

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

WEDNESDAY



A08 *A7YPUPUZ* 06/02/2019 #150
COMPANIES HOUSE

1 Company details

Company number 0 6 9 0 5 9 8 9

Company name in full SP & AJ BUILDING & DEVELOPMENT LIMITED

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

2 Court details

Court name Business and Property Courts of Eng

Court case number 0 0 1 6 8 4 2 0 1 8

3 Administrator's name

Full forename(s) Mark Grahame

Surname Tailby

4 Administrator's address

Building name/number 109 Swan Street

Street Sileby

Post town Leicestershire

County/Region

Postcode L E 1 2 7 N N

Country


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5	Administrator's name ①	
Full forename(s)	Graham Stuart	① Other administrator Use this section to tell us about another administrator.
Surname	Wolloff	
6	Administrator's address ②	
Building name/number	2 Axon	② Other administrator Use this section to tell us about another administrator.
Street	Commerce Road	
Post town	Peterborough	
County/Region		
Postcode	P E 2 6 L R	
Country		
7	Appointor/applicant's name	
	Give the name of the person who made the appointment or the administration application.	
Full forename(s)	Simon	
Surname	Black	
8	Proposed liquidator's name	
Full forename(s)	Mark Grahame	
Surname	Tailby	
Insolvency practitioner number	9 1 1 5	
9	Proposed liquidator's address	
Building name/number	109 Swan Street	
Street	Sileby	
Post town	Leicestershire	
County/Region		
Postcode	L E 1 2 7 N N	
Country		

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10	Proposed liquidator's name^①	
Full forename(s)	Graham Stuart	
Surname	Wolloff	
Insolvency practitioner number	8 8 7 9 [] [] [] []	
		① Other liquidator Use this section to tell us about another liquidator.
11	Proposed liquidator's address^②	
Building name/number	2 Axon	
Street	Commerce Road	
Post town	Peterborough	
County/Region		
Postcode	P E 2 [] [] 6 L R []	
Country		
		② Other liquidator Use this section to tell us about another liquidator.
12	Period of progress report	
From date	<div> <div>d</div>0<div>d</div>8 <div>m</div>0<div>m</div>3 <div>y</div>2<div>y</div>0<div>y</div>1<div>y</div>8 </div>	
To date	<div> <div>d</div>0<div>d</div>4 <div>m</div>0<div>m</div>2 <div>y</div>2<div>y</div>0<div>y</div>1<div>y</div>9 </div>	
13	Final progress report	
<input checked="" type="checkbox"/> I have attached a copy of the final progress report.		
14	Sign and date	
Administrator's signature	<div> <div>Signature</div> <div>X</div> <div></div> <div>X</div> </div>	
Signature date	<div> <div>d</div>0<div>d</div>4 <div>m</div>0<div>m</div>2 <div>y</div>2<div>y</div>0<div>y</div>1<div>y</div>9 </div>	

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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	Craig Ridgley
Company name	Elwell Watchorn & Saxton LLP
Address	109 Swan Street
	Sileby
Post town	Leicestershire
County/Region	
Postcode	L E 1 2 7 N N
Country	
DX	
Telephone	01509 815150



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 and dated 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

The logo consists of the letters 'EWS' in a white, bold, sans-serif font, centered within a solid black square.

ELWELLWATCHCHORN SAXTON

Specialist Business Recovery

**Joint Administrators' Final Progress Report relating to
SP & AJ BUILDING & DEVELOPMENT LIMITED ("the Company") – In Administration**

Tel 01509 815150 / **Fax** 01509 815121 / **Email** leicester@ewslip.co.uk / **Web** ewslip.co.uk
Elwell Watchorn & Saxton LLP, 109 Swan Street, Sileby, Loughborough, Leicestershire LE12 7NN

Elwell Watchorn & Saxton LLP is a limited liability partnership registered in England number OC311000
VAT registration number: 655 0983 15
Registered office 109 Swan Street, Sileby Loughborough, Leicestershire LE12 7NN
Members David Watchorn Limited Graham Wolloff Limited Joe Sadler Limited
Nigel Price Limited Liam Short Limited Mark Tailby Limited



SP & AJ BUILDING & DEVELOPMENT LIMITED – In Administration

STATUTORY INFORMATION

Company name:	SP & AJ BUILDING & DEVELOPMENT LIMITED
Court name and reference	Business and Property Courts of Eng 001684 of 2018
Company number:	06905989
Trading address:	Unit 12 , Whitwick Business Centre, Stenson Road, Coalville, LE67 4JP
Registered office:	109 Swan Street, Sileby, Leicestershire, LE12 7NN
Former registered office:	Unit 12 , Whitwick Business Centre, Stenson Road, Coalville, Leicestershire, LE67 4JP
Principal trading activity:	Other building completion and finishing
Joint Administrators' names:	Mark Grahame Tailby and Graham Stuart Wolloff
Joint Administrators' address:	109 Swan Street Sileby Leicestershire LE12 7NN
Date of appointment	8 March, 2018
Appointment made by:	By court order under application by the directors
Actions of Administrators	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

SUMMARY OF THE ADMINISTRATORS' PROPOSALS

The following proposals were approved by the creditors by way of a Decision Procedure on 18 May 2018.

The Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:

- (i) they realise the Company's assets at such time(s) and on such terms as they consider appropriate;
- (ii) they investigate and, if appropriate, pursue any claims that the Company may have.
- (iii) in the event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Graham Stuart Wolloff and Mark Grahame Tailby will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator.

STEPS TAKEN DURING THE ADMINISTRATION

During the period since my last progress report was issued, we have continued to liaise with the quantity surveyors over their attempts to realise the company work in progress and debtors, liaised with the accountants engaged and also HMRC in relation to the VAT refund due to the company and continued our investigations into the affairs of the company and its officers.

There is also certain work that I am required by the insolvency legislation to undertake in connection with the Administration that provides no financial benefit for the creditors. A description of the work undertaken since my last progress report is contained in Appendix 1.

OUTCOME OF ADMINISTRATION

As disclosed in the joint administrators' proposals the objective of the administration being pursued was that of achieving a better result for creditors than if the company had been liquidated. This was principally based on the advice of Leslie Keates that, in a liquidation scenario, the work-in-progress of just over £1.5million would likely have no realisable value whereas in the administration scenario, realisations were expected to be significantly enhanced.

Whilst there have been no sums realised in respect of the work in progress to date, the latest update provided by Leslie Keates still anticipates that there will be sums recoverable and as such we believe the purpose of the administration will likely be achieved.

We have been advised by Leslie Keates that the negotiations over contracts have reached a point where the company no longer needs to be in administration. We therefore have submitted to the registrar of companies a notice under paragraph 83(3) of Schedule B1(1) of moving from administration to creditors' voluntary winding up. This will allow the realisation of the remaining company assets, the furtherance of our investigations and ultimately, based on information currently available, a dividend to the non-preferential creditors as outlined below.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 8 March 2018 to 01 February 2019 is attached at Appendix 2. The Receipts and Payments account shows that the current balance held of £1,479.54 will be transferred to the Liquidator.

ASSETS

Financed Motor Vehicles

Upon appointment, as there was no equity in the agreement, arrangements were made with the finance companies to arrange the uplift of these vehicles. It is understood that the directors had personally guaranteed any shortfall under the agreement and I can confirm that I am yet to receive any claims in this regard.

Work in Progress & Debtors

A specialist firm of quantity surveyors were engaged to realise any sums possible from the ongoing contracts and the company debtor ledger, which principally comprised retentions. They have successfully negotiated the novation of one of the company contracts for a consideration of £20,000 and this sum has been paid to them. They continue to negotiate over the remaining contracts. They provided an update of their current estimates for the remaining contracts with a further £122,500 being realisable in a best-case scenario and £5,000 in a worst-case scenario.

VAT Refund

The company had engaged a new firm of accountants shortly prior to the administration to bring their financial records up to date. This firm of accountants were engaged to produce the necessary VAT returns and supporting schedules to claim the refund from HMRC. These returns were submitted claiming a gross refund of £113,133.19. HMRC have now requested further information in relation to the figures contained in the returns and we continue to liaise with them and provide the information they require. It is anticipated that they will exercise their right to offset the sums due to them in respect of pre-appointment PAYE/NICs and the sums due to the National Insurance fund for the payments made to the former employees.

As part of quantifying the VAT refund and preparing the returns, it was necessary for the accountant to recreate the entire company accounts. Now this work has been undertaken they are additionally looking into the possibility of claiming a refund of corporation tax. The possibility and quantum of such a refund remain uncertain.

IT & Office & Equipment

A professional valuation of the assets of the Company was prepared by John Pye & Sons Limited, an independent firm of valuers who have confirmed that they hold Professional Indemnity Insurance.

On 05 July 2018, the IT & Office Equipment of the Company were sold to SP & AJ Building & Development (Holdings) Limited, a company connected by virtue of common ownership and directorship, by private treaty. The consideration for the sale was £1,500.00 + VAT. Due to the nature and limited value of the assets, John Pye & sons Limited confirmed that this would likely result in the greatest net realisations due to the additional costs that would be incurred in removing the assets from the premises and selling them at auction. The consideration in respect of the sale has now been received.

The realisations in respect of the work in progress, debtors and tax refunds will now be dealt with in the liquidation

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over its assets.

Legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case there were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

Preferential Creditors

The statement of affairs anticipated that there would be no preferential claims in the administration. Claims totaling £800.00 have been received. I am yet to adjudicate on the claims of the preferential creditors and only propose to do so when realisations allow a distribution to the preferential creditors.

Crown Creditors

The statement of affairs estimated that there would be a net sum due from HMRC as the anticipated VAT refund would be more than the sums owed to HMRC for PAYE/NICs and the Redundancy Payments Office for their subrogated claim in respect of the payments made to the employees. I can confirm that I am yet to receive a formal claim from HMRC.

Non-preferential unsecured Creditors

The statement of affairs included 169 non-preferential unsecured creditors with an estimated total liability of £1,650,069.70. I have received claims from 111 creditors at a total of £1,712,955.07. A number of claims have been received from subcontractors that include sums relating to damages under their contracts. It may become necessary to adjudicate on such claims depending on the quantum of the dividend payable to the non-preferential

creditors.

DIVIDEND PROSPECTS

Preferential creditors

It is currently anticipated that the preferential creditors, if any, will be paid in full.

Non-preferential unsecured creditors

The return to the non-preferential creditors is ultimately dependent on the value of the VAT refund received, the value of the Crown liabilities that are offset against this and the final value of creditor claims agreed. Whilst it is still anticipated that there will be a dividend, it is still difficult to provide any accurate estimate of the quantum or the timing. As it appears likely that a dividend will be declared the Company has been placed into Creditors' Voluntary Liquidation to facilitate the distribution.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

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 the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

The initial meeting of the creditors committee highlighted several areas of concern that we were requested to investigate, initially on a superficial level. Whilst these investigations are ongoing we do not propose to disclose the nature of these concerns. Our findings were reported back to the committee at a meeting recently held and we will continue to investigate those areas where it was determined that there was a real prospect of a recovery for the benefit of creditors.

Specifically, to date I recovered, listed and reviewed the Company's accounting records both physical and electronic; reviewed the electronic accounting records for the 12 months prior to the administration; and compared the information in the Company's last set of accounts with that contained in the information provided by the directors.

Within 3 months of my appointment as Administrator, I was required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

PRE-ADMINISTRATION COSTS

On 17 July 2018 the pre-administration costs detailed in the joint administrator's proposals were approved at a meeting of the creditors committee.

Pre-administration fees of MT Insolvency Limited were agreed in the sum of £10,000.00 and this sum was paid by the company prior to the administration. In addition however, MT Insolvency Limited incurred disbursements of £1,500.00 relating to the costs of the barrister who attended the winding up hearing and this is yet to be paid.

Pre-administration expenses incurred by Howes Percival Solicitors in providing legal advice in relation to the administration application and to assist with the production of the necessary documents in relation to the administration application. Time costs incurred in relation to the work total £7,839.00 plus VAT, plus disbursements of £395.00 plus VAT.

Pre-administration expenses incurred by Leslie Keats in providing their opinion of the estimated realisable sums in respect of the company retentions and debtors for inclusion in the report submitted to court accompanying the administration application. They were also engaged to provide advice on potential realisation methods that would maximise the net return to creditors. Their pre-appointment time costs in respect of this work were £5,495.35.

Due to the lack of funds in the administration estate, the costs of both Howes Percival and Leslie Keates remain outstanding.

ADMINISTRATORS' REMUNERATION

On 17 July 2018, at a meeting of the creditors committee, our remuneration was approved on a time cost basis based on a fee estimate of £60,000.00. It was further resolved that the Joint Administrators be authorised to draw fees up to £20,000.00 plus VAT without reference to the Committee. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors' committee. Total time costs to 01 February 2019 amount to £30,218.50, representing 196.1 of hours work at a blended charge out rate of £154.10 per hour.

As you are aware, when my remuneration was authorised by the Creditors' Committee, my estimate of total time costs took into account the work that I will undertake as Liquidator. I can confirm that at present I do not anticipate that the total time costs I anticipate incurring in the liquidation will mean that I will exceed the total estimated remuneration as set out in my fees estimate. As agreed with the committee however, I will seek their authorisation to draw any sums of remuneration in excess of £20,000 as and when appropriate.

Due to the lack of realisations, no remuneration has been drawn during the administration and therefore this will be drawn in the liquidation.

A detailed schedule of my time costs incurred to date and those since 08 September 2018 which were reported in the joint administrator's proposals is attached as Appendix 2.

I do not currently anticipate that the total time costs I will incur in this matter in respect of the categories of work for which I am being remunerated on a time cost basis will exceed the total estimated remuneration I set out in the original fees estimate authorised by the creditors committee.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Administrators' Fees' also published by R3, together with an explanatory note which shows Elwell Watchorn & Saxton LLP's fee policy are available at the link www.ewslp.co.uk. Please note that there are different versions of the Guidance Notes and in this case you should refer to the April 2017 version.

