

The Insolvency Act 1986

Administrators' progress report

2.24B

Name of Company Speymill Contracts Limited	Company number 03024385
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	For court use only 9411 of 2012


(a) Insert full name(s) and
address(es) of administrators

We (a) Cameron Gunn, Mark Supperstone and Simon Harris of ReSolve Partners LLP,
One America Square, Crosswall, London, EC3N 2LB

Joint Administrators of the above company attach a progress report for the period

(b) Insert date

From (b) 19 June 2013	To (b) 25 November 2013
---------------------------------	-----------------------------------

Signed 
Joint Administrator

Dated _____

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 searches of the
public record

Sam Constable
ReSolve Partners LLP
One America Square
Crosswall
London
EC3N 2LB

Tel. 020 7702 9775

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 33080 Cardiff

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COMPANIES HOUSE

SPEYMILL CONTRACTS LIMITED
In Administration
('Speymill' or 'the Company')

Joint Administrators' six month progress report
For the period 19 June 2013 to 25 November 2013

27 November 2013

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1. INTRODUCTION

This report provides creditors with an update on my progress of the Administration of the Company for the period 19 June 2013 to 25 November 2013. This report should be read in conjunction with my proposals dated 18 January 2013 and my first six month progress report dated 17 July 2013.

Given a full background of the Company was provided in my previous reports I do not propose to provide any further details on the background of the Company or the events leading up to my appointment in this report. Statutory information regarding the Company and my appointment is attached at **Appendix I**.

2. ADMINISTRATORS' ACTIONS SINCE THE LAST REPORT

Since my first six month progress report dated 17 July 2013 I have undertaken the following actions:

- Successfully submitted a VAT bad debt relief claim to HM Revenue and Customs (HMRC)
- Recovered further pre administration deposits paid by the Company
- Obtained legal and Counsel advice on the Letters of Financial Support (the Letters)
- Corresponded with my agent and various employers in respect of outstanding book debts, costs to complete contracts and defects, counter claims and claims under performance bonds
- Held various meetings and correspondence with Whitbread plc (Whitbread) regarding recoverability of outstanding debtors
- Obtained legal and Counsel advice in respect of the above
- Corresponded with the employer's solicitor and the Court in respect of the Arbitration claim
- Obtained legal and expert advice in respect of the above
- Held meetings with the Creditors' Committee
- Drafted a progress report to creditors and sought an extension of the Administration from creditors
- Dealt with creditor queries and individual update requests
- Addressed the general administrative duties of the Administration

3. RECEIPTS AND PAYMENTS

A summary of the Administration's receipts and payments for the period 19 December 2012 to 25 November 2013 is attached at **Appendix II**. Further details regarding the key receipts and payments during this reporting period are below.

VAT bad debt relief

Following submission of my VAT bad debt relief claim to HMRC the Company recovered £68.7k. These realisations have enabled me to pay accrued Administration expenses as detailed below.

Refunds

The Company obtained a refund of £5k in respect of a pre administration deposit paid to Surrey City Council.

Payments

Given the additional receipts during this reporting period I was able to pay accrued Administration expenses. These included:

- Refund the creditor funding of £24.6k to Speymill plc (SPLC)
- Payment to Birketts LLP for legal advice regarding the appointment of administrators (£3,258)

- Payments to the following agents
 - Acasta Consulting (Acasta) for assistance with recovering any outstanding debtors in respect of the contracts and minimising the claims on the performance bonds (£5,000)
 - Edward Symmons LLP (ES) for assistance with the sale of furniture and equipment (£3,302)
 - Iain Parnell (£1,600) and Lorraine Hardman (£250) for assistance with bringing the Company's tax affairs up to date and thereby allowing me to recover the tax refunds

4. ASSETS

Letters of Financial Support

Following receipt of the bad debt refund, I was able to engage Counsel (one that was experienced in these matters) for an opinion on the Letters. Unfortunately however, my Counsel does not believe the Courts would find the Letters were intended to give rise to a binding obligation by SPLC. Given the above and the Administrators' legal advice from Gateley LLP (Gateley), it is unlikely the Company would have a strong claim against its parent entity in respect of the Letters. Accordingly the Joint Administrators will not be pursuing this matter further.

Creditors should note I have withheld release of my Counsel's opinion given the conflict of interest between the Company and SPLC who is the parent entity and major creditor in this Administration. I have provided the Creditors' Committee (excluding SPLC) a separate and more detailed update on the opinion provided by my Counsel. The cost of the opinion was less than £5k plus VAT which is below the £10k plus VAT limit approved by the Creditors' Committee.

