

The Insolvency Act 1986

**Administrator's progress report****2.24B**

Name of Company J K Environmental & Sons Limited	Company number 03484229
In the High Court of Justice, Chancery Division, Companies Court, London	Court case number 16551 of 2009

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

We (a) Simon Peter Bower and Matthew Haw, Baker Tilly Restructuring and Recovery LLP, 25 Farringdon Street, London, EC4A 4AB the Joint Administrators of the above company attach a progress report for the period

(b) Insert dates	from (b) 20 January 2011	to (b) 19 July 2011
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Signed Matthew Haw  
Matthew Haw  
Joint Administrator

Dated 17 August 2011

**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.

Bradley Clifford	
5 Old Bailey, London EC4M 7AF	
Tel 020 7002 8600	
DX Number 458	DX Exchange Chancery Lane

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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

**APPENDIX F****JK ENVIRONMENTAL & SONS LIMITED – IN ADMINISTRATION  
SUMMARY OF PAYMENTS TO JOINT ADMINISTRATORS AND ASSOCIATED  
PARTIES**

<b>AMOUNTS PAID TO THE JOINT ADMINISTRATORS' FIRM</b>	
TYPE AND PURPOSE	£
Baker Tilly Restructuring & Recovery LLP - Joint Administrators Fees	300,000 00
Baker Tilly Restructuring & Recovery LLP - Joint Administrators Disbursements	9,557 23
<b>Total</b>	<b>309,557.23</b>

<b>AMOUNTS PAID TO ASSOCIATED PARTIES OF JOINT ADMINISTRATOR</b>	
TYPE AND PURPOSE	£
<b>Total</b>	<b>Nil</b>

<b>AMOUNTS PAID TO THE JOINT ADMINISTRATORS' SOLICITOR</b>	
TYPE AND PURPOSE	£
Maclay Murray & Spens LLP – for legal advice and support provided to the Administrators with regards to the appointment of the Joint Administrators and the sale of the business and assets.	85,605 62
<b>Total</b>	<b>85,605.62</b>

<b>AMOUNTS PAID TO THE JOINT ADMINISTRATORS' AGENT</b>	
TYPE AND PURPOSE	£
Hilco Appraisals Limited – for carrying out the valuation of the Company's assets and liabilities.	10,714 60
<b>Total</b>	<b>10,714.60</b>

**IN THE HIGH COURT OF JUSTICE,  
CHANCERY DIVISION,  
COMPANIES COURT, LONDON  
NUMBER 16551 OF 2009**

**IN THE MATTER OF  
J K ENVIRONMENTAL & SONS LIMITED  
IN ADMINISTRATION  
JOINT ADMINISTRATORS' PROGRESS REPORT  
20 JANUARY 2011 TO 19 JULY 2011**

**SIMON BOWER AND MATTHEW HAW  
JOINT ADMINISTRATORS**

**APPOINTED 20 JULY 2009**

**BAKER TILLY RESTRUCTURING AND RECOVERY LLP  
25 FARRINGDON STREET  
LONDON  
EC4A 4AB**

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## **J K ENVIRONMENTAL & SONS LIMITED IN ADMINISTRATION**

### **JOINT ADMINISTRATORS' PROGRESS REPORT**

**AS AT 19 JULY 2011**

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#### **1. PURPOSE OF REPORT**

This report has been prepared in accordance with the provisions of Rule 2.47 of the Insolvency Rules 1986 (as amended) ("the Rules")

The purpose of the report is to set out the progress of the Administration from 20 January 2011 to 19 July 2011.

This report should be read in conjunction with the Joint Administrators' previous reports dated 19 January 2011, 19 July 2010, 19 February 2010 and the Joint Administrators' proposals report dated 9 September 2009

#### **2. JOINT ADMINISTRATORS' APPOINTMENT**

Simon Peter Bower and Matthew Robert Haw of Baker Tilly Restructuring and Recovery LLP, 25 Farringdon Street, London, EC4A 4AB were appointed Joint Administrators of J K Environmental & Sons Limited ("the Company") on 20 July 2009 by Bank of Scotland Plc ("the Bank"), The Mound, Edinburgh, EH1 1YZ.

The Bank holds a qualifying floating charge over the Company's assets and undertakings.

