

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

05857169

Name of Company

JNC Construction Limited


I / ~~we~~

Nicholas Andrew Hancock, St James Building, 79 Oxford Street, Manchester, M1 6HT

the liquidator(~~s~~) of the company attach a copy of my/~~our~~ Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 17/05/2015 to 16/05/2016

Signed



Date

25 5 16

UHY Hacker Young turnaround and recovery
St James Building
79 Oxford Street
Manchester
M1 6HT

Ref PJ33/NAH/SW/KP/DBR

FRIDAY



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27/05/2016

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COMPANIES HOUSE

JNC Construction Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

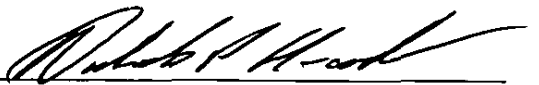
Statement of Affairs		From 17/05/2015 To 16/05/2016	From 17/05/2012 To 16/05/2016
	SECURED ASSETS		
5,000 00	Goodwill & Trading Name	<u>NIL</u>	<u>4,733 27</u>
		NIL	4,733 27
	COSTS OF REALISATION		
	Legal Fees	NIL	834 00
	Valuers Fees	<u>NIL</u>	<u>1,000 00</u>
		NIL	(1,834 00)
	SECURED CREDITORS		
(13,784 00)	The Royal Bank of Scotland Plc	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	HIRE PURCHASE		
8,000 00	Motor Vehicles	NIL	NIL
(11,678 00)	Bank of Scotland Plc	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	ASSET REALISATIONS		
4,600 00	Plant & Machinery	NIL	4,353 72
400 00	Office & Computer Equipment	NIL	378 73
5,000 00	Motor Vehicles	NIL	4,733 27
	BAAS Claims	NIL	1 01
	Bank Interest Gross	<u>NIL</u>	<u>5 20</u>
		NIL	9,471 93
	COST OF REALISATIONS		
	Specific Bond	NIL	40 00
	Travel	NIL	20 70
	Preparation of S of A	NIL	5,000 00
	Office Holders Expenses	NIL	8 00
	Valuers Fees	NIL	1,000 00
	Legal Fees (1)	NIL	3,334 66
	Corporation Tax	NIL	0 57
	Stationery & Postage	32 06	122 33
	Storage Costs	10 08	15 12
	Statutory Advertising	NIL	258 65
	Bank Charges	2.62	3 12
	Pension Advice	<u>NIL</u>	<u>200 00</u>
		(44 76)	(10,003 15)
	UNSECURED CREDITORS		
(20,248 00)	Trade & Expense Creditors	NIL	NIL
(96,662 00)	H M Revenue & Customs - VAT	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	DISTRIBUTIONS		
(101 00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
(119,473 00)		<u>(44.76)</u>	<u>2,368.05</u>

REPRESENTED BY

Vat Receivable
Yorkshire Bank - Non interest bearing

2 02
2,366 03

2,368 05



Nicholas Andrew Hancock
Liquidator

19 May 2016

PRIVATE AND CONFIDENTIAL

TO ALL KNOWN CREDITORS OF THE COMPANY

St James Building
79 Oxford Street
Manchester M1 6HT

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Web www.uhy-uk.com

Our ref PJ33/KP/NAH/6 ann

Your ref

Doc id 161639

Dear Sirs

**JNC CONSTRUCTION LIMITED
IN CREDITORS VOLUNTARY LIQUIDATION
COMPANY NUMBER: 05857169**

**REGISTERED OFFICE & TRADING ADDRESS 21 BOTESWORTH CLOSE, HINDLEY
GREEN, WIGAN, LANCASHIRE WN2 4NL**

I, N A Hancock, of this office was appointed liquidator to the above company on 17 May 2012 and enclose my fourth annual progress report on the administration of the case

This report should be read in conjunction with my previous progress report issued on 20 May 2015

RECEIPTS AND PAYMENTS

My receipts and payments account for the twelve month period 17 May 2015 to 16 May 2016 is attached

ASSET REALISATIONS DURING THE TWELVE MONTH PERIOD 17 MAY 2015 TO 16 MAY 2016

No asset realisations have been made during the period covered by this report

ASSET REALISATIONS DURING THE PREVIOUS REPORTING PERIODS

Unencumbered Company assets

You will recall that a sale of the unencumbered company assets had been agreed with the company director, Mr Jason Naughton, via JN Construction (UK) Limited in the sum of £15,000 plus VAT. The offer was broken down as follows,

