

The Insolvency Act 1986

Administrator's progress report

Name of Company
J P Electrical Services Limited

Company number
03133106

In the Portsmouth County Court (full name of court)

Court case number 109 of 2012

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

We (a)
Michael Field
Portland Business & Financial Solutions
1640 Parkway
Solent Business Park
Whiteley
Fareham
Hampshire
PO15 7AH

Carl Derek Faulds
Portland Business & Financial Solutions
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administrators of the above company attach a progress report for the period

(b) Insert date

From (b) 11th April 2012

To (b) 10 th October 2012

Signed




Joint Administrators

Dated

10th October 2012**Contact Details.**

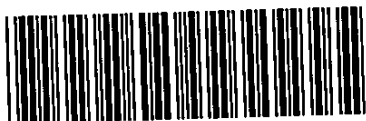
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to searchers of the

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SATURDAY



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27/10/2012
COMPANIES HOUSE

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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



PORTLAND

WWW.PORTBFS.CO.UK

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MIF/CF/SW/JA/CG/AJ/J7395/C GEN

25th October 2012

TO THE CREDITORS

Progress report to creditors and notice of conversion to liquidation

J P Electrical Services Limited in administration

We are now able to provide a progress report for the company, in respect of which we were appointed joint administrators on 11th April 2012 and to inform you that the company is now in liquidation following filing of the conversion notice at Companies House. The liquidation is effective from 24th October 2012.

We enclose statutory details of our appointment.

Outcome in realising assets

We enclose a summary of our receipts and payments during the entire administration. We have provided comparisons of the realisations with our statement of affairs, set out in our proposals, which we hope you will find helpful.

The statement of affairs shows that the book debts, work in progress and retentions have an estimated book value of £800,000 and it was estimated that £490,000 would be recovered. We instructed quantity surveyors, Leslie Keats, to pursue these debts with the assistance of the director, John Puncher. To date, £423,736 has been recovered. The company's records indicate that the principal debtor owes approximately £400,000 against which £136,777 has been paid to date. Our quantity surveyors are in the process of agreeing the account and we anticipate that a further significant payment on account will be paid in the next few weeks. Several debtors have recently been passed to our debt collector to pursue and where appropriate statutory demands will be issued against the debtors. Our quantity surveyors have provided us with an up to date report which indicates that it is anticipated that a further £145,000 will be recovered which will bring the total realisations to £568,736 which is greater than was estimated at the outset.

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Bankruptcy

Portland Business & Financial Solutions Ltd
Registered No. 3830668
Carl D Faulds, Mike Fortune, James Tickell
All Licensed Insolvency Practitioners are authorised
by the Insolvency Practitioners Association

Chattel agents, Edward Symmons LLP, were instructed to value and dispose of the chattel assets, motor vehicles and stock. After consulting with our agents, it was agreed that the best course of action in order to maximise recoveries for creditors would be to arrange an on line tender sale at the company's premises. Our agents anticipated that £64,000 would be achieved. A fair amount of interest was shown and the realisations totalled £69,264.

The realisations have been supplemented by interest on the balances held.

We will continue to realise the remaining book debts and retentions in the liquidation.

Investigation

In our first report and our proposals we invited creditors to bring to our attention any matters that they believe require further investigation. HM Revenue & Customs raised concerns that there is significant liability due to it in respect of unpaid PAYE and National Insurance Contributions which dated back to 2008/09. It also raised concerns that a time to pay arrangement which was agreed with the directors of the company had failed due to non payment and non submission of the end of year returns by the due dates.

We have conducted an investigation into the affairs of the company in order to identify matters that would lead to a cost effective recovery for creditors.

We have considered the matters raised by HM Revenue & Customs and have concluded that there are no matters of concern that merit pursuing.

In addition, a report has been submitted to The Insolvency Service as required under the provisions of the Company Directors Disqualification Act 1986.

Creditors' claims and outcome for creditors

A summary of the position regarding creditors' claims is set out below -

	Creditor totals			Dividend totals	
	Statement of affairs £	Claims received £	Claims agreed £	Paid to date £	%
Secured claims	168,000	173,836	173,836	173,836	100
Preferential claims	-	-	-	-	-
Unsecured creditors	1,079,000	1,240,241	See note	-	-

We comment further as follows -

- We are satisfied that the debenture granted to Barclays Bank Plc is valid. We have confirmed and paid their secured claim.

