

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company A & A Groundworks Limited	Company number 4172673
In the Portsmouth County Court (full name of court)	Court case number 8/2008

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

I (a)
Duncan Robert Beat
Tenon Recovery
Highfield Court, Tollgate
Chandlers Ford
Eastleigh
Hampshire SO53 3TZ

administrator(s) of the above company attach a progress report for the period

From (b) 2 June 2008	To (b) 28 May 2009
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Signed

Joint/ Administrator(s)

Dated

29/5/09

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

Duncan Robert Beat
Tenon Recovery
Highfield Court, Tollgate
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DX Number

+44 (0) 2380 646 529
DX Exchange

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



PC1 30/05/2009 389

COMPANIES HOUSE

SATURDAY

Tenon recovery

To All Known Creditors

Email: gareth.brown@tenongroup.com
Tel: +44 (0)23 8064 6529
Our ref: DRB/PG/GPB/3031652/12
Date: 28 May 2009

Dear Sirs

A & A Groundworks Limited ("the Company") – in Administration

In accordance with Rule 2.47 of the Insolvency Rules 1986 ("the Rules"), I would like to provide creditors with my final report following my appointment as Administrator on 2 June 2008.

1. Statutory Information

Statutory information relating to the Company and the appointment is attached to this report as **Appendix I**.

2. Administrator's Proposals

You are aware that at the meeting of creditors held on 8 August 2008 the Administrator's proposals for achieving the purpose of the Administration were approved by creditors.

In accordance with Rule 2.110(2)(a) of the Rules, attached to this report as **Appendix II** is a copy of these proposals. I can confirm that during the course of the Administration there were no material amendments to, or deviations from, these proposals.

3. Administration Strategy

The strategy of the Administration was outlined in detail in my initial and subsequent report to creditors. I would summarise as follows:

The objective of the Administration was to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).

The Administrator considered the merits of continuing to trade. It was concluded that, in the absence of sufficient funding, it would not be possible to continue to trade the business. Leslie Keats, quantity surveyors, were instructed to review the Company's three main debtor accounts.

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Tenon Recovery is a trading name of Tenon Limited.
Registered Office 66 Chiltern Street, London, W1U 4GB. Registered no: 04066924 England
A member of Tenon Group PLC
Directors and staff acting as Administrative Receivers and Administrators act as agents of the company over which they are appointed and contract without personal liability.

Cuthbert and Kingsley Limited were instructed to review and inspect the remaining debtor ledger and retentions due to the Company consisting of a further sixteen contracts.

The purpose of the Administration was achieved since the collection of debtor monies resulted in higher realisations than would have been achieved upon winding up.

4. Administrator's Accounts

Attached as **Appendix III** is the Administrator's account for the period 2 June 2008 to 28 May 2009. All figures are shown net of VAT. I would comment specifically as follows:

4.1. Leasehold Property

The Company traded from premises at Unit R, Military Road, Fort Watlington Industrial Estate, Fareham, Hampshire PO16 8TT, by way of an informal licence agreement. It was terminated by the landlord upon the Company entering administration and was of no value to the Company.

4.2. Book Debts and Retentions

The collection of the Company's book debts is being managed by the Administrator and is ongoing. As referred to above, Leslie Keats were instructed to pursue recovery of the three main contracts and a further sixteen contracts were pursued by Cuthbert & Kingsley Limited. As per the estimated statement of affairs the outstanding debtors amount to a book value of £636,736 and are estimated to realise £114,000. The outstanding retentions due to the Company totalled £115,958 and were estimated to realise £45,069. To date, funds totalling £26,102.93 have been collected.

Considerable work has been undertaken to recover the book debts and retentions due to the Company. However, significant disputes and contra claims have been received. Some of the contracts may be subject to adjudication and therefore may not be settled until mid 2009. The retentions due will also be subject to the cost of any remedial works and the cost of completing current contracts. Nevertheless, significant further realisations are anticipated.

4.3. Motor Vehicles

As previously advised, the Company operated a small number of vehicles that were subject to finance. A valuation of the vehicles carried out by Cuthbert and Kingsley Limited confirmed that there was no available equity for the benefit of the general body of creditors.