M D Wasinski FCA S J Berry C Gawthorpe FCA CTA P Daly FCA N A Hancock FIPA FABRP M J Hodgson CTA D Kenrick CF
S J Lawson FCA B J Leyland D M Richardson MIPA MABRP M D C Robertson CA D Symonds FCA

N A Hancock and D M Richardson are licensed as Insolvency Practitioners by the Insolvency Practitioners Association

UHY Hacker Young turnaround and recovery Chartered Accountants is the trading name of UHY Hacker Young Manchester LLP a limited liability partnership registered in England and Wales with Registered Number OC332437

Registered to carry out audit work in the UK and Ireland and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales

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Goodwill and Trading Names	£5,000
Motor Vehicles	£5,000
Office and Computer Equipment	£400
Plant and Machinery	£4,599
BAAS Claim	£1

Turner Parkinson LLP prepared the sale agreement, whereby it was agreed that payments of £1,800 would be made monthly, with the final payment being received 1 April 2013. Due to financial difficulties only four payments had been received in the twelve month period to 16 May 2013 totalling £7,200.

As part of the sale agreement, it was stated that title in the assets would remain vested in the Liquidator until such time that payment was received in full. Due to the length of time that the matter had been outstanding solicitors were instructed to commence actions to realise the assets.

Mr Naughton subsequently made further payments of £5,000 in the twelve month period to 16 May 2014 and £2,000 in the twelve month period to 16 May 2015.

BAAS Construction Limited

The sale agreement included the assignment of any claims against BAAS Construction Limited. Initially Mr Naughton was to pursue the claims at his own expense, with the proceeds split on a 50/50 basis between Mr Naughton and the Liquidator. Due to the lack of progress made Turner Parkinson LLP were instructed to pursue the outstanding sums due. BAAS Construction Limited instructed solicitors to act on their behalf and appeared to be in a position to offer a figure of settlement, however, it was disputed whether the monies due were attributable to JNC Construction Limited or JN Construction (UK) Limited. It was agreed for Mr Naughton to negotiate payment of the sums due and once paid the issue of apportionment would be addressed.

Mr Naughton advised that a settlement figure had been reached, however, this was later disputed by the solicitors acting for BAAS Construction Limited. No evidence was provided to suggest that settlement had been agreed and the possibility of further legal action was considered. It was advised that the likely counter claims/damages raised would result in any balance due being reduced to nil and therefore given the value of the claim it was not considered cost effective to take any further action.

Motor Vehicles

The motor vehicles were inspected and professionally valued by Landwood Group, who advised that the two motor vehicles were subject to finance agreements with Bank of

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Scotland It was advised that there was no equity in either of the financed vehicles and therefore the company director, Mr Naughton, who held a personal guarantee for both vehicles dealt with the matter directly

Bank Interest

The sum of £5 has been received

ASSETS THAT REMAIN TO BE REALISED

Unencumbered Company Assets

A balance of £3,800 remains outstanding in respect of the sale of the unencumbered company assets

Promises of further payments have been made, however, no further funds were received and consideration was given to issuing court proceedings. However, it transpired that JN Construction (UK) Ltd had been wound up and subsequently dissolved on 3 June 2014, with no prospect of a distribution to creditors.

It is understood that the assets have been disposed of, despite title in the assets remaining in the Liquidator. Therefore, negotiations commenced with Mr Naughton to seek a proposal for settlement of the outstanding balance to prevent us seeking recovery of the assets. This action was put on hold pending an agreement being reached on the settlement of the debt due from BAAS Construction, however, due to the position discussed in detail above we continued pursuit of this outstanding balance.

Negotiations re-commenced with Mr Naughton and it was advised that the Company may be due a refund from a government backed bank loan that was miss sold to the Company prior to our appointment. It was understood that the refund would settle the balance that remained outstanding for the Company assets in full.

Following further investigations with the bank, it is understood that whilst the liability from the loan has been reduced to nil there will be no refund due to the company. On this basis Mr Naughton has been requested to provide his proposals to settle the remaining outstanding balance.