- As anticipated at the outset there are no preferential creditors
- We have assisted the 38 employees that were dismissed as part of the administration process to submit claims to the Redundancy Payments Office in order to receive their guaranteed entitlements
- Five trade creditors made claims under retention of title conditions of sale. We checked these conditions and met with several suppliers on site in order to establish whether they could identify their stock. It transpired that none of the suppliers could identify their stock as their own as there were multiple suppliers of the same stock
- The company held leasehold premises. We established that there was no realisable premium which could be achieved from an assignment of the lease and the company's interest has been surrendered. The landlord will have a claim in the liquidation for the early termination of the lease and dilapidations
- As administrators we do not have the power to distribute funds to unsecured creditors. Once appointed the liquidator will have the power to agree claims and pay a dividend. We have limited our role to responding to creditor correspondence in a basic manner and where requested, we are confirming balances for audit or insurance purposes

Creditors who have not yet submitted claims are requested to do so. A claim form is enclosed for those creditors who have not yet submitted claims

Administrators' fees, disbursements and expenses

At the first meeting of creditors held on 31st May 2012 it was agreed that we be authorised to draw our remuneration based on our time costs. We are required to provide creditors with details relating to those time costs and the disbursements that we have during the entire administration. This is analysed on the attached schedule, along with a schedule of our current charge-out rates and disbursements policy, and the totals are summarised below

	Administration total
	£
Time costs	61,826
Average hourly rate	179
Fees drawn	52,500

In the attached analysis, we have recorded time in the following categories of work that we have handled -

- **Asset realisations** – Taking appropriate measures to realise the assets of the company, as more fully explained under the heading 'Final outcome in realising assets'

- **Administration and planning** - internal management of the case to ensure it is completed in an expedient manner and in accordance with good practice Maintaining the distribution and preparation of proposals, estate accounts and ensuring compliance and statutory filing requirements
- **Reporting** - communicating with creditors about the initial appointment, reporting to bank and preparing and distributing reports
- **Investigation** - carrying out a review of the events leading up to failure and completing the CDDA reports, which is explained in more detail under the heading of "Investigation" above
- **Creditors' claims** – Corresponding with creditors about their claims, as more fully described under the 'Creditor claims and outcome for creditors' above

We have also instructed agents to handle certain aspects of the administration on our behalf where it was either more cost-effective for them to do so or where they have a particular expertise that was required. A summary of the name of agents, the work handled, the basis of the fees paid and the amounts paid is given below

Name and profession	Nature of work handled	Basis of fees paid	Paid to date £
Edward Symmons LLP Chattel agents	Valuation and disposal of assets	10% of realisations	6,925
Edward Symmons LLP Chattel agents	Disbursements incurred in relation to the disposal of the assets	Fixed cost	2,843
Leslie Keats Quantity surveyors	Collection of book debts, work in progress and retentions	% of realisations	Nil
Portland Legal Debt Collection Ltd Debt collectors	Collection of book debt	15% of realisations	912

We have drawn a fee of £16,002, as approved by a resolution in our proposals for the services of Portland in the period leading up to our appointment

Following our appointment we continued to trade the company in the short term to allow an orderly winding down of the business and to complete the work in progress in order to maximise the return to creditors. We undertook post appointment sales of £74,332 and to date we have paid trading costs of £41,144. We anticipate that there are further costs of £3,000 to be paid

Conclusion

In our proposals, we stated that should there be funds available for unsecured creditors, then we would arrange for the company to be placed into liquidation. We enclose formal notice on form 2 34b to that effect, which we can confirm was filed at Companies House on 24th October 2012. This date is the commencement date for the liquidation.

We hope that the contents of this report have provided you with a clear and detailed explanation of the conduct of the administration. If you should have any queries or require further explanation please do not hesitate to contact us.

Michael Field
Joint Administrator

Within twenty-one days of receipt of this progress report, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors may make a written request for further information in relation to the report, including information about the administrators' remuneration or expenses. If a creditor believes that this remuneration is excessive, the basis is inappropriate, or the expenses incurred by the administrators are excessive, the creditor may, provided certain conditions are met, apply to court within eight weeks of receiving the progress report to challenge these.

Further information regarding administrators' fees can be found by visiting the following website link:

<http://www.insolvency-practitioners.org.uk/uploads/Admin.pdf>

Attached

- Summary of receipts and payments
 - Statutory information
 - SIP 9 time analysis (total)
 - Statement of claim
 - Schedule of charge out rates
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J P ELECTRICAL SERVICES LIMITED
(In administration)

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 11/04/2012 to 10/10/2012 £
RECEIPTS		
Debtors/WIP/retentions	490,000 00	423,735 91
Motor vehicles	55,000 00	54,050 00
Plant and machinery	1,000 00	4,284 49
Fixtures and fittings	1,000 00	4,750 00
Stock	7,000 00	6,180 00
Leasehold property	-	-
Bank interest		44 63
	<u>554,000 00</u>	<u>493,045 03</u>
PAYMENTS		
Costs of continued operations -		
Employees' and sub contractor costs		25,882 32
Post appointment PAYE and NIC		7,456 59
Materials to complete work in progress		4,756 62
Rent		738 00
Rates		29 53
Heat & light		598 53
Skip hire, waste removal and labour cost		1,617 40
Water rates		25 06
Web hosting services		39 61
Statutory advertising		127 00
Specific penalty bond		680 00
Postal redirection fee		27 20
Affidavit fee		15 00
Court filing fee		70 00
Direct travel costs		5 01
Bank charges		20 00
Insurance of assets		2,097 29
Vehicle removal and storage costs		1,927 90
Debt collection fees		911 63
Chattel agents' costs		6,925 00
Chattel agents' disbursements		915 12
Joint administrators' disbursements (per summary)		1,194 00
Pre appointment fee		16,002 50
Joint administrators' remuneration - on account		52,500 00
VAT recoverable		2,859 92
Secured creditor -		
Barclays Bank Plc - repayment of loan secured by debenture		173,859 67
		<u>301,280 90</u>
Balance in hand		191,764 13

