

The Insolvency Act 1986

Notice of move from administration to dissolution

Name of Company Hodgkinson Builders (Midlands) Limited	Company number 04527790
In the Leicester County Court (full name of court)	Court case number 5 of 2011

I/We (a)

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

Scott Christian Bevan

Simon David Chandler

Of Mazars LLP, Cartwright House, Tottle Road, Nottingham, NG2 1RT

(b) Insert name and
address of
registered office of
company

having been appointed administrator(s) of (b) Hodgkinson Builders (Midlands) Limited, c/o Mazars LLP, Cartwright House, Tottle Road, Nottingham, NG2 1RT

(c) Insert date of
appointment

on (c) 19 January 2011 by (d) the directors

(d) Insert name of
applicant/appointor

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

We attach a copy of the final progress report

Signed



Joint / Administrator(s)

Dated

9 January 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 public record.

Scott Christian Bevan
45 Church Street, Birmingham, B3 2RT

DX Number

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

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COMPANIES HOUSE

Hodgkinson Builders (Midlands) Limited - In Administration

Administrators' final progress report covering the period 19 January 2011 to 9 January 2012

To all known creditors

1. Statutory information

- 1 1 I was appointed Joint Administrator of the Company together with Mr Simon David Chandler on 19 January 2011 in the Leicester County Court under Court reference 5 of 2011 My address is 45 Church Street, Birmingham, B3 2RT The application for the appointment of the Administrators was made by the directors
- 1 2 Mr Chandler and I are both authorised to act as an Insolvency Practitioner in the UK by the Insolvency Practitioners Association
- 1 3 The trading address of the Company was 36 Royal Scot Road, Pride Park, Derby, DE24 8AJ The business traded under the name Hodgkinson Builders (Midlands) Limited
- 1 4 The registered office of the Company is c/o Mazars LLP, Cartwright House, Tottle Road, Nottingham, NG2 1RT Its registered number is 04527790.
- 1 5 All acts required to be done by the Joint Administrators, may be done by either or both, acting jointly or alone

2. Steps taken during the Administration & Outcome

- 2 1 The Company's assets have been realised as follows

Debtors

- 2 2 As previously reported, the Company's main asset was its ledger of retentions and debtors The Company's contract debts were reviewed by specialist Quantity Surveyors, Leslie Keats A ledger of £307,380 related to completed contracts and a balance of £26,924 related to contracts in progress
- 2 3 As per my previous report, attempts were made to novate the two ongoing contracts however we were unsuccessful in achieving any formal novation and due to costs offset by the Contract employer no recoveries were achieved
- 2 4 Following our appointment we instructed Leslie Keats and the former director to assist in the collection of the debtors and retentions I previously reported that total recoveries of £40,605 15 have been made The debtors have paid those funds into the pre and post administration accounts, £16,019 35 has been received into the Administrators account and a further £24,585 80 was paid into the Company's pre appointment bank account These funds

have been paid over to the Joint Administrators. I had previously reported that funds of £25,925.80 had been paid into the Company's pre appointment bank account. This however was based on an estimate of one of the debtor receipts, hence the difference in my previous report.

- 2.5 A debt of £101,853 was due from a connected party, Hodgkinson Builders. Following a request to pay this amount we have received a legal set off claim from the connected party. We have sought legal advice in respect of this debt and have been advised that the set off claim is valid.
- 2.6 Costs have been incurred during the collection of the retentions by the Director's connected company, Hodgkinson Builders for remedial work carried out. These expenses amounted to £9,594.99.

Purchase of the Retention Ledger

- 2.7 The Director showed an interest in purchasing the Company's Retention ledger. Leslie Keats advice was sought on the level of the offer and its acceptability. Their advice was to accept an offer of £15,000 plus VAT and payment in full was received on 20 December 2011.

Fixtures & Fittings

- 2.8 The Company had fixtures and fittings comprising desks and chairs. An offer of £6,500 was received from the Director for these assets. Our agents, GoIndustry Dovebid advised that the offer represented a better return to the Company than would be received from an auction disposal and the offer was accepted. The assets were sold to the director for £6,500 plus VAT with the consideration being received on 10 November 2011.

Directors Loan Account

- 2.9 At the date of appointment there was an overdrawn Directors loan account in the sum of £5,321. This has been received in full.

Bank Interest

- 2.10 Bank Interest received during the Administration totalled £11.71.

3. Joint Administrators' receipts and payments

- 3.1 I have now completed my administration of the Company. A summary of receipts and payments covering the period from 19 January 2011 to 9 January 2012 is attached at Appendix A.

4. Liabilities

4.1 Secured Creditors

The Company granted charges in favour of National Westminster Bank plc (the “Bank”) in respect of a debenture over the Company’s assets created on 14 October 2005. As at 19 January 2011 the Bank were owed the sum of £402,425. The secured creditor had been guaranteed by the Director of the Company and was subsequently paid in full by the Director. The Director then replaced the Bank as the secured creditor. The secured creditor has received a distribution of £2,527.71.

