In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

AM10
Notice of administrator's progress report

Companies House

THURSDAY

A7GUFJD5
A21 18/10/2018 #82
COMPANIES HOUSE

1 Company details

Company number	0 3 5 1 8 4 6 2
Company name in full	SHS Integrated Services Limited

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

2 Administrator's name

Full forename(s)	Richard Michael
Surname	Hawes

3 Administrator's address

Building name/number	5 Callaghan Square
Street	Cardiff
Post town	CF10 5BT
County/Region	
Postcode	
Country	

4 Administrator's name ❶

Full forename(s)	Matthew James
Surname	Cowlishaw

❶ **Other administrator**
Use this section to tell us about another administrator.

5 Administrator's address ❷

Building name/number	Four Brindleyplace
Street	Birmingham
Post town	B1 2HZ
County/Region	
Postcode	
Country	

❷ **Other administrator**
Use this section to tell us about another administrator.

AM10
Notice of administrator's progress report

6 Period of progress report

From date	21 03 2018
To date	20 09 2018

7 Progress report

☑ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X [signature] X
Signature date	21 09 2018

AM10
Notice of administrator's progress report

Presenter information

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

Contact name	Jessica Hough
Company name	Deloitte LLP
Address	5 Callaghan Square
	Cardiff
Post town	CF10 5BT
County/Region	
Postcode	
Country	
DX	
Telephone	+44 121 632 6000

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:
- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

Important information

All information on this form will appear on the public record.

Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Deloitte.

SHS Integrated Services Limited (in administration) ("the Company")

Court Case No. 33 of 2017
High Court of Justice, Cardiff
District Registry
Chancery Division
Company Number: 03518462

Registered Office: c/o Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

Progress report to creditors for the period 21 March 2018 to 20 September 2018 pursuant to Rules 18.2 to 18.6 inclusive of the Insolvency (England & Wales) Rules 2016 ("the Rules").

Richard Michael Hawes and Matthew James Cowlishaw ("the Joint Administrators") were appointed Joint Administrators of SHS Integrated Services Limited on 21 March 2017 by Natwest Bank plc, 96 Queen Street, Cardiff CF10 2GR. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

17 October 2018

Key messages

[redacted]

Key messages

Joint Administrators of the Company

Richard Michael Hawes
Deloitte LLP
5 Callaghan Square
Cardiff
CF10 5BT

Matthew James Cowlishaw
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

Contact details

Email: jehough@deloitte.co.uk
Website:
www.deloitte.com/uk/shsgroup
Tel: 0121 695 5723

	Commentary
Purpose of administration	• The purpose of the administration is to achieve a better result for the Company's creditors as a whole than a liquidation.
Progress of administration	• Funds of £31,000 have been received in respect of an insurance settlement. • A secured distribution of £150,000 was made to Royal Bank of Scotland plc ("RBS").
Costs	• The basis of our fees has been fixed on a time costs basis, the administrators drew £26,182 *during the period of the report.* • Our time costs for the period of the report are £57,898. Total time costs in the period of the administration are in excess of our fees estimate. However, we do not anticipate that we will draw fees in excess of our original fees estimate. Please see page 10 for further details. • There have been no disbursements or third party costs incurred in the report period.
Outstanding matters	• Await the outcome of the ongoing employment tribunal. • Collect any remaining book debts. • Make a Prescribed Part distribution to the unsecured creditors following the outcome of the employment tribunal. • Finalise tax and VAT matters.
Dividend prospects	• Secured creditors will not be paid in full. • Preferential creditors have been paid in full. • We do not anticipate that there will be sufficient asset realisations to enable a distribution to be made to unsecured creditors, other the Prescribed Part distribution referred to above.
Extension to administration period	• The administration was extended by the secured creditors on 19 March 2018 and will now end on or before 20 March 2019.

Progress of the administration

Progress of the administration
Summary

Work performed since our last report

Insurance Settlement

Funds totalling £31,000 in respect of an insurance settlement have been received in report period.

Employment Tribunals

We are awaiting an update in relation to the employment tribunal regarding any further settlements of the claims from former employees.

Statutory Tasks

During the period, we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Case management actions including updating the insolvency website for the case, filing and regular diary reviews to ensure compliance matters are dealt with accordingly, in addition to the necessary steps to extend the administration;
- Statutory reporting including the preparation of the prior progress report;
- Correspondence received from a large proportion of the Company's 281 creditors has been responded to and filed appropriately;
- Cashiering functions including the preparation of monthly bank account and various payments; and
- Interaction with HMRC in respect of VAT and Corporation Tax matters.

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.

Cost of the work done during the report period

There have been no third party costs incurred in the period, except our remuneration as Joint Administrators as detailed on page 10.