Book debts / contracts

Acasta are continuing to monitor the employers' progress of the 'In-Progress Contracts'. The Lincoln contract now appears to have been completed but I have received a claim from the employer of circa £770k after accounting for payments made and outstanding debts owed to Speymill.

Speymill's major debtor is Whitbread for circa £1.5m. I have had numerous meetings and correspondence with Whitbread and its solicitors in respect of the debts owed to Speymill. Whitbread is claiming various and substantial set-offs which exceed the value of Speymill's claims to date.

I am obtaining legal and Counsel advice regarding the above and will withhold release of further details regarding this claim in this report given its sensitive nature and that Whitbread is a contingent creditor and will receive a copy of this report. I have provided the Creditors' Committee with a more detailed update on this matter. The matter is ongoing and one of the principal reasons for my request for an extension.

There are other sundry debts to collect in relation to certain contracts and Acasta are pursuing these on my behalf. At this stage it is too early to comment further on recoverability.

Arbitration claim

As detailed in my last report, my review suggests the Company has a material net claim in its favour in an Arbitration proceeding. However, the Company is currently without funds to proceed with the Arbitration. As a result, I must first conclude my various recovery actions in the Administration (primarily being the debtor and or bad debt relief claims) in order to obtain sufficient realisations to consider funding the Arbitration.

Subject to the above, approval will first be sought from the Creditors' Committee before I proceed with the Arbitration. Further details regarding this claim will be communicated directly to the Creditors' Committee given its sensitive nature and that the employer will receive a copy of my reports to creditors given its contingent unsecured claim in the Administration.

VAT bad debt relief

As detailed in my last report I have identified a further invoice which may be suitable for bad debt relief totalling £60k. The submission of this claim is subject to the outcome of the claim against Whitbread as detailed above.

Post appointment

My time costs for the period 19 December 2012 to 24 November 2013 amount to £287,582 representing 933 20 hours of work at an average charge out rate of £308 17 per hour. Of this, £39,220 50 was charged during the period 19 June 2013 to 24 November 2013 at an average charge out rate of £337.53 per hour. I have not drawn any remuneration in this Administration to the date of this report

A schedule of my charge out rates, disbursement policy and a narrative description of the routine work undertaken in the Administrations to date, together with the time costs incurred to date are attached as **Appendices III and IV**

A copy of 'A Creditors Guide to Administrators' Fees' published by the Association of Business Recovery Professionals is available at the link <http://www.resolvegroupuk.com/resources/>. Please note there are different versions of the Guidance Notes, and in this case we should refer to the November 2011 version. A hard copy of both documents can be obtained on request, free of charge, from this office

8. ADMINISTRATORS' EXPENSES

My expenses, including category 2 expenses, were authorised at a meeting of the Creditors' Committee on 25 March 2013

My expenses for the period 19 December 2012 to 24 November 2013 amounts to £3,816 37 of which £382 92 was incurred in the period 19 June 2013 to 24 November 2013. Of this, no expenses were incurred in respect to category 2 disbursements. I have not drawn any expenses in this Administration to the date of this report

A breakdown of the expenses is detailed in **Appendix III**

The following agents and professional advisors have been utilised in this matter

Professional Advisor	Nature of Work	Fee Arrangement
Edward Symmons LLP	Valuer and auctioneer	Time costs
Gateley LLP	Solicitors (general advice)	Time costs
Acasta Consulting (Scotland) Ltd	Construction	Initial fixed fee of £5,000 plus 20 per cent on collections
Birketts LLP	Solicitors (appointment advice)	Time costs

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged by ES have been reviewed and offset against the sales consideration received for the furniture and equipment. I have received invoices from Acasta of £5,000 plus VAT and Birketts of £3,258 plus VAT. I am satisfied that they are reasonable in the circumstances of this Administration and the invoices have been paid. No fee note has yet been issued by Gateley, but their time costs are approximately £36,529 plus VAT as at the date of this report

9. FURTHER INFORMATION AND COMPLAINTS

An unsecured creditor may, with the permission of the court or with the concurrence of five per cent in value of the unsecured creditors (including the creditor in question) request further details of the Administrators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit

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

Should you have any comments or complaints regarding these Administrations, please contact Cameron Gunn in the first instance. If you consider that we have not dealt with your comment or complaint appropriately, you may request we perform an internal independent review of your complaint. This review would be undertaken by a person within ReSolve not involved in the Administration. A request for a review can be made in writing to the Compliance Manager, ReSolve Partners LLP, One America Square, Crosswall, London, EC3N 2LB or by email to simon.harris@resolvegroupuk.com