CREDITORS

Secured creditors

Royal Bank of Scotland Plc held a fixed and floating charge over the company goodwill and trading name, relating to the overdrawn balance of the company's bank account. It is

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unlikely that there will be sufficient funds to make a payment once the costs of the valuation and sale are taken into account

Preferential creditors

No preferential claims have been received in the Liquidation

Unsecured Creditors

There are 29 unsecured creditors, to date 15 claims have been received totalling £471,420, this is broken down as follows

Trade Creditors	£119,187
Banks	£152,506
H M Revenue & Customs VAT	£101,379
H M Revenue & Customs PAYE	£98,348

The claims have not been adjudicated as there are insufficient funds available to enable a dividend to be paid to unsecured creditors

Prescribed Part

It is believed that the Net Property of the company is lower than the prescribed minimum, therefore, the calculation of the Company's net property is not applicable

INVESTIGATION

I can advise you that my investigations are now complete and all relevant matters have been reported to the appropriate authorities who are conducting their own enquires

COSTS OF THE LIQUIDATION

Legal Fees

Legal costs of £4,168 have been incurred in drafting the sale agreement, chasing for instalment payments and advising in respect of the monies due from BAAS Construction Limited. Turner Parkinson LLP were instructed due to their expertise within the market

Agent's Fees

Agent's fees in the sum of £2,000 have been incurred in valuing the company assets and goodwill. Bridgemans and Landwood Group were instructed due to their expertise within the market

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Pension Advice

The sum of £200 has been paid to 20-20 Pension Trustees Limited for providing advice and assistance with the potential company pension scheme. It was advised that the scheme identified was not connected to JNC Construction Limited and therefore no further action was required.

LIQUIDATORS COSTS

Statement of Affairs fee

The sum of £7,500 was due to be paid to UHY Hacker Young turnaround and recovery for their work in respect of the preparation of the statement of affairs and convening the meeting of creditors, as agreed at the meeting of creditors held on 17 May 2012. To date the sum of £5,000 has been drawn on account of these costs.

Liquidator's fees

My total time costs in dealing with the administration of this case for the period from the date of appointment 17 May 2012 to 16 May 2016 are £52,150 in respect of 259 hours, a breakdown of which is attached at Appendix II.

Details of my time costs during the twelve month period covered by this report from 17 May 2015 to 16 May 2016 are £7,225 in respect of 35 hours, as shown at Appendix III.

At a meeting of creditors held on 17 May 2012, approval that my costs may be drawn on a time cost basis was obtained.

No fees have been drawn to date due to insufficient funds in the account.

A schedule detailing the current charge out rates is attached.

A copy of the extract from the Statement of Insolvency Practice 9, A Creditors' Guide to Liquidators' Fees, will be supplied to you on request or alternatively may be viewed at <http://turnaround-recovery.uhy-uk.com/home/creditors-guide-to-fees>

Liquidator's disbursements

Liquidator's disbursements are shown below,

Disbursement	Previous period 17/05/2012 to 16/05/2015	Current period 17/05/2015 to 16/05/2016	Total
Category 1			
Statutory advertising – London Gazette	258 65	-	258 65
Bonding	40 00	-	40 00
Postage & Stationery	90 27	34 74	125 01
Storage	13 44	5 04	18 48
Travel	20 70	-	20 70
Veriphy Search	8 00	-	8 00
Total disbursement incurred	431 06	39 78	470 84
Disbursement drawn	(422 66)	(42.14)	(464 80)
Disbursement outstanding	8 40	(2 36)	6 04

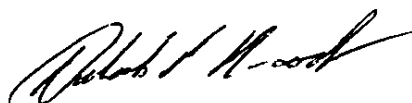
CREDITORS RIGHTS TO REQUEST FURTHER INFORMATION

Creditors are reminded of their rights under Rule 4 49E of the Insolvency Rules 1986. Within 21 days of receipt of a progress report a secured creditor or an unsecured creditor with concurrence of 5% in value of the company's unsecured creditors or permission of the court may request further information about remuneration and expenses set out in the report. Such a request must be made in writing.

The Liquidator must provide the information requested within 14 days of receipt of the request or alternatively his reasons for non-provision of the information.

Should a creditor believe that the Liquidators remuneration or expenses are excessive, any secured creditor or any unsecured creditor with the concurrence of 10% in value of the company's creditors or permission of the court, may apply to court to challenge the Liquidators remuneration under Rule 4 131 of the Insolvency Rules 1986. Any such application must be made within a period of 8 weeks following the receipt of the progress report in which the remuneration is first reported.