Progress of the administration
Receipts and payments

Joint Administrators' receipts and payments account
21 March 2018 to 20 September 2018

£	SoA values	Notes	Period	To date
Receipts				
Insurance Settlement			31,000	31,000
Plant & Equipment	*700,000*		-	826,554
Book Debts	*500,000*		-	665,609
Refund of Pre-paid Legal Costs			-	760
Bank Interest Gross			-	282
Rates Refund			-	371
Total receipts	*1,200,000*		**31,000**	**1,524,577**
Payments				
Rent			-	20,244
Specific Bond			-	868
Administrators' Fees			26,182	226,182
HP Settlements			-	54,293
Agents Costs			-	70,400
Agents Disbursements			-	3,327
Legal Fees			-	9,133
Legal fees - Disbursements			-	50
Telephone & Fax			-	386
Security Costs			-	2,052
Storage Costs			90	6,341
Other Property Expenses			-	160
Wages & Salaries			-	47,950
Bank Charges			2	50
Payroll Services			-	197
Secured Distribution to RBS			150,000	150,000
Preferential Dividend		*1*	(468)	167,972
Unclaimed dividend charge			26	26
Secured Distribution to RBSIF			-	645,609
Total payments			**175,831**	**1,405,241**
Balance				**119,337**
Made up of:				
VAT Receivable		*2*		3,496
Non-Interest Bearing Deposit Account		*3*		115,948
Trade Creditors				(107)
Balance in hand				**119,337**

A receipts and payments account is provided opposite detailing the transactions in the administration to 20 September 2018, and all transactions since the date of our appointment.

Notes to receipts and payments account

Note 1 – A preferential dividend of 100p in the £ was paid on 1 December 2017. The small adjustment made in the report period represents unclaimed dividends which we are currently in the process of paying over to the Insolvency Service.

Note 2 – All sums shown above are shown net of VAT, which is recoverable and will be accounted for to HM Revenue & Customs in due course.

Note 3 - The associated corporation tax on interest received will be accounted for to HM Revenue & Customs.

Information for creditors

Information for creditors
Outcome

Outcome for creditors

Secured Creditors

The Company's records show that, at the date of our appointments, the following amounts were owed to the secured creditors:

- Royal Bank of Scotland ("RBS") Loan - £833,000
- RBS Overdraft – £179,000
- RBS Invoice Finance ("RBSIF") – £1,402,000
- Business Growth Fund ("BGF") - £1,750,000
- Finance Wales - £231,000

Funds of £150,000 have been distributed to RBS in the period.

Based on currently available information, we expect there to be further distributions to RBS of £55,000 and £84,000 to RBSIF (subject to additional debtor realisations). There will be insufficient funds to pay any funds to Finance Wales or BGF.

Preferential Dividend

A preferential dividend of 100p in the £ was paid on 1 December 2017.

Prescribed Part

Based on current figures, we anticipate that there will be net property of £261,000.

Therefore, we estimate that c.£55,000 will be available for distribution to unsecured creditors under the prescribed part, before any costs associated with making this distribution.

We have agreed the unsecured claims in anticipation of making the distribution and will provide all creditors with formal notice in writing of our intention to distribute funds following the outcome of the employment tribunal.

Unsecured Creditors

On present information insufficient funds will be realised to enable a dividend to be paid to unsecured creditors, other than the prescribed part distribution referred to above.

Claims process – creditors with debts of £1,000 or less

You do not need to prove your debt for dividend purposes if the amount you are owed is £1,000 or less.

We will notify you if funds become available for dividend purposes. Your claim will be admitted in the amount shown in the Company's records/statement of affairs. If you disagree with that amount, you will be provided with an opportunity to notify us of the correct amount.

Claims process – creditors with debts of more than £1,000

Unsecured creditors with claims of more than £1,000 are invited to submit their claims to us by completing a proof of debt form which is available on the administration website and which should be sent to the address on the cover page, marked for the attention of Jessica Hough.

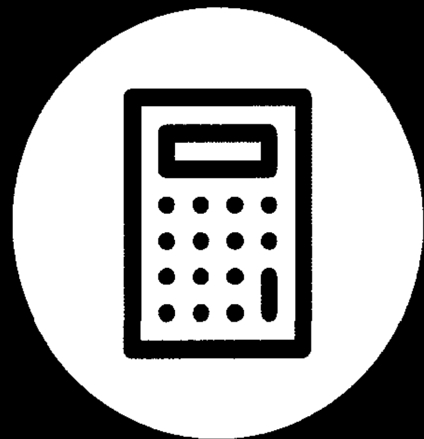
Extensions to the administration

The administration was extended by the secured creditors on 19 March 2018 and will now end on or before 20 March 2019. We do not anticipate that it will be necessary to further extend the period of the administration.

Exit

As there are no funds to distribute to the unsecured creditors (other than the prescribed part distribution previously mentioned), we consider dissolution to be the most appropriate exit route from administration.

Remuneration and expenses



Remuneration and expenses

Joint Administrators' remuneration

Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.deloitte.com/uk/shsgroup.

Should you require a paper copy, please send your request in writing to us at the address on the cover page of this report and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration was fixed by the secured and preferential creditors on 27 June 2017 by reference to the time properly given by the Joint Administrators and their staff, plus VAT thereon.

