that relate to amounts due to Datum Construction Limited - In Administration.
- 2.12 This amount has not been paid across to the Joint Administrators, and solicitors have been instructed to commence recovery proceedings.

***Licence to Occupy***

- 2.13 The Licence to Occupy granted to Datum Construction and Maintenance Limited commanded a rent of £1,600 per month.
- 2.14 Rent collections now total £9,287 with £1,287 being collected in the period of this report. The amounts collected relate to the periods up to 9 January 2014.
- 2.15 Rent for the period 10 January 2014 to 12 June 2014, totalling £8,157, remains outstanding. Solicitors have been instructed to commence recovery proceedings.

***DC&ML***

- 2.16 As detailed above, DC&ML owe Datum Construction Limited - In Administration a total of £21,536 in respect of book debts, WIP, applications, deferred consideration and rent due under the Licence to Occupy.
- 2.17 Meetings have been held with the directors of DC&ML to try to reach an agreement in respect of the outstanding amounts, although no agreement has been reached.
- 2.18 Solicitors have now been instructed to recover amounts due in accordance with the security retained in the sale agreement and Licence to Occupy.

**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 Following the sale of the property, Natwest's outstanding lending of £113,416, inclusive of interest, has been discharged in full.
- 3.3 As detailed above, the funds from the property sale were not received until after the period of this report, and therefore the payment to Natwest does not appear on the attached Receipts and Payments account.

***Preferential Creditors***

- 3.4 Preferential creditor claims consist of the wage arrears and outstanding holiday pay of the four members of staff made redundant at the date of Administrators' appointment.
- 3.5 A distribution of 100 pence in the pound has been made to these creditors.
- 3.6 The Company also had significant arrears in respect of pension scheme contributions relating to pension schemes taken out on behalf of employees.
- 3.7 The preferential claim in respect of the pension scheme has been agreed in the sum of £9,671, and a distribution of 100 pence in the pound has been made in respect of this claim.

***Unsecured Creditors***

- 3.8 From the information provided by the directors and correspondence received from creditors, it is believed that there are 83 trade and expense creditors owed approximately £295,591.
- 3.9 HM Revenue and Customs' claim in respect of both pre- and post-CVA liabilities now totals £397,108
- 3.10 It should be noted that not all creditors have notified us of their claims and as a result these figures are only provisional.
- 3.11 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***

- 3.12 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
- 3.13 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
- 5.2 If any creditors have any information which they believe may assist the Joint Liquidators, please contact James Williams on 0161 833 8339 or email him at James.R.Williams@bdo.co.uk.

**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 30 June 2014, I have incurred time costs of £93,854 plus VAT which represents 411 hours at an average charge out rate of £228 per hour
- 6.4 In the period of this report, 5 January 2014 to 30 June 2014, I have incurred time costs of £22,470 plus VAT which represents 102 hours at an average charge out rate of £220 per hour.
- 6.5 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

- 6.6 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
- 6.7 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.
- 6.8 Fees totalling £84,427 have been drawn in respect of time costs incurred, £40,000 of which has been drawn in the period of this report.
- 6.9 GVA Grimley have been paid £3,000 plus VAT in the period of this report in respect of their work in the marketing and sale of the Company's property.
- 6.10 Disbursements incurred since the date of my appointment to 30 June 2014 total £302. These disbursements have been discharged in full
- 6.11 No disbursements have been incurred in the period of this report

- 6.12 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
- 6.13 All category 1 disbursements will be charged at the actual cost incurred
- 6.14 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
- 6.15 Mileage is currently charged at 45 pence per mile with an additional surcharge of 5 pence if there is a passenger(s).

***Statement of creditors right to further information***

- 6.16 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 [www.bdo.co.uk/cgtf](http://www.bdo.co.uk/cgtf) Alternatively a copy can be sent upon request
- 6.17 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
- 6.18 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.

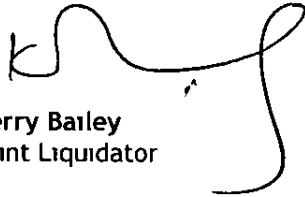
**7 MOVE FROM ADMINISTRATION TO CREDITORS VOLUNTARY LIQUIDATION**

- 7.1 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
- 7.2 I can confirm that the necessary forms have been filed at Companies House to move the Company from Administration to Creditors Voluntary Liquidation with effect from 1 July 2014
- 7.3 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, appearing to be 'Kerry Bailey', with a stylized, flowing script.

