

AM10

Notice of administrator's progress report



Companies House

MONDAY



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A12

18/12/2017

#165

COMPANIES HOUSE

1 Company details

Company number 0 7 3 2 3 3 0 3

Company name in full Universal Highways Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Kelly

Surname Burton

3 Administrator's address

Building name/number The Manor House

Street 260 Ecclesall Road South

Post town Sheffield

County/Region

Postcode S 1 1 9 P S

Country

4 Administrator's name ①

Full forename(s) Lisa Jane

Surname Hogg

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number The Manor House

Street 260 Ecclesall Road South

Post town Sheffield

County/Region

Postcode S 1 1 9 P S

Country

② Other administrator

Use this section to tell us about
another administrator.

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6 Period of progress report

From date	d	d	m	m	y	y	y	y
	0	9	0	5	2	0	1	7
To date	d	d	m	m	y	y	y	y
	0	8	1	1	2	0	1	7

7 Progress report

☐ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	d	d	m	m	y	y	y	y
	2	7	1	1	2	0	1	7

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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	Andrew Cottingham
Company name	Wilson Field Limited
Address	The Manor House 260 Ecclesall Road South
Post town	Sheffield
County/Region	
Postcode	S 1 1 9 P S
Country	
DX	
Telephone	01142356780



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

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



Where to send

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

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



Further information

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

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

Universal Highways Limited
(In Administration)
Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 09/05/2017 To 08/11/2017 £	From 09/11/2016 To 08/11/2017 £
	HIRE PURCHASE		
43,065.45	Factored Book Debt Ledger	NIL	31,858.68
(13,877.60)	Ultimate Invoice Finance Limited	NIL	NIL
		NIL	31,858.68
	ASSET REALISATIONS		
5,400.00	Plant & Machinery	1,226.35	1,716.35
228.00	Furniture & Equipment	51.08	71.08
372.00	Stock	80.73	110.73
5,000.00	Goodwill	1,141.84	1,601.84
	Trade Debtors	NIL	28,785.76
	Cash at Bank	NIL	1,256.75
		2,500.00	33,542.51
	COST OF REALISATIONS		
	Specific Bond	NIL	160.00
	Pre Administrators Fee	NIL	5,225.50
	Administrators Fees	8,240.00	51,914.00
	Insolvency Software Fee	NIL	150.00
	Valuers Fees	NIL	2,500.00
	Legal Fees	3,140.00	3,140.00
	Document Upload Fees	NIL	150.00
	Postage, stationery, photocopying	NIL	58.50
	Travel Expenses	NIL	134.59
	Statutory Advertising	NIL	71.00
	Insurance of Assets	NIL	233.20
	VC Document Management	82.93	182.66
		(11,462.93)	(63,919.45)
	UNSECURED CREDITORS		
(33,407.18)	Trade & Expense Creditors	NIL	NIL
(40,683.29)	HM Revenue and Customs - VAT	NIL	NIL
(5,239.65)	HM Revenue and Customs - PAYE	NIL	NIL
(37,292.42)	HM Revenue and Customs - Corporati	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(76,534.69)		(8,962.93)	1,481.74
	REPRESENTED BY		
	Bank 1 Current		1,313.74
	Vat Control Account		168.00
			1,481.74



Kelly Burton
Administrator

27 November 2017 16:50

Joint Administrators' Progress Report

**Universal Highways Limited
- In Administration ("the Company")**

27 November 2017

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- 2** Progress of the Administration
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- 4** Joint Administrators' Remuneration
- 5** Estimated Outcome for Creditors
- 6** Ending the Administration
- 7** Creditors' Rights
- 8** Next Report

APPENDICES

- A** Receipts and Payments Account from 9 May 2017 to 8 November 2017 ("the Period")
- B** Cumulative Receipts and Payments Account for Period from 9 November 2016 to 8 November 2017
- C** Time Analysis for the Period
- D** Cumulative Time Analysis for the period from 9 November 2016 to 8 November 2017
- E** Additional information in relation to the Joint Administrators' fees, expenses & disbursements

THE ADMINISTRATORS' PROGRESS REPORT

1 Introduction

- 1.1 I, together with my partner Lisa Jane Hogg, was appointed Joint Administrator of the Company on 9 November 2016. The appointment was made by the director of the Company pursuant to paragraph 22 of schedule B1 of the Insolvency Act 1986 ("the Act").
- 1.2 On 4 October 2017 the Joint Administrators gave notice of a deemed consent procedure, whereby consent to extend the term of the Administration was being sought. Such consent was duly obtained and the Administration has therefore been extended until 9 November 2018.
- 1.3 This Administration is being handled by Wilson Field Limited ("Wilson Field") at The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS. The Joint Administrators' contact details are by phone on 01142356780 or via email at info@wilsonfield.co.uk. The Administration is registered in the High Court of Justice, Chancery Division, Manchester District Registry, reference number 3043 of 2016.
- 1.4 The trading address of the Company was Yard 1 Downland Business Park, Manby, Louth, LN11 8UX.
- 1.5 The registered office of the Company is Wilson Field, The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS and its registered number 07323303.
- 1.6 The Joint Administrators are required to provide a progress report covering the period of six months commencing from the date the Company entered Administration and every subsequent period of six months. This progress report covers the Period and should be read in conjunction with the Joint Administrators' proposals report and the previous progress reports which have been issued.