4.4. Plant and Machinery

The Company's plant and machinery with a book value of £108,300 was valued at £39,500. However the outstanding finance liability amounted to £96,039. The Company also owned a small amount of unencumbered plant and machinery, considered to be of nil realisable value.

4.5. Cash at Bank

As shown on the receipts and payments account, cash at bank of £53,950.95 has been received.

4.6. Other Assets

The Company also owned a small amount of office equipment and furniture and fittings, which were considered to be of nil realisable value. A small amount of stock valued at £500 was owned by the Company, but the cost of removal and sale at auction was considered prohibitive. A small refund of £76.54 was received as shown on the receipts and payments account.

4.7. Bank Interest

During the course of the administration to date, gross bank interest totalling £464.54 has been earned on funds held.

5. Outcome to creditors

5.1. Preferential creditors

No distributions were made during the Administration to preferential creditors as it was considered that a subsequently appointed liquidator could better deal with this. It is envisaged that preferential creditors will be repaid in full, however this will be subject to the final claims received and the level of debtor realisations.

5.2. Unsecured creditors

The amount outstanding to unsecured creditors as per the Company's Statement of Affairs as at 2 June 2008 was £763,898. To date, claims totalling £796,796 have been received. Subject to the successful realisation of debtor monies and retentions as referred to above, it is expected that there will be sufficient funds available to enable a distribution to the unsecured creditors. No distribution has been made during the Administration as the Administrator considered it more appropriate to deal with this through a liquidation process.

5.3. Prescribed Part

As previously reported, a debenture was granted in favour of National Westminster Bank plc ("Natwest") on 23 May 2003. Since this charge pre-dates the commencement of the provisions of Section 176A of the Act, the Administrator is not required to set aside a "Prescribed Part" fund specifically for unsecured creditors. In any event, Natwest have advised that there is no sum owing to them under the terms of the debenture.

6. End of Administration

The Administrator's proposals, approved by creditors at the initial meeting held pursuant to paragraph 49 of Schedule B1 of the Act, included the provision to end the Administration through a move into Creditors' Voluntary Liquidation. Furthermore, no nominations for the appointment as liquidator were received and as such in accordance with paragraph 83(7) of Schedule B1 of the Act the current Administrator will become the liquidator.

Enclosed with this report is a Form 2.34B; Notice of move from Administration into Creditors' Voluntary Liquidation. The Administration will cease to be effective from the date the above form is filed at Companies House. In accordance with the resolution passed by creditors at the initial meeting the Administrators' release from liability will take effect within 14 days of the filing of Form 2.34B.

7. Remuneration

At the initial meeting of creditors held pursuant to paragraph 49 of Schedule B1 of the Act it was resolved that the Administrator's proposals relating to his remuneration be approved. This provided for the Administrator to be remunerated with reference to time properly spent by him and his staff in dealing with this matter.

The Administrator's time costs to date amount to £40,086.67 plus disbursements of £767. In accordance with Statement of Insolvency Practice 9 I have attached at **Appendix IV** a breakdown of these time costs. Of these costs £39,823.17 remuneration and £767 disbursements have been drawn to date.

8. Further Information

This is the final report you will receive on this matter but should you have any queries please contact Gareth Brown on 023 8064 6529.

Yours faithfully
For and on behalf of
A & A Groundworks Limited



Duncan R Beat
Administrator
Licensed to act as an Insolvency Practitioner by the Secretary of State

Company Information

Company Name A & A Groundworks Limited

Company Number 4172673

Registered Office Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire SO53 3TZ

Trading Address Unit R, Fort Wallington Industrial Estate, Military Road, Fareham, Hampshire PO16 8TT

Appointment details

Administrators Duncan Robert Beat of Tenon Recovery

Administrators' address Tenon Recovery, Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire SO53 3TZ

Date of appointment 2 June 2008

Court Portsmouth County Court

Court Reference 8 of 2008

Appointed by: Directors

EC Regulations: The Company's trading address is from where the Company carried on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom and as such these proceedings will be the main proceedings as defined in article 3 of the EC Regulations.

Extensions: The Administrator has not sought an extension to the period defined by Paragraph 76(1) of Schedule B1 of the Act that provides for the automatic end of the Administration after 12 months from the date of appointment.