If you still feel that you have not received a satisfactory response then you may be able to make a complaint to the Complaints Gateway operated by the Insolvency Service at IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, telephone 0845 602 9848, email ip.complaints@insolvency.gsi.gov.uk. The Complaints Gateway will in turn determine if such complaint should be addressed by Mr Gunn's, Mr Supperstone's and Mr Harris' regulatory body

Should you have any queries in relation to this matter please do not hesitate to contact Andrew Nestorovic of this office

Yours faithfully
For and on behalf of
Speymill Contracts Limited



Mark Supperstone
Joint Administrator

For enquiries regarding this correspondence please contact:

Contact name Andrew Nestorovic
Phone number 020 7702 9775
Email andrew.nestorovic@resolvegroupuk.com

The affairs, business and property of the Company are being managed by the Joint Administrators. Partners and staff acting as administrators, administrative receivers or supervisors act as agents of the company over which they are appointed at all times and without personal liability. Cameron Gunn, Mark Supperstone and Simon Harris are licensed to act as Insolvency Practitioners in the United Kingdom by the Institute of Chartered Accountants in England and Wales.

APPENDIX I

STATUTORY INFORMATION

Company name Speymill Contracts Limited

Previous names Speymill Tripp Limited
Dean Contracts Limited
Tayvin 20 Limited

Company number 03024385

Date of incorporation 21 February 1995

Principal trading address Speymill House
Vantage Park, Washingley Road
Huntingdon, Cambridgeshire, PE29 6SR

Registered office C/o ReSolve Partners LLP
One America Square, Crosswall
London, EC3N 2LB

Principal activity Construction

Appointment details

Date of appointment 19 December 2012

Appointment made by Speymill Plc (parent entity)

Court address High Court of Justice, Chancery Division, Companies Court, London

Court reference 9411 of 2012

Administrators appointed

Cameron Gunn	Insolvency Practitioner Number	9362
Mark Supperstone	Insolvency Practitioner Number	9734
Simon Harris	Insolvency Practitioner Number	11372

Paragraph 100(2) statement Any act required or authorised under any enactment to be done by an administrator may be done by any or all of the Administrators acting jointly or alone

Subsequent liquidation In the event of the Company subsequently being placed into liquidation, any enactment to be done by a liquidator may be done by any or all of the liquidators acting jointly or alone

Office holders

Directors Andrew Fox, Nicholas Barrett, Ronald Parsons, Billy Holt

Company secretary Andrew Fox

Name of shareholder	Number of shares	Total Value (£)	Shareholding %
Speymill Plc	1,750,000	1,750,000	100

Charge holder	Charge type	Date created	Date registered
Lloyds TSB Bank Plc	Fixed and floating	25 July 2007	7 August 2007
Lloyds TSB Bank Plc	Guarantee and set-off agreement	25 July 2007	4 August 2007
Lloyds TSB Bank Plc	Guarantee and set-off agreement	28 April 2008	14 May 2008

* Note Speymill plc has a subrogated secured debt after paying out the above debts to Lloyds TSB Bank Plc. Speymill plc will now have the benefit of the registered charges

RECEIPTS AND PAYMENTS ACCOUNT

APPENDIX II

SUMMARY OF ADMINISTRATORS' RECEIPTS AND PAYMENTS FROM 19 DECEMBER 2012 (DATE OF APPOINTMENT) TO 26 NOVEMBER 2013

	Directors' statement of affairs £	From 19 December 2012 to 18 June 2013 £	From 19 June 2013 to 26 November 2013 £	Total £
FLOATING CHARGE RECEIPTS				
VAT Refund	304,379.00	-	68,685.83	68,685.83
Contractual Refunds	0	41,834.74	5,000.00	46,834.74
Contribution to Costs	0	24,585.00	-	24,585.00
Third Party Funding (non-refundable)	0	10,876.67	-	10,876.67
Sale of Furniture and Equipment	0	-	5,500.00	5,500.00
Sale of Computer Equipment	0	333.33	-	333.33
Petty Cash	0	8.45	-	8.45
Book Debts	1,132,000.00	-	-	-
Retentions	633,004.00	-	-	-
Contracts	402,559.00	-	-	-
	<u>2,762,176.45</u>	<u>77,638.19</u>	<u>79,185.83</u>	<u>166,824.02</u>
FLOATING CHARGE PAYMENTS				
Repayment of contribution to costs	-	-	24,585.00	24,585.00
Rent	-	21,750.00	-	21,750.00
Agent / Consultancy Fees	-	13,708.33	9,350.00	23,058.33
Storage costs	-	826.75	10,810.50	11,639.25
Legal Fees	-	-	6,758.00	6,758.00
Accountancy Fees	-	1,000.00	-	1,000.00
Agent / Consultancy disbursements	-	-	802.46	802.46
Insurance	-	-	404.92	404.92
Statutory Advertising	-	84.60	-	84.60
Postage	-	62.00	-	62.00
Bank charges	-	-	24.24	24.24
		<u>37,433.68</u>	<u>62,726.12</u>	<u>90,168.80</u>
BALANCE				
Receipts less payments				<u>66,655.22</u>
REPRESENTED BY				
VAT receivable				5,436.29
Current account (non-interest bearing)				<u>61,218.93</u>
				<u>66,655.22</u>