2 Progress of the Administration

- 2.1 You may recall that the statutory objective being pursued in the Administration was to realise property in order to make a distribution to one or more, secured or preferential creditor. In addition to the pursuance of this statutory objective, the Joint Administrators have duties imposed by insolvency and other legislation, some of which may not provide any financial benefit to creditors.
- 2.2 This section of the report provides creditors with an update on the progress made in the Period, both in terms of the achievement of the statutory objective, but also work which is required of the Joint Administrators under other related legislation.
- 2.3 At Appendix A is an R&P covering the Period. Attached at Appendix B is a cumulative R&P from the date of the appointment of the Joint Administrators to 8 November 2017.
- 2.4 Attached at Appendix C is a time analysis outlining the time spent by the Joint Administrators and their staff during the Period, together with a cumulative time analysis covering the period since my appointment at Appendix D.
- 2.5 Further information about the basis of remuneration agreed in this case and the Joint Administrators' fees estimate can be found in section 4 of this report, together with any relevant information about revisions to the initial estimate, where applicable.
- 2.6 During the Period, the Joint Administrators have liaised with the purchaser and the Company's directors in respect of the deferred consideration for the sale of the Company's assets, the recovery of the Company's re-assigned book debt ledger and their statutory investigation matters, further details of which are found below.

Administration (including statutory compliance & reporting)

- 2.7 As noted above, the Joint Administrators must comply with certain statutory obligations under the Insolvency Act 1986 ("the Act") and other related legislation. Details about the work that was anticipated would need to be done in this area was outlined in the initial fees estimate/information.
- 2.8 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Joint Administrators.
- 2.9 As noted in the initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

Realisation of Assets

- 2.10 Creditors will recall that a pre-packaged sale of the Company's business and assets was concluded shortly after the appointment of the Joint Administrators to Universal Louth Limited ("ULL"). The sale consisted of all right, title and interest in the Company's assets listed in the table below. The table also provides confirmation on the consideration paid for each asset type;

Details of Assets	Pre-packaged sale in Administration £
Plant Machinery & Equipment	5,400.00
Office Furniture & Equipment	228.00
Residual Consumable Stock	372.00
Goodwill	5,000.00
Total	11,000.00

- 2.11 Creditors will recall from the previous reports that ULL were in significant arrears with payments of the deferred consideration as the Administration had resulted in ULL experiencing significant issues in maintaining further custom from the Company's former customers.
- 2.12 During the Period communications in this regard continued fruitlessly and the Joint Administrators instructed their solicitors Shulmans LLP ("Shulmans") to write to ULL and its directors under the terms of their personal guarantees to seek payment proposals.
- 2.13 Creditors will recall that a debtor collection agreement was entered into with the Company's director, Mr Alan Phillips and ULL sought to offset the sums due under the same against the outstanding deferred consideration. The Joint Administrators have since confirmed to ULL that these funds are being held on account of the identified actions against the Company's directors pending resolution and that as a result, they will not be utilised in this manner.
- 2.14 ULL and Mr Phillips refute this position, however, as a result of the correspondence from Shulmans, ULL instructed their invoice finance provider Bibby Financial Services Limited ("Bibby") to make payments £1,000 per month for a period of three months, whilst evidence to support the assertions made by ULL and Mr Phillips could be provided to the Joint Administrators. To date no such information has been submitted.
- 2.15 To confirm payments totalling £2,500 have been received during the Period.
- 2.16 It is considered that the work the Administrators and their staff have undertaken to date will bring a financial benefit to creditors. This being a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any 3rd party security, result in a distribution to the preferential and unsecured creditors of the Company.

Creditors (claims and distributions)

- 2.17 Further information on the anticipated outcome for creditors in this case can be found at section 5 of this report. The Administrators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 2.18 The above work will not necessarily bring any financial benefit to creditors generally, however the Administrators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Administrators in dealing with those claims.