Time costs - analysis of actual against budget

Please refer to Page 11 where we have updated the Fees Estimate to provide details of our actual time costs for the period of the report and for the entire period of our appointment. Our total time costs to 20 September 2018 are £551,731 made up of 1,177 hours at a blended charge out rate of £469 per hour across all grades of staff.

We have exceeded the budget and given a summary below of the main differences between anticipated costs and costs incurred to date within the Fees Estimate by section:

Administrative Activities

Additional costs associated with case supervision and statutory compliance are in line with increased amount of activity on this case than initially anticipated. More time is likely to be incurred in this regard.

Investigations

At the request of certain creditors, we performed a detailed review of the information available to assess whether there are any matters that might lead to a recovery for the benefit of creditors, specifically in respect of the location and value of scaffolding assets. This investigation involved more senior resource than envisaged at the outset of the administration.

Please note we do not intend to draw the full value of the time costs and we do not think it will be necessary to make an excess fee request.

Time costs – Fees drawn to date

To date, we have drawn remuneration of £226,182 as shown in the receipts and payments account on Page 6.

Fees estimate and Joint Administrators' time costs for the period to 20 September 2018

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Activity		Anticipated Time and Costs per Fees Estimate			Actual Time and Costs for Report Period			Actual Time and Costs since		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)	Hours incurred to date	Avg Rate £/h	Total time costs incurred to date (£)
Administrative activities	Cashiering	15.6	440	6,864	10.1	237	2,392	52.1	255	13,296
	Case supervision	28.8	417	12,000	18.9	635	11,998	123.3	552	67,980
	Case closure matters	8.5	373	3,168	-	-	0	18.0	560	10,080
Statutory & compliance	Compliance & IPS diary	9.6	400	3,840	4.8	489	2,349	37.4	490	18,331
	Insurance	11.5	453	5,208	1.6	343	548	4.1	402	1,648
	General reporting	53.5	394	21,083	11.8	443	5,231	108.6	381	41,381
	Regulatory & other legislatio	2.4	400	960	-	-	0	-	-	0
Initial actions	Appointment matters	9.0	621	5,585	-	-	0	19.0	597	11,340
	Securing assets	50.0	565	28,240	15.0	315	4,725	61.0	512	31,228
	Notifications	31.5	301	9,489	4.0	185	740	27.0	318	8,582
Investigations	CDDA reporting	18.0	368	6,633	-	-	0	16.5	335	5,528
	Investigations	21.0	473	9,928	-	-	0	75.0	468	35,063
Total of above categories		**267.8**	**433**	**115,849**	**66.2**		**27,982**	**557.3**		**253,331**
Taxation	Tax	3.7	350	1,294	3.2	721	2,307	26.2	542	14,200
	VAT	10.5	324	3,402	2.8	455	1,274	22.5	431	9,705
Asset realisations	Book debts	70.0	533	37,315	51.0	327	16,670	147.5	497	73,240
	Chattel assets	70.0	507	35,510	-	-	0	36.0	585	21,050
	Other assets	20.0	508	10,150	-	-	0	29.0	575	16,685
	Retention of title	20.0	481	9,610	-	-	0	20.5	444	9,095
Trading	Ongoing trading	-	-	0	1.0	1,010	1,010	3.0	887	2,660
Employees	Consultation	8.0	420	3,358	-	-	0	-	-	0
	Correspondence	78.0	357	27,860	3.0	575	1,725	106.6	377	40,204
	Employment tribunals	-	-	0	-	-	0	1.3	491	638
	Pensions	0.5	345	173	-	-	0	5.0	389	1,943
Correspondence	Creditors	99.6	327	32,522	5.8	683	3,964	174.9	510	89,112
	Committee	-	-	0	0.5	335	168	0.5	335	168
	Shareholders	10.0	225	2,250	-	-	0	-	-	0
Distributions	Secured creditors	5.2	618	3,211	1.5	715	1,073	7.0	558	3,905
	Preferential creditors	30.0	280	8,400	0.6	350	210	27.9	394	10,980
	Unsecured creditors	49.1	224	11,002	3.6	421	1,516	11.4	423	4,817
Total fees estimate		**742.4**	**406.7**	**301,903**	**139.2**	**415.9**	**57,898**	**1,176.6**	**468.9**	**551,731**

Disbursements

Our disbursements to date are in line with estimates provided in the proposals and are summarised below:

Category 2 Disbursements

Specific approval is required before these costs and expenses can to be drawn from the administration estate and was given by secured and preferential creditors on 27 June 2017.

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred.

Details of all disbursements are given below and from which it can be seen that we have not yet recovered our disbursements in full.

SHS - Category 1 disbursements

£ (net)	Incurred to date
Travel	318
Postage/Couriers	350
Statutory Bonding	345
Storage	360
Telephone	32
Parking	70
Subsistence	478
Total expenses	**1,953**

SHS - Category 2 disbursements

£ (net)	Incurred to date
Mileage	170
Website set up	500
Total disbursements	**670**

Creditors' right to request information

Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

Deloitte.