4.2 Preferential Creditors

Preferential creditors’ claims relate to arrears of pay (limited to £800 per employee) and holiday pay due at the date of my appointment.

A dividend of 100p in the £ was paid to preferential creditors on 19 December 2011. Preferential claims agreed and paid totalled £9,197.02.

4.3 Unsecured Creditors & Prescribed part

Claims totalling £882,041.67 have been received compared with an estimate on the Director’s Statement of Affairs of £488,595.89.

Claims were not formally agreed as there was, regrettably no prospect of a dividend for unsecured, non preferential, creditors in this instance.

Prescribed Part

In accordance with Section 176A of the Insolvency Act 1986, a proportion of the Company’s net assets are to be set aside for the benefit of the Company’s unsecured creditors where the Company has granted a floating charge after 15 September 2003. This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter subject to a maximum fund of £600,000. Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors’ claims.

In this instance there will be no payment from the prescribed part as the net property is less than £10,000.

5. Investigations

- 5.1 I undertook an initial investigation into the Company’s affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved.

- 5 2 There were no matters that justified further investigation in the circumstances of this appointment
- 5 3 I can confirm that the Joint Administrators have reviewed the affairs of the Company for the period prior to Administration for the purpose of discharging their duties under the Companies Directors' Disqualification Act 1986
- 5 4 Creditors are reminded that the Administrators have a statutory obligation to consider the directors' conduct and to submit a return / report to the Department for Business, Innovation & Skills' Disqualification Unit. The Administrators can confirm that they have complied with this requirement

6. Pre-Administration Costs

- 6 1 In my previous report I advised that the Joint Administrators costs in dealing with matters prior to their appointment were £8,497.00 and that the sum of £4,500 would be sought for approval from the secured and preferential creditors of the Company. Approval was received on 22 August 2011 and the amount of £4,500 plus VAT was drawn.

7. Administrators' remuneration

- 7 1 The Administrators' remuneration has been agreed on a time cost basis by secured creditors and preferential creditors dated 22 August 2011. Authorisation to draw category 2 disbursements were also approved on these dates
- 7 2 A total of 208.8 hours have been spent in dealing with the Administration of this case, at a total cost of £32,936.50 representing an average hourly rate of £157.74. An amount of £31,058.00 plus VAT has been drawn in the period from my last progress report, with total fees drawn during the Administration amounting to the same. The remaining costs will be written off
- 7 3 During the course of the Administration, the Joint Administrators have incurred expenses in the sum of £421.70. £404.00 has been drawn and the remainder will be written off

	£
Bordereau	320.00
Statutory Advertising	67.50
Mileage *	34.20
	<hr/>
Total	421.70
	<hr/> <hr/>

- 7 4 *Of the total disbursements, £34 20 relates to allocated disbursements which are charged in accordance with a resolution approved by the secured and preferential creditors dated 22 August 2011
- 7 5 I would advise you that pursuant to rule 2 48A of the Insolvency Rules 1986, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors or an unsecured creditor with permission of the court, may, within 21 days of receipt of this report, ask the administrator for further information about the remuneration and expenses set out in this progress report
- 7 6 Additionally, pursuant to rule 2 109 of the Insolvency rules 1986, a secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured creditors or an unsecured creditor with the permission of the court may, within 8 weeks of the receipt of this report, apply to the court on one or more of the following grounds
- the remuneration charged by the administrator, or
 - the basis fixed for the administrator's remuneration, or
 - expenses incurred by the administrator

is or are in all of the circumstances, excessive or inappropriate

8. Professional advisors

- 8 1 The professional advisors used on this assignment are as follows

Name	Nature of Work	Basis of fee Arrangement
Harvey Ingram	Preparation of Administration Legal advice as to set off	Time cost basis plus disbursements Total fees incurred were £2,544 00 plus VAT
GoIndustry Dovebid	Preparation of a review and valuation of the company's chattel assets / Advising in relation to offers received	Time cost basis plus disbursements. Total fees incurred were £570 plus VAT
Insol Financial Solutions	Review of the Company's pension schemes and provision of advice in relation to these	Fixed fee of £250 00 plus VAT
Essex Abel Limited	Assisting the Director in preparing the Statement of Affairs	Time cost basis Total fees incurred were £1,000 00 plus VAT

Leslie Keats

Review of Contracts and
retentions together with
providing assistance with
Debtor Recoveries

Time cost basis plus
disbursements Total fees
incurred were £1,250 00 plus
VAT

- 8 2 The Administrators' choice was based on their perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them
- 8 3 The Administrators' have reviewed the fees incurred to date and are satisfied that they are reasonable in the circumstances of the case