**Kerry Bailey**  
Joint Liquidator



**Datum Construction Limited  
In Liquidation****STATUTORY INFORMATION**

<b>Company Number</b>	02863320												
<b>Date of Incorporation</b>	18 October 1993												
<b>Registered Office (Pre-appointment)</b>	Unit 11c Brindley Road Reginald Road Industrial Estate St Helens Merseyside WA9 4HY												
<b>Registered Office (Post-appointment)</b>	BDO LLP 3 Hardman Street Spinningfields Manchester M3 3AT												
<b>Trading Addresses</b>	Unit 11c Brindley Road Reginald Road Industrial Estate St Helens Merseyside WA9 4HY												
<b>Company Directors</b>	Robert J Morris Ralph Edwards												
<b>Company Shareholders</b>	<table><tr><td>Robert J Morris and Ralph Edwards</td><td>1 Ord</td></tr><tr><td>£1</td><td></td></tr><tr><td>Robert J Morris</td><td>277,722 Ord</td></tr><tr><td>£1</td><td></td></tr><tr><td>Ralph Edwards</td><td>277,722 Ord</td></tr><tr><td>£1</td><td></td></tr></table>	Robert J Morris and Ralph Edwards	1 Ord	£1		Robert J Morris	277,722 Ord	£1		Ralph Edwards	277,722 Ord	£1	
Robert J Morris and Ralph Edwards	1 Ord												
£1													
Robert J Morris	277,722 Ord												
£1													
Ralph Edwards	277,722 Ord												
£1													
<b>Nature of Business</b>	General construction and civil engineering												
<b>Date of Appointment</b>	Administration - 5 July 2013 Liquidation – 1 July 2014												
<b>Appointees</b>	Kerry Bailey BDO LLP 3 Hardman Street Spinningfields Manchester M3 3AT												

Ian Gould  
BDO LLP  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3AT

The Joint Administrators act jointly and severally in all matters

**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)**

**Summary of Receipts & Payments**

<b>RECEIPTS</b>	<b>Statement of Affairs (£)</b>	<b>From 05/07/2013 To 04/01/2014 (£)</b>	<b>From 05/01/2014 To 30/06/2014 (£)</b>	<b>Total (£)</b>
Administrators' Sales		10,399 56	0 00	10,399 56
Administrators' Applications		6,042 64	0 00	6,042 64
WIP		26,395 41	0 00	26,395 41
Furniture & Equipment		7,000 00	0 00	7,000 00
Motor Vehicles		20,800 00	0 00	20,800 00
Stock		6,197 00	0 00	6,197 00
Applications		6,130 13	0 00	6,130 13
Book Debts		93,750 88	0 00	93,750 88
Goodwill		1 00	0 00	1 00
Intellectual Property Rights		1 00	0 00	1 00
Business Information		1 00	0 00	1 00
Rates Refund		0 00	91 22	91 22
Insurance Refund		7,761 13	0 00	7,761 13
Rent		8,000 00	1,287 20	9,287 20
Bank Interest Gross		38 51	21 32	59 83
		<b>192,518 26</b>	<b>1,399 74</b>	<b>193,918 00</b>
<b>PAYMENTS</b>				
Direct Labour		4,324 48	35 00	4,359 48
Employer's Pension Scheme Contribution		0 00	81 68	81 68
Gas & Electric		99 06	0 00	99 06
PAYE/NI Trading Period		1,492 76	0 00	1,492 76
Agent's Fee		0 00	3,000 00	3,000 00
3rd Party Book Debts		(1,287 20)	1,287 20	0 00
Office Holders Pre-Appointment Fees		22,130 25	0 00	22,130 25
Office Holders Pre-Appointment Expenses		22 79	0 00	22 79
Office Holders Fees		44,427 40	40,000 00	84,427 40
Office Holders Expenses		67 90	235 19	303 09
Datum Const & Maint - Commission		23,760 55	0 00	23,760 55
Agents/Valuers Fees		2,450 00	0 00	2,450 00
Agents/Valuers Disbursements		65 00	0 00	65 00
Legal Fees		5,900 00	0 00	5,900 00
Legal Disbursements		128 00	0 00	128 00
Non-Reclaimable VAT		4,752 11	0 00	4,752 11
Stationery & Postage		59 49	0 00	59 49
Statutory Advertising		75 37	0 00	75 37
Bank Charges		296 00	0 37	296 37
Employees' Wage Arrears / Holiday Pay		3,374 02	0 00	3,374 02
Pension Schemes		0 00	9,677 63	9,677 63
		<b>112,137 98</b>	<b>54,317 07</b>	<b>166,455 05</b>
<b>Net Receipts/(Payments)</b>		<b>80,380 28</b>	<b>(52,917 33)</b>	<b>27,462 95</b>
<b>MADE UP AS FOLLOWS</b>				
Bank 1 - Current		80,361 12	(53,498 17)	26,862 95
VAT Receivable / (Payable)		19 16	580 84	600 00
		<b>80,380 28</b>	<b>(52,917 33)</b>	<b>27,462 95</b>