ADMINISTRATORS' EXPENSES

I have incurred the expenses listed below since my appointment as Administrator. However, due to lack of realisations, I have not yet been able to draw any expenses in this matter.

Type of expense	Amount incurred/ accrued in the reporting period
Specific penalty bond	720.00
Statutory adverting	153.90
Periodic report internet hosting	20.00
Total	£893.90

I have incurred the following category 2 disbursements in the period since my appointment as Administrator.

Type of category 2 disbursement	Amount incurred/ accrued in the reporting period
Mileage	£0

I have used the following agents or professional during the administration:

Professional Advisor	Nature of Work	Basis of Fees
Nixon Mee	Production of P45s	Fixed Fee of £250.00
John Pye & Sons	Valuer/Auctioneer	%age of realisations
Leslie Keats	Quantity Surveyors	Time costs
Business Consultancy	Accountancy work in relation to claiming the VAT refund	15% of realisations

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case.

Nixon Mee

The former company accountants, who dealt with the payroll, were engaged to produce the P45s for the former employees. There were paid a fixed fee of £250.00 for this service.

John Pye & Sons

Were engaged to realise the company's physical assets by the most advantageous means possible. They were paid the sum of £225.00 for this service.

Leslie Keats

Were engaged to review the company contracts and debtor ledger to seek to realise any sums possible for the benefit of the estate. Additionally, they were requested to provide advice over a disputed non-preferential claim received from a sub contractor. It was agreed that they would be paid on a time costs basis and their accrued time costs total £11,223.85.

Business Consultancy

Were engaged to recreate the company accounts to be able to accurately quantify the quantum of the VAT refund due and once the figures had been collated to submit the necessary returns to HMRC. Additionally, they have been engaged to review the potential of submitting a terminal loss relief claim in respect of corporation tax. The basis of their fee was agreed at 15% of the sums realised in respect of these refunds. As no sums have currently been realised in this regard no fees have been paid.

As at the date of this report, we do not anticipate that the expenses we will incur in this matter will significantly exceed the total expenses we estimated we would incur as disclosed in the joint administrator's proposals previously circulated to creditors.

Again, as these remain unpaid, these will be paid out of the assets of the Company in the Liquidation and in priority to the costs and expenses of the Liquidation.

FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Elwell Watchorn & Saxton LLP can be found at www.ewslp.co.uk.

Elwell Watchorn & Saxton LLP uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how Elwell Watchorn & Saxton LLP uses your personal information on our website at www.ewslp.co.uk.

SUMMARY

The Administration as approved in the proposals is now complete and our files will be closed. If creditors have any queries regarding the conduct of the Administration, or this report, or if they want hard copies of any of the documents made available on-line, they should contact Craig Ridgley on 01509 815150 or by email at c.ridgley@ewslp.co.uk.



Mark Grahame Tailby
JOINT ADMINISTRATOR

The affairs, business and property of the Company are being managed by the Joint Administrators, Mark Grahame Tailby and Graham Stuart Wolloff. The Joint Administrators act as agents of the Company and contract without personal liability.

**SP & AJ BUILDING & DEVELOPMENT LIMITED- IN ADMINISTRATION
SCHEDULE OF REMUNERATION, DISBURSEMENTS AND CASE EXPENSES;**

Firms' charging policies for appointments taken after 1 October 2015

It is the firms' policies that all staff involved on an assignment will record all time spent on dealing with matters arising on that client and that the time will be categorised to show the type of activity carried out. The charge out rates of licensed insolvency practitioners, directors and managers do not therefore include provisions for time spent by secretaries, cashiers and support staff.

Irrespective of any basis of remuneration agreed, the legislation requires that time spent by all staff on a case is recorded. The recorded time cost is calculated by multiplying the time spent by the individual by their charge-out rate. Time is recorded in units of 6 minutes, with 10 units making up each hour of time spent. Charge-out rates are reviewed annually and are subject to change without prior notice. Full details of the rates applied to a specific case are available on application.

Although for most appointments, the legislation allows the office holders to seek to be remunerated on a combination of any or all of the following bases;

- a. A time cost basis
- b. A percentage of the value of the property dealt with by the office holders (realisations and / or distributions)
- c. A fixed fee

The arrangements regarding office holders' remuneration do not however apply to Members Voluntary Liquidations (MVL's), Company Voluntary Arrangements (CVA's) or Individual Voluntary Arrangements (IVA's). In MVL's, the company members agree the fee basis, usually as a fixed fee. In VA's, the fee basis is incorporated in the arrangement proposal which creditors agree when they approve the arrangement.