Investigations

- 2.19 Shortly after appointment, the Joint Administrators made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting (where held) or as a response to the request to complete an investigation questionnaire.
- 2.20 As advised in their previous report, the Joint Administrators' investigations have revealed numerous payments to the directors following the last set of formal accounts, for which there appears to be no justification for, together with a number of payments to third parties for which the Company's scant books and records do not confirm the nature of.
- 2.21 In addition, the directors both had outstanding Director Loan Accounts ("DLA") in the last set of formal accounts, which do not appear to have been repaid.
- 2.22 The Joint Administrators entered in correspondence with the directors in this regard and requested either substantive evidence to confirm the payments were made in the best interest of the Company and that the DLA had been repaid, or re-payment proposals for the sums identified.
- 2.23 During the Period, the directors failed to provide any response to the enquiries made and as a result, Shulmans were again instructed to assist in progressing matters. The directors have subsequently responded, however have failed to address any of the enquires satisfactorily.
- 2.24 Shulmans have therefore been instructed to write to the directors confirming the position and that should no evidence or appropriate payment proposals be provided, the merits of bringing a formal claim will be considered to its fullest.
- 2.25 Creditors shall be updated on my progress in this regard in due course.

3 Pre-administration Costs

- 3.1 On 1 December 2016, the following amounts in respect of pre-administration costs were approved:

Name of recipient	Brief description of services provided	Total amount approved £
Wilson Field	Marketing and sale of company to NewCo	5,225.50
Turner Parkinson Solicitors	Dealing with sale contract and pre-appointment advice	2,500.00
David Currie and Co.	Valuation of company's assets prior to sale	2,500.00

4 Joint Administrators' Remuneration

- 4.1 The basis of the Joint Administrator's fees has been fixed in the Administration by time properly spent in managing matters arising from the Administration. The fees estimate/information was originally provided to creditors when the basis of my remuneration was approved and was based on information available to me at that time. A copy of that estimate is reproduced below.

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration (inc statutory compliance & reporting)	113.15	318.86	36,079.03
Case specific matters	1.10	292.27	321.50
Realisation of assets	12.73	12.73	1,527.59
Creditors (claims & distributions)	44.78	327.08	14,647.65
Investigations	83.04	317.23	26,341.56
Total estimated fees	254.81	317.34	£80,860.31

- 4.2 My time costs for the Period are £12,283. This represents 41.1 hours at an average rate of £299 per hour. Attached at Appendix C is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent in managing the Administration. To date, £51,914 plus disbursements of £1,140 has been drawn on account.
- 4.3 Also attached at Appendix D is a cumulative Time Analysis for the period from 9 November 2016 to 27 November 2017 which provides details of my time costs since my appointment. The cumulative time costs incurred to date are £76,887 and this represents 246 hours at an average rate of £313 per hour.
- 4.4 At the date of this report, I would confirm that my fees estimate for the Administration remains unchanged as I have not exceeded the overall fee estimate as agreed by Ultimate. However, creditors will no doubt note that I have exceeded my estimate in respect of Realisation of Assets, this being for the following reasons;
- The significant amount of time incurred in liaising with both ULL and Ultimate in dealing with the deferred consideration payments and arrears; and
 - The reconciliation process and subsequent involvement required by the Joint Administrators in recovering debts due to the Company from the outstanding debtors, who challenged the position of the ULL and the manner in which the directors advised them of the Administration process.
- 4.5 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from <https://www.r3.org.uk/what-we-do/publications/professional/fees>.
- 4.6 Attached at Appendix C is additional information in relation to the Administrators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

5 Estimated Outcome for Creditors

Secured Creditors

- 5.1 As previously advised, Ultimate hold a fixed and floating charge over the Company's assets dated 1 July 2015. At the date of the Administration the indebtedness to the secured creditor was estimated at £13,879. Ultimate have subsequently received this in full, in addition to their termination fees of £14,752, as per the terms of their security.

Preferential Creditors

- 5.2 Due to the nature of the pre-packaged sale, the Company's employees had their contract of employment transferred to ULL under the Transfer for the Protection of Employment Regulations (2006) ("TUPER"). As a result, no preferential claims are expected in this matter.

Unsecured Creditors

- 5.4 I have received claims totalling £97,776 from three creditors. I have yet to receive claims from six creditors whose debts total £36,782 as per the Joint Administrators' estimated statement of affairs.
- 5.5 As advised the Company granted a floating charge to Ultimate on 1 July 2015. Accordingly, I am required to create a fund out of the Company's net floating charge property for unsecured creditors, known as the Prescribed Part ("PP"). However, on the basis that I do not anticipate making a distribution as a result of floating charge realisations, a PP will be made available to unsecured creditors.

6 Ending the Administration

- 6.1 Creditors will recall from the Proposals that the Joint Administrators' anticipated exit route was dissolution. I can confirm that at this juncture this is still the case.
- 6.2 However, if it is deemed appropriate to move the Company to Creditors Voluntary Liquidation ("CVL"), the Joint Administrators will file the requisite notice pursuant to Paragraph 83 of Schedule B1 of the Act and will become the Joint Liquidators of the Company.
- 6.3 The Joint Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 of the Act 1986 immediately upon their appointment as Joint Administrator ceasing to have effect.

7 Creditors' Rights

- 7.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 7.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Administrators, as set out in this progress report, are excessive.

8 Next Report

- 8.1 The Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised or he wishes to extend it.

For and on behalf of
The Company



K Burton
Joint Administrator