Yours faithfully



N A Hancock
Liquidator

JNC CONSTRUCTION LIMITED
IN CREDITORS VOLUNTARY LIQUIDATION
LIQUIDATORS RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD 17 MAY 2015 TO 16 MAY 2016

Appendix I

	Per Statement of affairs	For the period 17 May 2012 to 16 May 2015	For 12 month period 17 May 2015 to 16 May 2016	Total period 17 May 2012 to 16 May 2016
	£	£	£	£
ASSETS SPECIFICALLY PLEDGED				
Goodwill	5,000	4,733 27	-	4,733 27
Less The Royal Bank of Scotland	(13,794)	-	-	-
	<u>(8,784)</u>	<u>4,733 27</u>	<u>-</u>	<u>4,733 27</u>
Motor Vehicles	8,000	-	-	-
Less Bank of Scotland Finance	(11 678)	-	-	-
	<u>(3,678)</u>	<u>-</u>	<u>-</u>	<u>-</u>
ASSETS NOT SPECIFICALLY PLEDGED				
Receipts				
Motor Vehicles	5 000	4,733 27	-	4,733 27
Office & Computer Equipment	400	378 73	-	378 73
Plant & Machinery	4,600	4,353 72	-	4,353 72
BAAS Claims	-	1 01	-	1 01
Bank Interest Gross	-	5 20	-	5 20
	<u>10,000</u>	<u>14,205 20</u>	<u>-</u>	<u>14,205 20</u>
Payments				
Valuer's Fees		2,000 00	-	2,000 00
Legal Fees		4,168 66	-	4,168 66
Statutory Advertising		258 65	-	258 65
Specific Bond		40 00	-	40 00
Liquidator's Disbursements		124 01	42 14	166 15
Preparation of Statement of Affairs		5,000 00	-	5,000 00
Corporation Tax		0 57	-	0 57
Bank Charges		0 50	2 62	3 12
Pension Advice		200 00	-	200 00
		<u>11,792 39</u>	<u>44 76</u>	<u>11,837 15</u>
Balance in hand		<u>2,412 81</u>	<u>(44 76)</u>	<u>2,368 05</u>
		<u>14,205 20</u>	<u>-</u>	<u>14,205 20</u>
Funds held				
Current account - Lloyds Bank		2,079 47	(2,079 47)	-
Current account - Yorkshire Bank		-	2,366 03	2,366 03
VAT Control Account		333 34	(331 32)	2 02
		<u>2,412 81</u>	<u>(44 76)</u>	<u>2,368 05</u>
Liquidator's disbursements charged on following basis.				
Category 1				
Postage (actual - dependant on weight)		90 27	32 06	122 33
Travel		20 70	-	20 70
Storage Costs		5 04	10 08	15 12
Veriphy Search		8 00	-	8 00
Category 2		-	-	-
		<u>124 01</u>	<u>42 14</u>	<u>166 15</u>

The receipts and payments account is shown net of VAT

**JNC CONSTRUCTION LIMITED
IN CREDITORS VOLUNTARY LIQUIDATION**

Appendix II

ANALYSIS OF TIME COSTS INCURRED

FOR THE PERIOD 17 MAY 2012 TO 16 MAY 2016

Category	Partner		Senior Manager		Manager		Administrator		Total hours	Time cost £
	Hours	Cost £	Hours	Cost £	Hours	Cost £	Hours	Cost £		
Administration, planning & reviews	4 00	1,330 00	6 30	2,042 50			42 40	7,442 50	52 70	10,815 00
Statutory notices & annual reports			3 10	984 50			31 40	5,352 00	34 50	6,336 50
Legal Advice			0 30	111 00					0 30	111 00
Investigation			2 00	562 50			14 80	2,008 00	16 80	2,570 50
Realisation of assets	23 00	7,300 00	6 10	1,789 00			66 00	11,585 00	95 10	20,674 00
Debt collection	5 00	1,975 00	1 30	448 50			23 50	4,142 50	29 80	6,566 00
Creditors claims & correspondence			0 70	182 00			8 60	1,275 00	9 30	1,457 00
Employee claims & correspondence							4 70	842 00	4 70	842 00
Pension Scheme							0 70	122 50	0 70	122 50
Post-app tax/vat returns & correspondence							12 60	2,124 00	12 60	2,124 00
Closure							2 80	532 00	2 80	532 00
	32 00	10,605 00	19 80	6,120 00	-	-	207 50	35,425 50	259 30	52,150 50
Average hourly cost (£)		331 41		309 09				170 73		201 12