Mark Supperstone
Joint Administrator

27 November 2013

APPENDIX III

ADMINISTRATORS' CHARGE OUT RATES, DISBURSEMENT POLICY AND NARRATIVE

Joint Administrators' charge out rates

Time properly incurred on cases is charged to the assignment at the hourly rate prevailing at the time. Time is recorded in units of six minutes each, so ten per hour. The current hourly charge-out rates covering the whole period are outlined below

Position	£
Partner	490
Director	400
Senior Manager	385
Manager	325
Assistant Manager	295
Senior Administrator	245
Administrator	185
Junior Administrator	125

Secretarial and support staff are not charged to the cases concerned, being accounted for as an overhead of ReSolve Partners LLP

Disbursements policy

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as third party travelling, postage, photocopying, statutory advertising and other expenses made on behalf of the assignment. Details of such disbursements are included later in this report

Indirect charges (Category 2 disbursements) are charged as follows

- Photocopying 20 pence per sheet
- Faxes/telephone/room hire £150 per annum
- Mileage 40 pence per mile

The following expenses were incurred but have not been paid

Type of expense	Amount incurred/accrued to date	Amount still to be paid
Advertising	£185 85	£101 25
Bonding	£528 00	£528 00
Travel (train and taxi)	£426 40	£426 40
Company searches	£7 00	£7 00
Database licence fee	£110 00	£110 00
Postage and teleconferencing	£2,001 22	£1939.22
Room hire	£224 58	£224.58
Subsistence	£63 20	£63.20
Total	£3,546.25	£3,399.65

The following category 2 disbursements were incurred but have not been paid

Type of category 2 disbursement	Amount incurred/accrued to date	Amount still to be paid
Management fee (faxes, telephone, room hire)	£150.00	£150.00
Mileage (own car)	£120 12	£120 12
Total	£270.12	£270.12

Narrative of work carried out and to be carried out

A description of the routine work undertaken in the Administration to date is as follows

Pre-appointment

- Reviewing the Company's financial position and affairs
- Providing the Company restructuring advice
- Arranging for funding from SPLC
- Preparing the documentation and dealing with the formalities of appointment.

Administration and Planning

- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on Insolv
- Review and storage
- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors
- Convening and holding meeting and creditors

Cashiering

- Maintaining and managing the Administrator's cashbook and bank account
- Ensuring statutory lodgements and tax lodgement obligations are met

Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining creditor information on Insolv
- Reviewing, and adjudicating on if necessary, proofs of debt received from creditors
- Reviewing proofs of debt received from creditors
- Liaison with HMRC regarding its claims and set off including arranging submission of the pre-appointment returns
- Dealing with employee queries regarding pensions, claims of the RPO
- Preparation for teleconference meeting in March 2013 and dealing with queries from the Creditors' Committee

Investigations

- Investigation into the letter of financial support provided by SPLC to the Company
- Review and storage of books and records
- Prepare a return pursuant to the Company Directors Disqualification Act
- Review of email correspondence regarding conduct matters
- Conduct investigations into suspicious transactions
- Review books and records to identify any transactions or actions an Administrator may take against a third party in order to recover funds for the benefit of creditors

Realisation of Assets

- Corresponding with Acasta and employers. Attempting to collect outstanding contractual book debts
- Liaising with Whitbread and its solicitors, in the settlement of amounts due to the Company
- Preparation of the VAT returns and VAT bad debt relief claim against HMRC
- Liaising with the company's bank regarding the closure of the account
- Investigation into the arbitration case to determine recoverability of amounts due to the Company