A & A Groundworks Limited – In Administration

Statement of Administrator's proposals Pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986

In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("the Act") and the Insolvency Rules 1986 ("the Rules"), Duncan Robert Beat the Administrator of A & A Groundworks Limited ("the Company"), make the following proposals for achieving the purpose of the Administration.

These proposals and the attached report to creditors together set out the information required by and discharge the Administrator's duty pursuant to Paragraph 49 of Schedule B1 of the Act and Rule 2.33 of the Rules.

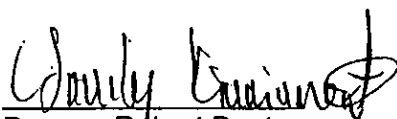
Proposals

The Administrator proposes that:

- (a) He continues to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration such that:
 - (i) He disposes of the Company's ownership of such assets at such time(s) on such terms as they consider expedient;
 - (ii) he investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company.
 - (iii) In addition, he do all such things and generally exercise all his powers as Administrator as he in his discretion considers desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals; and
- (b) The Administration shall continue (subject to the statutory provisions relating to automatic termination) until the realisable assets of the Company have been realised and all liabilities incurred during the Administration have been discharged or until such a time as deemed appropriate by the Administrator. At this stage the Company shall be dissolved or placed into liquidation as outlined above. If necessary, the Administrator proposes to seek an extension of his appointment as Administrator from the creditors and/or the Court pursuant to paragraph 76 of Schedule B1 to the Act.
- (c) In the event that the Administrator is of the view that it is appropriate for the Company to move from Administration into Liquidation, whether compulsory or voluntary, the Administrator be authorised to take steps to place the Company into whichever liquidation process he, at his discretion, deems appropriate. In either circumstance, it is proposed that the Administrator would take the appointment as liquidator of the Company. In relation to moving into creditors' voluntary liquidation, and in accordance with paragraph 83(7) and Rule 2.117 (3), creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the proposals and before those proposals are approved.
- (d) If the Administrator considers that there will be no distribution to creditors who are neither secured nor preferential, and if he also considers that an exit from the Administration into compulsory liquidation is not appropriate, then the Administrator be authorised to take the

necessary procedural steps to bring about the end of the Administration and move the Company into dissolution pursuant to paragraph 84 of Schedule B1 to the Act.

- (e) Upon the Company either proceeding into Liquidation or dissolution as set out above, the Administrator's discharge from liability, pursuant to paragraph 98 of Schedule B1 shall take effect 14 days following either the Company entering into liquidation or filing the notice of moving from Administration to dissolution.
- (f) He be at liberty to incur and pay such costs and expenses, including professional fees, as considered to be incidental to the achievement of the purpose of the Administration or for the purposes set out herein or to the Administrator's statutory duties.
- (g) The Administrator proposes to be remunerated by reference to time properly spent both for his services as Administrator and also for his staff in attending to the matters arising in the Administration of the Company, charged at the charge out rates prevailing at the time the work is undertaken. The Administrator's remuneration will be agreed by the Creditors' Committee or in the event that no Committee is formed by creditors at the first meeting of creditors, by way of resolution for the acceptance of these proposals.
- (h) Tenon's costs and expenses relating to the appointment of Administrator as would fall within the definition of Rule 2.67(1)(c) be treated as an expense of the Administration (albeit incurred prior to the date of appointment) and calculated by reference to the charge out rates prevailing at the time the work is undertaken.
- (i) He be at liberty to recharge disbursements as detailed in the circulated Creditors guide to Administrators' fees.
- (j) He be at liberty to pay costs and remuneration in relation to proposals (g), (h) and (i) above when funds become available.
- (k) He consult with the Creditors' Committee, if formed, at appropriate intervals concerning the conduct of the Administration and the implementation and development of these proposals and where he considers it expedient obtain the sanction of that Committee on behalf of the creditors of the Company (and without further reference to them) to any proposed action on the part of the Administrator.