**JNC CONSTRUCTION LIMITED
IN CREDITORS VOLUNTARY LIQUIDATION**

Appendix III

ANALYSIS OF TIME COSTS INCURRED

FOR THE TWELVE MONTH PERIOD 17 MAY 2015 TO 16 MAY 2016

Category	Partner		Senior Manager		Manager		Administrator		Total hours	Time cost £
	Hours	Cost £	Hours	Cost £	Hours	Cost £	Hours	Cost £		
Administration, planning & reviews	1 00	400 00	1 00	374 00			6 70	1,333 00	8 70	2,107 00
Statutory notices & annual reports							6 10	1,171 00	6 10	1,171 00
Realisation of assets			0 30	111 00			17 60	3,388 00	17 90	3,499 00
Creditors claims & correspondence							0 60	114 00	0 60	114 00
Post-app tax/vat returns & correspondence							1 80	334 00	1 80	334 00
	1 00	400 00	1 30	485 00	-	-	32 80	6,340 00	35 10	7,225 00
Average hourly cost (£)		400 00		373 08				193 29		205 84

UHY HACKER YOUNG
turnaround and recovery
Manchester office

Hourly Charge-Out Rates

The table shown details the hourly charge-out rates utilised by UHY Hacker Young turnaround and recovery, Manchester for charging staff time. The rates shown include the current rates and those previously in force.

Grade	From 1 4 2016	1 10 2014 to 31 3 2016	1 4 2013 to 30 9 2014	1 3 2011 to 31 3 2013
	per hour	per hour	per hour	per hour
Partner / Director	£400 - £370	£400 - £370	£395 - £345	£310 - £280
Senior Manager	£325	£310	£300	£260
Manager	£260	£260	£250	£230
Manager (Property Management)	£160	£160	£150	£145 - £130
Senior Administrator	£210	£190	£175	£145
Administrator	£155 - £140	£150 - £130	£140 - £120	£120 - £100
Junior	£120	£110	£100	£85

The rates are applied consistently across all insolvency appointments and presented for approval of creditors or a creditors' committee.

Time spent on a case is recorded directly using an on-line time recording system. This is allocated in units of 6 minutes, with the nature of the work undertaken being recorded utilising the categories stated below,

Ethical/conflict issues	Planning and strategy
General Administration	Creditors Secured/Unsecured
Retention of title claims	Asset realisation/management
Debt Collection	Employee matters
Lease/rentals	Legal matters
Statutory work	Trading/wages/vat
Statement of Affairs	Reporting
Distribution and closure	

The firm's policy with regard to support staff is that their time is not recovered separately from the case as the cost of provision of the support services are included in the basis of the charge-out rate for the professional staff.

Percentage basis

Where we intend to charge remuneration on a percentage basis relating to realisation of assets and/or distribution of funds. We will provide further information explaining why this basis is appropriate and request creditors to approve the basis.

Fixed Fee

Where we intend to charge remuneration on a fixed fee basis in relation to specific tasks. We will provide further details of the work to be completed in respect of the fixed fee and why this basis is appropriate and request creditors to approve the basis.

UHY HACKER YOUNG
turnaround and recovery
Manchester office

Disbursements and other costs

Disbursements incurred in the course of an appointment are recharged to the case in accordance with SIP9 regulations on all insolvency appointments. These fall into two categories,

Category 1 disbursements - Specific costs referable to the case in question and paid to an independent third party. These generally include advertising, bond, postage, and travel expenses. Category 1 disbursements may be drawn without prior approval.

Category 2 disbursements - Are not specific costs which are re-charged by the firm on the following basis. These generally include photocopying, meeting room hire, telephone calls and tax. Category 2 disbursements are required to be approved by creditors before they can be drawn.

Internal meeting room	£65 per hour	Storage of IP's working files (6 years)	£21 per box
Internal photocopying	10p per sheet		

Statutory Information

A copy of the extract from the Statement of Insolvency Practice 9, A Creditors' Guide to Fees, is located at <http://turnaround-recovery.uhy-uk.com/home/creditors-guide-to-fees> or alternatively a paper copy will be supplied to you on request.

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For full details of our professional regulation, please refer to www.uhy-uk.com/regulatory-and-network-information