Office holders' remuneration is subject to VAT with the exception of VA's which are VAT exempt.

Elwell Watchorn & Saxton LLP has five grades of staff (including the office holder) as detailed below. The office holder ensures that case assignments have been carried out by appropriate grades of staff. The charge-out rates of the persons involved in this case from commencement to the current time are as follows:-

	<i>Charge-out rate at commencement (up to £ per hour)</i>
Licensed Insolvency Practitioner	225.00
Director / Senior Manager	175.00
Manager	150.00
Other professionals	135.00
Administrative staff	65.00

Each staff member involved in the case records actual time spent in a computerised time recording system together with a narrative describing the actual work undertaken. Work is analysed by prescribed task descriptors which are recorded under the following standardised categories;

- Administration (including statutory reporting)
- Investigations
- Realisation of assets
- Trading
- Creditors (claims and distribution)
- Case specific matters

In seeking approval to be remunerated on a time costs basis, the office holder must provide a fee estimate to the creditors which then acts as a cap to ensure that the fees subsequently drawn cannot exceed the fee estimate without the office holder seeking further approval. The office holder must also provide details of the work intended to be undertaken together with details of the hourly rates proposed to be charged and an estimate of the time envisaged being taken to complete the required work. The office holder will also state whether it is envisaged at this stage whether there may be a future need to seek approval to exceed the original estimate and any reasons for which this could become necessary. To simplify matters, the estimated charges may be presented using a 'blended' (an average time cost) rate for the work carried out detailed in the fee estimate.

Should the office holder subsequently need to seek authority to draw fees in excess of the original fees estimate, details will be provided which include reasons why the original estimate has been or is likely to be

exceeded, details of any additional work required to be undertaken, the hourly rates proposed and an estimate of the additional time envisaged being taken to complete the identified work. The office holder will again state whether it is envisaged at this stage whether there may be a future need to seek approval to exceed the estimate and any reasons for which this could become necessary.

Sufficient information will be provided about the appointment to demonstrate how the fee estimate reflects the requirements of the case. This will include any responsibility of an exceptional nature on the office holder, the effectiveness with which functions are carried out and the value and nature of the property dealt with by the office holder.

A guide to help creditors understand the law and their rights in relation to an insolvency process can be found at:- <http://www.creditorinsolvencyguide.co.uk>

Additional information regarding how the Insolvency Practitioner will be paid can be downloaded under "Fees" at:- <https://www.r3.org.uk/what-we-do/publications/professional/fees>

Alternatively, a creditor may obtain a printed copy by contacting this office directly.

Disbursements

Disbursements incurred by the office holder in connection with the case must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 - disbursements not requiring approval represent a re-charge to the estate for direct costs, payable to independent third parties, specifically incurred in the administration of the estate. In certain instances these costs were initially met from the firm's resources due to the lack of funds available at the time that payment was due.

Category 2 - disbursements requiring approval, represent a charge to the estate for the costs incurred by the firm specifically in relation to the estate. The basis of payment of category 2 disbursements must be approved by creditors prior to any payment being drawn. It was proposed that payment shall be made in respect of Category 2 disbursements as follows:-

- Mileage will be charged at 45p per mile.
- Other disbursements where the firm makes payment to an external party for an expense incurred wholly, exclusively and necessarily in relation to the insolvent estate, will be recharged at cost.

Remuneration and approved fees estimate

Creditors should be aware that it is the fees estimate **total** that acts as an overall cap on appointees' remuneration across all of the categories. The individual category totals form an **estimate** of the likely category time cost fees anticipated at the time of presentation. We have ensured throughout that case assignments are carried out by appropriate grades of staff.

Work carried out on this case in the period covered by this report is detailed below. We are required by the legislation to indicate which of these activities are likely to provide a financial benefit to creditors of the case (shown in *italics*) as opposed to those that are required by statute (shown in normal type).

Administration (including statutory reporting)

- Liaising with all relevant stakeholders (including, but not exhaustively, directors, creditors, employees) regarding appointment matters as necessary
- Management, organisation and coordination of staff involved in the case
- The ongoing filing of paperwork
- Dealing with general enquiries and all correspondence regarding the case and routine updating of data in our case management system
- Periodic review of case progress, asset realisations and other statutory case matters.
- *Review and monitoring of the progression of the sale of all assets, debtor collections and Retention of Title claims*
- Maintaining the case bank account
- Recording of all receipts and payments made during the course of the liquidation
- Bank reconciliations and production of statements for review purposes
- Production of VAT returns, PAYE year end returns and Corporation Tax returns as required
- Production and submission of periodic reports to appropriate stakeholders
- Filing of mandatory returns at Companies House
- Preparing both 6 monthly and final progress reports for creditors