Duncan Robert Beat
Administrator

23 July 2008

A & A Groundworks Limited
(In Administration)
Administrator's Abstract of Receipts & Payments
To 29/05/2009

S of A £		£	£
	HIRE PURCHASE		
19,450.00	Motor Vehicles	NIL	
(29,355.00)	HFGL Limited	NIL	
39,500.00	Plant & Machinery	NIL	
(96,039.00)	Hire Purchase liability	NIL	NIL
	ASSET REALISATIONS		
NIL	Plant & Machinery	NIL	
NIL	Office Equipment	NIL	
NIL	Fixtures & Fittings	NIL	
NIL	Stock	NIL	
114,000.00	Book Debts	26,102.93	
45,069.00	Retentions	NIL	
53,950.95	Cash at Bank	53,590.95	
	Bank Interest Gross	464.54	
	Miscellaneous Refund	76.54	
			80,234.96
	COST OF REALISATIONS		
	Specific Bond	12.00	
	Preparation of S. of A.	2,800.00	
	Office Holders Fees	39,823.17	
	Office Holders Expenses	767.00	
	Debt Collection Fees	6,003.77	
	Accountants fees	4,835.00	
	Statutory Advertising	461.74	
			(54,702.68)
	PREFERENTIAL CREDITORS		
Uncertain	Employee Arrears/Hol Pay	NIL	NIL
	UNSECURED CREDITORS		
(498,084.51)	Trade & Expense Creditors	NIL	
Uncertain	Employees	NIL	
(36,760.80)	HM Revenue & Customs	NIL	
(162,608.75)	Inter-Company loans	NIL	NIL
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	NIL
(550,880.11)			25,532.28
	REPRESENTED BY		
	Vat Receivable		1,071.14
	Interest Bearing Current Account		24,461.14
			25,532.28

Notes

Appendix IV

Information relating to Administrator's Remuneration

Office Holder Remuneration

Case Name	A & A Groundworks Limited	
Court	Portsmouth County Court	
Court reference	8 of 2008	
Office Holders	Duncan Robert Beat	IP Number: 8161
Firm	Tenon Recovery	
Address	Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire SO53 3TZ	
Type of Appointment	Administration	
Date of Appointment	2 June 2008	

1. Overview of Case

1.1. Appointment

I was appointed Administrators on 2 June 2008 following an application by the Directors.

1.2. Strategy

The objectives of administration are as follows:

- a) Rescuing the company as a going concern (the primary objective); or
- b) Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration); or
- c) Realising property in order to make a distribution to one or more secured or preferential creditors.

It was considered unlikely that the primary objective of administration (being the rescue of the company as a going concern) could be achieved, the strategy was therefore to achieve the second objective, namely to achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration).

1.3. Staffing

The choice of staff used in this administration depended upon the complexity of the task in hand.

Cuthbert & Kingsley Limited was employed as chattel agents and valuers, and also as debt collection agent. Leslie Keats, quantity surveyors, were also employed as debt collection agents.

S Johnston & Co Limited were employed to assist with the preparation of the Statement of Affairs and to provide taxation advice.

1.4. Existing fee arrangements

Creditors approved the Administrator's proposals relating to remuneration and disbursements, summarised as follows;

The Administrator be remunerated by reference to time properly spent for his services as Administrator and also for his staff in attending to the matters arising in the Administration of the Company, charged at the charge out rates prevailing at the time the work is undertaken.

1.5. Outcome to creditors

See main body of the report.

2. Explanation of office-holders charging and disbursement recovery policies

2.1. Time recording

Time properly incurred on cases is charged to the assignment at the hourly rate prevailing at the time. The current hourly charge out rates are outlined below:

	£
Directors and associate directors	315-430
Senior managers, managers and supervisors	155-330
Senior Administrators	110-145
Admin and support staff	85-100

2.2. Disbursement recovery

Certain costs may be incurred in relation to a case and in the first instance, paid by Tenon Recovery, and then recharged to the case. The amount recharged is the exact amount incurred. Examples are statutory bond, statutory advertising, land registry searches, insurance, travel and subsistence, archiving and storage costs.