9. Summary

- 9 1 The Administration is now complete
- 9 2 Following the realisation process, there were insufficient funds for a dividend to be payable to unsecured creditors. Therefore the most appropriate exit route from Administration was the dissolution of the Company, under paragraph 84 of Schedule B1 of the Insolvency Act 1986
- 9 3 The Administration will be concluded by the filing of form 2.35B and this report with the Registrar of Companies

Should you have any queries regarding this matter, please do not hesitate to contact Mark Richards at this office



S C Bevan
Joint Administrator

Dated 9 January 2012

Authorised to act as an insolvency practitioner in the UK by the Insolvency Practitioners Association

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

Appendix A

Hodgkinson Builders (Midlands) Limited
(In Administration)
Joint Administrator's Abstract of Receipts & Payments

From 19/07/2011 to 09/01/2012

Statement of Affairs	From 19/07/2011 To 09/01/2012	From 19/01/2011 To 09/01/2012	
	ASSET REALISATIONS		
2,500 00	Fixture & Fitting	6,500 00	6,500 00
150,000 00	Book Debts	24,585 80	40,605 15
	Rentention ledger purchase	15,000 00	15,000 00
5,321 00	Directors Loan Account	5,321 00	5,321 00
	Bank Interest Gross	8 57	11 71
		<u>51,415 37</u>	<u>67,437 86</u>
	COST OF REALISATIONS		
	Pre Appointment Costs	4,500 00	4,500 00
	Administrator's Fees	31,058 00	31,058 00
	Administrator's Disbursements	404 00	404 00
	Preparation of Statement of Affairs Fee	NIL	1,000 00
	Third Party Funds	3,882 06	3,882 06
	Agents/Valuers Fees (1)	570 00	820 00
	Quantity Surveyors Fees	NIL	1,250 00
	Legal Fees (1)	250 00	2,544 00
	Remedial Expenses	9,594 99	9,594 99
	Storage Costs	206 08	405 08
	Insurance of Assets	159 00	159 00
	Bank Charges	96 00	96 00
		<u>(50,720 13)</u>	<u>(55,713 13)</u>
	PREFERENTIAL CREDITORS		
	Redundancy Payment Service	6,755 66	6,755 66
(10,697 16)	Employees Wage Arrears and Holiday Pay	1,684 54	1,684 54
	HM Revenue & Customs	756 82	756 82
		<u>(9,197 02)</u>	<u>(9,197 02)</u>
	FLOATING CHARGE CREDITORS		
(402,425 00)	NatWest	NIL	NIL
	Hodgkinson Builders	<u>(2,527 71)</u>	<u>(2,527 71)</u>
		<u>(2,527 71)</u>	<u>(2,527 71)</u>
	UNSECURED CREDITORS		
(203,791 99)	Trade & Expense Creditors	NIL	NIL
(17,980 90)	Employee	NIL	NIL
(104,367 12)	Redundancy Payment Service	NIL	NIL
(84,413 00)	HMRC re VAT	NIL	NIL
(49,953 00)	HMRC re PAYE & NI	NIL	NIL
(29,720 00)	HMRC re Corporation Tax	<u>NIL</u>	<u>NIL</u>
		<u>NIL</u>	<u>NIL</u>

	DISTRIBUTIONS		
(1 00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(745,528.17)</u>		<u>(11,029.49)</u>	<u>NIL</u>
	REPRESENTED BY		<u>NIL</u>



Scott Christian Bevan
Joint Administrator

Appendix B

Hodgkinson Builders (Midlands) Limited - In Administration**Analysis of Administrator's time costs for the period 19 January 2011 to 9 January 2012**

Classification of work function	Partner	Director	Manager	Administrator	Total Hours	Time Cost £	Average Hourly Rate £
Administration and planning	2 70	14 50	0 40	15 40	33 00	6,673 00	202 21
Taxation	0 00	0 00	1 70	10 70	12 40	1,112 00	89 68
Investigation	0 00	0 30	0 00	3 40	3 70	342 00	92 43
Realisation of assets	3 50	17 10	0 40	9 10	30 10	7,146 50	237 43
Employees	0 00	2 00	0 00	9 70	11 70	1,311 00	112 05
Creditors	1 50	5 20	2 50	18 20	27 40	3,914 00	142 85
Reporting	0 00	12 40	1 00	24 50	37 90	5,650 00	149 08
Distribution	0 00	0 00	0 70	1 70	2 40	272 50	113 54
Cashiering	0 00	0 00	2 40	17 30	19 70	1,801 50	91 45
Statutory & Compliance	7 00	0 40	3 00	20 10	30 50	4,714 00	154 56
Total Hours	14 70	51 90	12 10	130 10	208 80	32,936 50	157 74