Investigations

- Reviewing books and records of the company
- Establishing any secondary information requirements
- Creating necessary correspondence and reviewing responses received
- Discussions, planning and advice in respect of any potential outcomes
- Investigation and reporting of any matters identified by creditors committee

Realisation of assets

- Liaising with agents /solicitors
- Liaison with solicitors over legal matters associated with the assets in the case
- Liaison with auctioneers and valuers over vendor accounts
- Dealing with debtor ledger matters and liaising with quantity surveyors over queries as appropriate
- Dealing with queries raised by HMRC in relation to the pre appointment VAT refund

Creditors (claims and distribution)

Contextual Information:

- a) Number of known creditors in this case: 172
- b) Number of former employees in this case: 6

Non-preferential creditors

- Liaising with HMRC over check on final pre appointment VAT return
- Correspondence to non-preferential creditors, including e mail queries and claim forms
- Providing summary updates to creditors as required

Adjudication and distribution

- Entry to our case management system of all secured, preferential and non-preferential claims
- Consideration of secured, preferential and non-preferential claims as appropriate, seeking additional information as required
- Written correspondence to relevant creditors of claims admission or rejection

Fees estimate approved by the creditors committee

The table below is the estimate previously provided (and approved) of the total time and associated time costs anticipated for the input required for all grades of staff to manage this case to full completion.

Work category	Estimated total hours	Estimated time cost £	Blended rate £
Administration (inc statutory reporting)	139.0	18,000.00	
Creditors (claims and distribution)	95.0	12,000.00	
Investigations	76.0	12,000.00	
Realisation of assets	129.0	18,000.00	
Totals	440.0	60,000.00	136.40

This estimate was based on the information available at the time to the office holder. Whilst every care was taken to ensure the accuracy of the data presented, it was based on the information presented to the office holder and the experience of the office holder in dealing with cases of a similar level of complexity.

When this assignment commenced, Mark Tailby was practicing through his own company, MT Insolvency Limited but he joined Elwell Watchorn & Saxton LLP with effect from 6 April 2018 and retained his existing charge rate of £250 per hour. This is within the band of charge rates already in use by Elwell Watchorn & Saxton LLP for licensed practitioners and therefore did not affect the original budget.

In the circumstances, the time costs relating to Mark Tailby prior to 6 April 2018 have been incorporated into the totals reported below.

Time costs

The time costs during the course of the administration for the period covered by this report, 08 September 2018 to 01 February 2019, are summarised below:-.

Work category	Licensed Insolvency Practitioner hours	Director/ Senior Manager hours	Manager hours	Professional staff hours	Admin staff hours	Total hours	Time cost £	Average hourly rate £
Administration (inc statutory reporting)								
Case review	-	-	0.70	-	-	0.70	105.00	150.00
Cashiering function	-	-	0.10	0.10	1.20	1.40	78.50	56.07
Committee matters	-	-	2.30	-	-	2.30	345.00	150.00
General administration	-	-	0.30	0.40	3.40	4.10	236.00	57.56
Non insolvency statutory returns	-	-	0.10	-	-	0.10	15.00	150.00
Statutory compliance – returns / reports	-	-	10.40	0.50	-	10.90	1,627.50	149.31
Formalities	2.30	-	-	-	-	2.30	517.50	225.00
Investigations								
Investigating antecedent transactions	-	-	0.60	-	-	0.60	90.00	150.00
Review books & records	-	-	5.90	-	-	5.90	885.00	150.00
SIP 2 initial assessment	-	-	0.20	-	-	0.20	30.00	150.00
Realisation of assets								
Book debt realisations	1.60	-	0.30	-	-	1.90	405.00	213.16
Fixed asset realisations	-	-	0.50	-	-	0.50	75.00	150.00
Other asset realisations	4.10	-	4.10	-	-	8.20	1,537.50	187.50
Plant & Machinery / MVs	0.60	-	-	-	-	0.60	135.00	225.00
Creditors (claims and distribution)								
Employee claims	-	-	0.40	-	-	0.40	60.00	150.00
Non preferential creditors	-	-	1.60	-	-	1.60	240.00	150.00
Committee reporting	2.60	-	-	-	-	2.60	585.00	225.00
Totals	11.20	-	27.50	1.00	4.60	41.70	6,382.00	153.05

The total time costs of during the course of our administration to the end of the current reporting period are summarised below:-.