APPENDIX IV

ADMINISTRATORS' TIME COSTS SUMMARY

Time costs for the period 19 December 2012 to 18 June 2013

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£/H)
Administration & Planning									
Case planning / monitoring			19.00	7,180.00	0.90	165.50	19.90	7,345.50	369.17
Cashiering	0.70	343.00	2.60	821.00		-	3.30	1,164.00	352.73
Compliance / technical		-		-	5.90	1,091.50	5.90	1,091.50	185.00
General administration	12.80	6,272.00	48.40	16,408.00	60.40	10,664.00	121.60	33,344.00	274.21
	13.50	6,615.00	70.00	24,409.00	67.20	11,922.00	150.70	42,946.00	284.86
Creditors									
Secured	0.30	147.00	0.70	269.50		-	1.00	416.50	416.50
Unsecured	27.90	13,671.00	102.80	31,673.00	93.40	15,369.00	224.10	60,733.00	271.01
Employees	2.20	1,078.00	8.80	2,150.00	8.20	1,517.00	17.20	4,745.00	275.87
Creditors committee	1.70	833.00	32.20	10,012.00		-	33.90	10,845.00	319.91
	32.10	15,728.00	142.90	44,104.50	101.60	16,906.00	276.20	76,739.50	277.84
Investigations									
General investigation	1.50	735.00	2.50	782.50		-	4.00	1,517.50	379.38
Returns		-	8.20	2,689.00		-	8.20	2,689.00	327.93
Other investigation	0.50	245.00	38.60	11,387.00		-	39.10	11,632.00	297.49
	2.00	980.00	48.30	14,858.50		-	51.30	15,839.50	308.74
Realisation of Assets									
Book debts	21.00	10,290.00	37.80	13,551.00		-	58.80	23,841.00	405.46
Sale of business / assets	-	-	10.10	3,150.50	1.40	259.00	11.50	3,409.50	296.48
Retention of title	-	-	1.00	1,155.00		-	1.00	1,155.00	385.00
Other assets	25.00	12,250.00	128.40	39,777.00	4.80	768.00	158.20	52,795.00	333.72
	46.00	22,540.00	176.30	57,633.50	6.20	1,027.00	228.50	81,200.50	350.76
Statutory									
Statutory paperwork / form completion		-	1.80	616.00	0.60	111.00	2.20	727.00	330.45
Reporting to creditors	3.50	1,715.00	57.10	19,139.50	16.30	3,063.50	76.90	23,918.00	311.03
	3.50	1,715.00	58.70	19,755.50	16.90	3,174.50	79.10	24,843.00	312.57
Trading									
Day one matters		-		-	8.00	1,480.00	8.00	1,480.00	185.00
Ongoing trading administration	4.00	1,960.00	4.50	1,387.50		-	8.50	3,347.50	393.82
Close down	-	-		-	11.70	2,164.50	11.70	2,164.50	185.00
	4.00	1,960.00	4.50	1,387.50	19.70	3,644.50	24.20	6,992.00	247.96
Total hours and cost	101.10	49,539.00	904.90	162,148.50	211.80	36,674.00	817.00	248,361.50	303.99

Time costs for the period 19 June 2013 to 24 November 2013

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£/H)
Administration & Planning									
Case planning / monitoring	-	-	0.30	88.50		-	0.30	88.50	295.00
Cashiering	-	-	3.50	1,149.50		-	3.50	1,149.50	328.43
General administration	-	-	1.50	442.50	3.50	787.50	5.00	1,230.00	246.00
	-	-	5.30	1,680.50	3.50	787.50	8.80	2,468.00	280.45
Creditors									
Unsecured	2.50	1,225.00	10.40	3,068.00		-	12.90	4,293.00	332.79
Creditors committee	0.20	98.00	11.60	3,627.00		-	11.80	3,925.00	332.63
	2.70	1,323.00	22.00	6,695.00		-	24.70	8,218.00	332.71
Investigations									
Other investigation	-	-	1.40	512.00		-	1.40	512.00	265.71
	-	-	1.40	512.00		-	1.40	512.00	265.71
Realisation of Assets									
Book debts	7.20	3,528.00	30.50	10,832.50		-	37.70	14,460.50	383.57
Sale of business / assets	-	-	0.90	147.50		-	0.90	147.50	295.00
Other assets	-	-	17.80	5,251.00		-	17.80	5,251.00	295.00
	7.20	3,528.00	48.20	16,331.00		-	55.00	19,839.00	359.63
Statutory									
Reporting to creditors	-	-	22.80	7,851.00	2.50	312.50	25.30	8,163.50	322.67
	-	-	22.80	7,851.00	2.50	312.50	25.30	8,163.50	322.67
Total hours and cost	9.90	4,951.00	100.90	33,289.50	6.00	1,100.00	116.20	39,220.50	337.53