Name of Assignment
Datum Construction Limited - A
00234541

Summary of Time Charged and Rates Applicable for the Period From 05/07/2013 to 30/06/2014

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AV RT
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
B Steps on Appointment	3 00	1,383 00			0 50	91 50			9 75	1,511 25			13 25	2,985 75	225 34
C Planning and Strategy	23 30	10,741 30	2 85	655 50	3 60	658 80							29 75	12,055 60	405 23
D General Administration	4 20	1,936 20	24 10	5,166 30	24 70	4,556 10	5 40	943 65	3 00	504 95	8 85	615 30	70 25	13,722 50	195 34
E Assets Realisation/Dealing	20 90	9,634 90	101 80	21,061 00	49 75	9,198 25							172 45	39,894 15	231 34
F Trading Related Matters			11 50	3,060 10	23 25	4,254 75							34 75	7,314 85	210 50
G Employee Matters			4 70	1,085 90	27 75	5,078 25			0 10	9 90	7 15	707 85	39 70	6,881 90	173 35
H Creditor Claims			3 20	649 60	7 10	1,299 30							10 30	1,948 90	189 21
I Reporting	3 50	1,613 50	12 00	2,482 00	22 25	4,071 75							37 75	8,167 25	216 35
J Distribution and Closure	0 45	207 45	2 10	426 30	0 40	73 20							2 95	706 95	239 64
K Work			0 60	177 00									0 60	177 00	295 00
	55 35	25,516 35	162 85	34,763 70	159 30	29,281 90	5 40	943 65	12 85	2,026 10	16 00	1,323 15	411 75	93,854 85	
									Net Total						
									Secretarial Expense					0 00	
									Other Disbursements					302 09	
									Billed					-84,730 49	
									Grand Total					9,426 45	

The Insolvency Act 1986

## Administrator's progress report

**2.24B**

Name of Company Datum Construction Limited
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Company Number 02863320
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In the High Court of Justice, Chancery Division, Manchester District Registry [full name of court]
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Court case number <i>(For court use only)</i> 3631 of 2013
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Insert full name(s) and  
address(es) of the  
administrator(s)We<sup>(a)</sup>

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

Ian J Gould 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 January 2014

(b)
To 30 June 2014

Signed

For the Joint Administrators

Dated

31. 7. 14

The Insolvency Act 1986  
**Notice of move from  
 administration to creditors'  
 voluntary liquidation**

# 2.34B

Name of Company Datum Construction Limited
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Company Number 02863320
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In the High Court of Justice, Chancery Division, Manchester District Registry [full name of court]
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Court case number (For court use only) 3631 of 2013
--

(a) Insert name(s) and  
address(es) of  
administrator(s)

We<sup>(a)</sup>

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

Ian Gould of BDO LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3AT

(b) Insert name and address  
of registered office of  
company

having been appointed administrators of <sup>(b)</sup> Datum Construction Limited of BDO LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3AT

(c) Insert date of  
appointment

on <sup>(c)</sup> 05/07/2013 by <sup>(d)</sup> Directors

(d) Insert name of applicant  
/ appointor

hereby give notice that:

(e) Insert name(s) and  
address(es) of liquidator(s)

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is proposed that <sup>(e)</sup>

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

Ian Gould of BDO LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3AT

will be the liquidator(s) of the company (IP No(s) 008780 007866 )

Signed

For the Joint Administrators

Dated

31.7.14

#### 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

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

Tel 0161 817 7500

DX Number

DX Exchange

Companies House receipt date barcode

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