Work category	Licensed Insolvency Practitioner hours	Director/ Senior Manager hours	Manager hours	Professional staff hours	Admin staff hours	Total hours	Time cost £	Average hourly rate £
Administration (inc statutory reporting)								
Appointment formalities	-	-	3.30	-	-	3.30	495.00	150.00
Case review	-	-	0.70	-	-	0.70	105.00	150.00

Cashiering function	-	-	0.30	1.20	1.20	2.70	213.00	78.89
Committee matters	-	-	6.00	-	-	6.00	900.00	150.00
General administration	-	-	1.90	1.90	46.10	49.90	2,540.00	50.90
Non insolvency statutory returns	-	-	0.30	0.30	-	0.60	73.50	122.50
Planning and monitoring	1.30	-	-	-	-	1.30	292.50	225.00
Statutory compliance – returns / reports	5.40	-	21.50	1.30	-	28.20	4,583.50	162.54
Formalities	13.00	-	-	-	-	13.00	3,192.50	229.42
Strategy (incl sales)	6.70	-	-	-	-	6.70	1,635.00	230.97
Investigations								
CDDA reports	-	0.10	-	-	-	0.10	17.50	175.00
Investigating antecedent transactions	-	-	0.60	-	-	0.60	90.00	150.00
Review books & records	-	-	5.90	-	-	5.90	885.00	150.00
SIP 2 initial assessment	-	-	2.20	-	-	2.20	330.00	150.00
Realisation of assets								
Book debt realisations	15.20	-	1.20	-	-	16.40	3,800.00	242.68
Fixed asset realisations	-	-	0.50	-	-	0.50	75.00	150.00
Other asset realisations	7.60	-	2.00	-	-	9.60	2,022.50	229.17
Retention of title	1.40	-	0.40	-	-	1.80	395.00	227.78
Ident / Securing & Insuring	3.90	-	-	-	-	3.90	907.50	250.00
Plant & Machinery / MVs	2.40	-	-	-	-	2.40	570.00	250.00
Creditors (claims and distribution)								
Adjudications on claims	-	-	0.90	-	-	0.90	135.00	150.00
Employee claims	1.60	-	8.30	0.60	-	10.50	1,696.00	164.38
Non preferential creditors	5.70	-	18.20	-	-	23.90	4,135.00	173.85
Secured creditors	-	-	0.20	-	-	0.20	30.00	150.00
Committee reporting	2.60	-	-	-	-	2.60	585.00	250.00
Statutory reporting	1.40	-	-	-	-	1.40	315.00	250.00
Trading								
Ongoing employment issues	0.80	-	-	-	-	0.80	200.00	250.00
Totals	69.00	0.10	74.40	5.30	47.30	196.10	30,218.50	154.10

Due to the lack of realisations, no remuneration has been drawn to date.

Declaration regarding treatment of VAT and accruals

In accordance with Statement of Insolvency Practice 7, all entries are shown net of VAT, with VAT recorded on a separate line. The receipts and payments account discloses all receipts and payments in the reporting period. However, there may be additional accrued expenditure due in respect of storage of company records and postage, stationery, telephone, mileage and external disbursements. These charges will be drawn upon case closure in accordance with the resolution already approved by creditors.

Relevant extracts of Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016**Rule 18.9**

- (1) The following may make a written request to the office-holder for further information about remuneration or expenses set out in a final report under Rule 18.14:
 - a secured creditor;
 - an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question); or
 - any unsecured creditor with the permission of the court.
- (2) A request or an application to the court for permission by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one creditor.

Rule 18.34

- (1) This rule applies to an application in a winding-up made by a person mentioned in paragraph (2) on the grounds that:
 - the remuneration charged by the office-holder is in all the circumstances excessive;
 - the basis fixed for the office-holder's remuneration under Rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
 - the expenses incurred by the office-holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in Rule 18.36 or 18.37 as applicable:
 - a secured creditor; or
 - an unsecured creditor with either
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court.
- (3) The application by a creditor must be made no later than eight weeks after receipt by the applicant of the final report or account under Rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question.

A copy of our Standard Terms of Business may be downloaded from:-

<http://www.ewslip.co.uk/downloads>

Alternatively, a Creditor may obtain a printed copy by contacting this office directly.

SP & AJ BUILDING & DEVELOPMENT LIMITED
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 08/09/2018 To 01/02/2019 £	From 08/03/2018 To 01/02/2019 £
	ASSET REALISATIONS		
(2,300.00)	Furniture & Equipment	1,500.00	1,500.00
(150,000.00)	Stock/WIP	NIL	NIL
(30,000.00)	Book Debts	NIL	NIL
(155,400.00)	VAT Refund Pre-Appointment	NIL	NIL
	Business Rates Refund	204.50	204.50
	Bank Interest	0.04	0.04
		<u>1,704.54</u>	<u>1,704.54</u>
	COST OF REALISATIONS		
	Agents/Valuers Fees	225.00	225.00
		<u>(225.00)</u>	<u>(225.00)</u>
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(337,800.00)</u>		<u>1,479.54</u>	<u>1,479.54</u>
	REPRESENTED BY		
	Vat Receivable		45.00
	Bank 1 Current		1,734.54
	Vat Payable		(300.00)
			<u>1,479.54</u>