The notice of appointment was filed in the High Court of Justice, Chancery Division, Companies Court, London, under reference number 16551 of 2009

The Joint Administrators' appointment specified that they would have power to act jointly and severally. The Joint Administrators have exercised and will continue to exercise all of their functions jointly and severally as stated in the notice of appointment.

#### **3. COMPANY DETAILS**

We attach as Appendix A an extract of statutory information, including details of the directors, company secretary and secured creditors from the Company's file held at Companies House

Following the Joint Administrators' appointment the registered office was changed to c/o Baker Tilly Restructuring & Recovery LLP, 5 Old Bailey, London, EC4M

7AF and has since changed again to c/o Baker Tilly Restructuring & Recovery LLP, 25 Farringdon Street, London, EC4A 4AB

#### **4. RECEIPTS AND PAYMENTS SUMMARY**

We attach at Appendix B a summary of our receipts and payments for the period 20 January 2011 to 19 July 2011.

##### **VAT Basis**

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue & Customs shown separately.

#### **5. CREDITORS' CLAIMS**

Creditors' claims as set out in the Statements of Affairs totalled £10,209,439.

The agreement of creditors' claims by the Joint Administrators (or any subsequently appointed Supervisor or Liquidator) is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by creditors themselves.

#### **6. PRESCRIBED PART**

There have been no payments to unsecured creditors in relation to the Prescribed Part (Section 176A of the Act)

The Prescribed Part is a statutory amount of the Company's assets subject to a floating charge to be set aside for the benefit of the Company's non-preferential creditors

As previously advised, the Statement of Affairs did not attempt to calculate the Prescribed Part of the assets under Section 176A of the Act. However, whilst there are creditors secured by fixed and floating charges over the assets and undertaking of the Company, those creditors are not expected to receive a recovery under their floating charges. As such no payment under the Prescribed Part is anticipated in the Administration.

#### **7. DIVIDEND PROSPECTS FOR CREDITORS**

##### **Secured Creditors**

The Bank holds fixed and floating charges over the whole of the Company's assets

At the date of Administration the Bank was owed £3,215,056, including £1,582 of accrued interest.

There have been no distributions to the Bank in respect of their lending during or prior to the period covered by this report.

The Company's sales ledger is subject to a sales finance agreement with Bank of Scotland Cashflow Finance ("BOSCF"), to whom all pre-appointment invoices were assigned

At the date of Administration, BOSCF was owed £850,000 BOSCF also provided funding to the Administration in the sum of £148,000 bringing BOSCF's total indebtedness to £998,000 Collections against the ledger totalled £953,000.

#### **Preferential Creditors**

There have been preferential claims of £4,497 against the Company to date.

There have not been sufficient floating charge realisations to allow for a distribution to be made to preferential creditors and no distribution is anticipated in the future.

#### **Unsecured Creditors**

There have been insufficient realisations to allow for a distribution to be made to unsecured creditors and no distribution is anticipated

### **8. CONDUCT OF THE ADMINISTRATION SINCE THE LAST REPORT**

The Administrators pursued the objective laid down at paragraph 3(c) of Schedule B1 to the Insolvency Act 1986, specifically realising property in order to make distributions to one or more secured or preferential creditors.

Full details of the conduct of the Administration can be found in the Joint Administrators' previous reports and proposals report.

#### **Post Appointment Debtors**

Since the date of the last progress report, the Joint Administrators have continued to liaise with the various outstanding debtors in order to realise the remaining post appointment trading debts totalling c£19k.

We are still in the process of chasing these outstanding amounts but expect this matter to be resolved shortly.

Once this matter has been resolved we will be in a position to close the Administration

## **Other Matters**

The Joint Administrators have filed the final corporation tax return with HMRC and have requested tax clearance to close the Administration.

### **9. ASSETS REMAINING TO BE REALISED**

The only assets remaining to be realised are the outstanding post appointment debtors of c£19k

### **10. PREVIOUS EXTENSIONS OF THE ADMINISTRATION**

On 3 June 2010 the Administration was extended for a period of six months to 19 January 2011 by the written consent of the Bank in accordance with Paragraphs 76(2)(b), 78(2)(a) and 78(3)(b) of Schedule B1 of the Act.

A further extension was granted by the High Court of Justice to extend the Administration for a period of twelve months to 19 January 2012 in accordance with Paragraphs 76(2)(b), 78(2)(a) and 78(3)(b) of Schedule B1 of the Act.