Other costs which may be charged to the case are room hire for meetings held at the offices of Tenon Recovery and the cost of sending out reports to creditors, if material. The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

The current level of costs recharged are detailed below:

Category	Cost	Basis
Stationery	4p, 3p, 35p	Per envelope, letterhead or label
Photocopying	5p	Per page
Faxes	50p	Per page
Storage	£7.20	Per box per year
Internal room hire	£100	Fixed charge

3. Description of work carried out

Section 4 outlines the time costs to date in relation to activities undertaken during this matter. These matters can be summarised as follows:

3.1. Pre-appointment

The total pre-appointment time costs incurred amounted to £8,325, which relates to time spent in advising the directors regarding the viability of administration and in preparing the necessary documentation for the appointment of an administrator. A payment of £15,000 was received from the Company prior to administration in respect of the pre-administration costs.

3.2. Administration and planning

The following activities have been undertaken:

- > Statutory duties associated with the appointment including the filing of relevant notices;
- > Notification of the appointment to creditors, members, employees and other interested parties;
- > Setting up case files;
- > Reviewing available information to determine appropriate strategy;
- > Setting up and maintaining bank accounts;

- > 6 monthly progress review of the case.

Staff of different levels were involved in the above activities depending upon the experience required.

3.3. Investigations

The time spent comprises:

- > Corresponding with the former directors and management;
- > Review of questionnaires and comments provided by interested parties;
- > Review of company documentation; and
- > Completion of statutory returns to the Department of Trade and Industry.

Due to the complex nature and importance of the investigations, the staff utilised to conduct such work involved experienced members of staff.

3.4. Realisation of assets

Please refer to the main body of the report for details on the realisation of assets. Staff of different levels were involved depending upon the level of experience required.

3.5. Creditors

The time spent includes the following matters

- > Recording and maintaining the list of creditors;
- > Dealing with employee related matters;
- > Dealing with reservation of title claims;
- > Recording creditor claims
- > Reporting to creditors;
- > Meetings of creditors;
- > Dealing with creditor queries;
- > Reviewing and evaluating creditor claims.

4. Time and chargeout summary

To date a total of 236.23 hours have been spent at an average hourly charge out rate of £169.69 bringing the total costs to date to £40,086.67. In accordance with the Administrator's proposals approved by creditors, £39,823.17 has been drawn to date. These costs exclude VAT.

A summary table is shown overleaf.

5. Disbursements

A summary of category 1 and category 2 disbursements incurred and charged is overleaf.

Supporting documentation

Up to date Receipts and Payments account.

A & A GROUNDWORKS LIMITED - IN ADMINISTRATION

Time and expense analysis

TIME SPENT

Classification of work function	HOURS					Time cost £	Average hourly rate £
	Director & assoc director	Senior manager, manager & supervisor	Other senior professionals	Admin & support staff	Total		
Pre-appointment		52.80	2.10	0.50	55.40	8,325.00	150.27
Administration & planning	5.33	39.00	14.00	3.90	62.23	10,300.17	165.52
Realisation of assets	1.70	43.10	6.80	0.60	52.20	9,794.50	187.63
Investigations		5.40	0.80		6.20	895.00	144.35
Creditors	2.80	64.50	36.20	12.10	115.60	19,097.00	165.20
Total	9.83	152.00	57.80	16.60	236.23	40,086.67	169.69

Charge out rates per hour for grade					
Range from 18/11/2008	315-430	155-330	110-145	85-100	
2008 range £	290-400	145-305	95-135	75-90	

Total fee drawn to 28 May 2009 39,823.17

DISBURSEMENTS

Disbursements incurred and paid by the office holder or his firm, and the basis on which they are calculated, are as follows

			Incurred	Paid
			£	£
Category 1 Disbursements	Cost	Basis		
Company searches		actual	5.00	5.00
Postage		actual 1st or 2nd class	282.03	282.03
Car mileage	40p	per mile	2.00	2.00
			<u>289.03</u>	<u>289.03</u>
			£	£
Category 2 Disbursements	Cost	Basis		
Stationery	4p, 3p, 35p	per envelope, letterhead or label	55.72	55.72
Photocopying	5p	per page	422.25	422.25
			<u>477.97</u>	<u>477.97</u>
			£	£
Total disbursements to 28 May 2009			<u>767.00</u>	<u>767.00</u>

The above costs exclude VAT