PROOF OF DEBT – GENERAL FORM

SP & AJ BUILDING & DEVELOPMENT LIMITED

DETAILS OF CLAIM		
1	Name of Creditor (if a company, its registered name).	
2	Address of Creditor (i.e. principal place of business).	
3	If the Creditor is a registered company: <ul style="list-style-type: none"> • For UK companies: its registered number. • For other companies: the country or territory in which it is incorporated and the number, if any, under which it is registered. • The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act. 	
4	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25.	
5	If the total amount above includes any outstanding uncapitalised interest, please state.	YES (£.....) / NO
6	Particulars of how and when debt incurred.	
7	Particulars of any security held, the value of the security and the date it was given.	
8	Details of any reservation of title in relation to goods to which the debt relates.	
9	Details of any document by reference to which the debt can be substantiated. (please note that the administrator/liquidator(s) may call for any document or evidence to substantiate the claim at his/their discretion).	
10	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986.	Category Amount(s) claimed as preferential £.....
AUTHENTICATION		
Signature of Creditor or person authorised to act on his behalf		
Name in BLOCK LETTERS		
Date		
If signed by someone other than the Creditor, state your postal address and authority for signing on behalf of the Creditor		

In accordance with
Rule 3.60 of the
Insolvency (England
& Wales) Rules 2016
& Paragraph 83(3) of
Schedule B1 to the
Insolvency Act 1986.

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1	Company details	
Company number	0 6 9 0 5 9 8 9	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	SP & AJ BUILDING & DEVELOPMENT LIMITED	
2	Court details	
Court name	Business and Property Courts of Eng	
Court case number	0 0 1 6 8 4 2 0 1 8	
3	Administrator's name	
Full forename(s)	Mark Grahame	
Surname	Tailby	
4	Administrator's address	
Building name/number	109 Swan Street	
Street	Sileby	
Post town	Leicestershire	
County/Region		
Postcode	L E 1 2 7 N N	
Country		

04/17 Version 1.0

AM22


Notice of move from administration to creditors' voluntary liquidation

5	Administrator's name [ⓐ]	
Full forename(s)	Graham Stuart	ⓐ Other administrator Use this section to tell us about another administrator.
Surname	Wolloff	
6	Administrator's address [ⓐ]	
Building name/number	2 Axon	ⓐ Other administrator Use this section to tell us about another administrator.
Street	Commerce Road	
Post town	Peterborough	
County/Region		
Postcode	P E 2 6 L R	
Country		
7	Appointor/applicant's name	
	Give the name of the person who made the appointment or the administration application.	
Full forename(s)	Simon	
Surname	Black	
8	Proposed liquidator's name	
Full forename(s)	Mark Grahame	
Surname	Tailby	
Insolvency practitioner number	9 1 1 5	
9	Proposed liquidator's address	
Building name/number	109 Swan Street	
Street	Sileby	
Post town	Leicestershire	
County/Region		
Postcode	L E 1 2 7 N N	
Country		

04/17 Version 1.0


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Notice of move from administration to creditors' voluntary liquidation


10		Proposed liquidator's name^①	
Full forename(s)	Graham Stuart		① Other liquidator Use this section to tell us about another liquidator.
Surname	Wolloff		
Insolvency practitioner number	8 8 7 9		
11		Proposed liquidator's address^②	
Building name/number	2 Axon		② Other liquidator Use this section to tell us about another liquidator.
Street	Commerce Road		
Post town	Peterborough		
County/Region			
Postcode	P E 2 6 L R		
Country			
12		Period of progress report	
From date	0 8 0 3 2 0 1 8		
To date	0 4 0 2 2 0 1 9		
13		Final progress report	
		<input checked="" type="checkbox"/> I have attached a copy of the final progress report.	
14		Sign and date	
Administrator's signature	Signature X  X		
Signature date	0 4 0 2 2 0 1 9		


AM22


Notice of move from administration to creditors' voluntary liquidation

 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	Craig Ridgley
Company name	Elwell Watchorn & Saxton LLP
Address	109 Swan Street
	Sileby
Post town	Leicestershire
County/Region	
Postcode	L E 1 2 7 N N
Country	
DN	
Telephone	01509 815150

 Checklist
We may return forms completed incorrectly or with information missing.
Please make sure you have remembered the following:
<input type="checkbox"/> The company name and number match the information held on the public Register.
<input type="checkbox"/> You have attached the required documents.
<input type="checkbox"/> You have signed and dated 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