This section provides background information about the company, the events leading up to the administration appointment and the conduct of the administration

Details of the court and the reference number

Supervising court	Portsmouth County Court	Court reference number	109 of 2012
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Details of the company

Full registered name	J P Electrical Services Limited	Registered number	03133106
Former registered office	10 Lovedean Lane Waterlooville Hamshire PO8 8HH	Former trading address	10 Lovedean Lane Waterlooville Hampshire PO8 8HH

Details about the administration appointment

Name of administrators and licensing bodies	James Richard Tickell	Insolvency Practitioners Association	
	Carl Derek Faulds	Insolvency Practitioners Association	
Date of appointment	11th April 2012	Appointer	The directors of the company
Allocation of administrators' powers	All the powers and functions of an administrator are exercisable by either or both of the appointed administrators		

Details of the administration proposals

Date of original proposals	11 th May 2012	Details of any subsequent amendments	None
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J P Electrical Services Limited

SIP9 Time and cost summary

From 11th April 2012 to 10th October 2012

Classification of work function	Partner	Manager	Other senior professionals	Assistants and support staff	Total hours	Time cost (£)	Average hourly rate (£)
Realisation of assets	27 50	35 70	33 90	3 50	100 60	21,102 50	209 77
Administration and planning	3 90	5 00	0 70	0 00	9 60	2,529 00	263 44
Creditors	7 80	27 00	91 40	8 80	135 00	18,968 00	140 50
Investigations	4 50	1 80	13 90	7 30	27 50	3,782 50	137 55
Reporting	6 00	20 20	10 70	0 00	36 90	7,960 00	215 72
Trading	9 90	11 70	14 90	0 00	36 50	7,484 00	205 04
Total Hours	59.60	101.40	165.50	19.60	346.10	61,826.00	178 64
Total Fees Claimed						52,500.00	

Category 2 Disbursements	Accrued in period £	Paid in period £	Total accrued £	Total paid £
Postage and stationery	549 98	546 68	549 98	546 68
Photocopying	204 22	203 72	204 22	203 72
Mileage	179 10	179 10	179 10	179 10
Room hire	120 00	120 00	120 00	120 00
Storage (Portland archive)	175 00	87 50	175 00	87 50
Facsimile	51 00	51 00	51 00	51 00
Company searches	6 00	6 00	6 00	6 00
	1,285.30	1,194.00	1,285.30	1,194.00

Portland Business & Financial Solutions

Fees and disbursements policies

Fee policy

In line with most practices, we normally calculate our fees on the basis of the time spent by each member of staff. We are prepared to calculate fees as a percentage of realisations or as a fixed fee by special arrangement only where the circumstances warrant it. Where the assignment relates to an insolvency appointment, we are normally required to obtain a resolution from creditors approving the basis of calculation.

Staff of the appropriate grades are allocated to each task on each assignment, according to the size and complexity of the matter, and they record their time in six minute units. Where the fee is to be calculated on the basis of time spent, cost rates for each grade are then used to evaluate the fee. The effectively hourly rates are currently as follows -

	Cost per hour £
Director	310
London Principal	310
Associate	310
Senior manager	250
Case manager	210
Case administrator	175
Administrator	100
Cashiers	100
Support staff	75

These rates apply with effect from 1st December 2011. They are reviewed periodically, typically every 1-2 years, and could therefore increase during any particular assignment.

Disbursement policy

Where expenses are incurred through third parties specifically in respect of the assignment, they are recharged to the case as incurred, for example statutory advertising, external room hire, fidelity bond, rail travel and external storage. These are defined as category 1 disbursements in SIP9 and approval is not required.

Other expenses can be recharged to the assignment based on a share or allocation of a cost that Portland incurs centrally. These are defined as category 2 disbursements in SIP 9 and approval is required. Typically such expenses and the method of allocation are as follows -

Postage and stationery	-	Three times postage cost
Photocopying	-	10p per copy
Facsimile	-	£1 per page
Mileage	-	HM Revenue and Customs agreed rate
Room hire	-	£120 per meeting
Storage (Portland archive)	-	£50 per box per year
Company searches	-	Two times cost