There have been no further extensions of the Administration

### **11. JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS**

The basis of the Joint Administrators' remuneration from fixed charge realisations has been approved, as and when funds permit, by the Bank.

To date we have drawn a total of £300,000 plus VAT from the fixed charge estate on account of our time costs incurred in respect of dealing with the Company.

Attached are the following:

- Appendix C: Joint Administrators' time cost analysis;
- Appendix D: Joint Administrators' charge out and disbursement rates;
- Appendix E: Charging, Expense and disbursement policy; and
- Appendix F: Summary of payments to Joint Administrators' and associated parties

To date 2,315 8 hours have been spent by the Administrators and their staff in the Administration of the Company from the date of appointment to 19 July 2011, totalling £483,943.50 at an average hourly charge out rate of £208 97.

A Creditors' Guide to Administrators' Fees, a guide in relation to the remuneration of Administrators, can be accessed at the website of the Association of Business Recovery Professionals at -



[www.r3.org.uk/publications/statements-of-insolvency-practice](http://www.r3.org.uk/publications/statements-of-insolvency-practice) (Statement of Insolvency Practice 9 – Remuneration of Insolvency Office Holders England & Wales)

Alternatively, we can provide you with a copy on written request to this office

### **Analysis of time spent in Administrations**

Our staff have carried out the following tasks.

#### **Administration and Planning**

This includes day-to-day administrative duties and dealing with statutory duties and responsibilities, including advertising notices of the Administration, providing notice to creditors, dealing with the submission of the Statement of Affairs and filing necessary documents at Companies House and the Court. Other duties include handling and recording receipts and payments, VAT and Corporation Tax issues such as the monthly VAT returns; pension queries and general correspondence.

#### **Investigations**

In accordance with our statutory obligations under the Company Directors' Disqualification Act 1986, we have filed the appropriate documentation on the conduct of the directors with the Department for Business Innovation and Skills.

#### **Realisation of Assets**

Our staff have been involved with various matters such as preparing the sale of business information memorandum, handling queries from interested parties and obtaining valuations of assets.

The sale of the business negotiations and completion with the purchaser required a significant amount of time from the Administrators, their staff and legal advisors.

Additionally, time has been spent reviewing retention of title claims with regard to stock and dealing with finance company creditors, both of which have been key areas of the Administration and the trading of the Company.

#### **Trading**

Our staff set up credit accounts with suppliers to allow the Company to continue to trade, making payments to suppliers and dealing with general correspondence. Certain aspects of trading led to large time demands upon our staff, particularly as the size and geographical dispersion of the Company's operations required at least two members of the Administrators' staff to be present at the Company's offices for the majority of the trading period.

The Administration trading ceased on 5 October 2009 following successful completion of the sale, following which time costs from this source significantly reduced.

### **Creditors**

Queries from and correspondence with creditors and employees have been necessary aspects of the Administration. The preparation of the Administrators' Proposals has been undertaken including the attendant aspects of providing and obtaining the required information, as well as the preparation and distribution of this report and earlier progress reports.

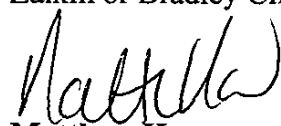
### **Joint Administrators' disbursements**

To date we have drawn disbursements of £9,557.27 in respect of the Company. A brief summary of the disbursements we have incurred is as follows:

<b>Category 1</b>	<b>£</b>	<b>Category 2</b>	<b>£</b>
Company search fees	6.00	Mileage	1,366 63
Courier	6.50	Phone	80 00
Insolvency Bond	158.00	Printing	59.34
Subsistence	1,131.85	<b>Total Category 2</b>	<b><u>1,505.97</u></b>
Travel	5,473.08		
Storage	25 13		
Trading Payments	1,816 14		
<b>Total Category 1</b>	<b><u>8,616.70</u></b>	<b>Total Disbursements</b>	<b><u>10,122.67</u></b>

The unpaid balance of £565.40 will be drawn as and when funds permit

Should you have any queries regarding the contents of this report please contact Paul Zalkin or Bradley Clifford of this office



**Matthew Haw**  
**Baker Tilly Restructuring and Recovery LLP**  
**Joint Administrator**

Simon Bower and Matthew Haw are licensed to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales

The affairs, business and property of the Company are being managed by the Joint Administrators who act as agents of the Company and without personal liability