

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

SATURDAY



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07/09/2019 #110
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1 Company details

Company number 0 7 9 1 6 1 5 5
Company name in full SJ Engineering Specialists Limited

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

2 Court details

Court name High Court of Justice Business & Property Courts of
England & Wales Insolvency & Companies List

Court case number C R - 0 0 8 8 8 3 2 0 1 9

3 Administrator's name

Full forename(s) Michael Robert
Surname Fortune

4 Administrator's address

Building name/number 1580 Parkway
Street Solent Business Park
Post town Whiteley, Fareham
County/Region Hampshire
Postcode P O 1 5 7 A G
Country


AM22

Notice of move from administration to creditors' voluntary liquidation

5	Administrator's name ①		
Full forename(s)	Carl Derek		① Other administrator Use this section to tell us about another administrator.
Surname	Faulds		
6	Administrator's address ②		
Building name/number	1580 Parkway		② Other administrator Use this section to tell us about another administrator.
Street	Solent Business Park		
Post town	Whiteley, Fareham		
County/Region	Hampshire		
Postcode	P O 1 5 7 A G		
Country			
7	Appointor/applicant's name		
	Give the name of the person who made the appointment or the administration application.		
Full forename(s)	The directors of the		
Surname	company		
8	Proposed liquidator's name		
Full forename(s)	Michael Robert		
Surname	Fortune		
Insolvency practitioner number	0 0 8 8 1 8		
9	Proposed liquidator's address		
Building name/number	1580 Parkway		
Street	Solent Business Park		
Post town	Whiteley, Fareham		
County/Region	Hampshire		
Postcode	P O 1 5 7 A G		
Country			

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Notice of move from administration to creditors' voluntary liquidation

10	Proposed liquidator's name^①	
Full forename(s)	Carl Derek	
Surname	Faulds	
Insolvency practitioner number	0 0 8 7 6 7	
		① Other liquidator Use this section to tell us about another liquidator.
11	Proposed liquidator's address^②	
Building name/number	1580 Parkway	
Street	Solent Business Park	
Post town	Whiteley, Fareham	
County/Region	Hampshire	
Postcode	P O 1 5 7 A G	
Country		
		② Other liquidator Use this section to tell us about another liquidator.
12	Period of progress report	
From date	<div> <div>d</div> <div>3</div> <div>d</div> <div>1</div> <div>m</div> <div>1</div> <div>m</div> <div>0</div> <div>y</div> <div>2</div> <div>y</div> <div>0</div> <div>y</div> <div>1</div> <div>y</div> <div>8</div> </div>	
To date	<div> <div>d</div> <div>0</div> <div>d</div> <div>4</div> <div>m</div> <div>0</div> <div>m</div> <div>9</div> <div>y</div> <div>2</div> <div>y</div> <div>0</div> <div>y</div> <div>1</div> <div>y</div> <div>9</div> </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> <div>0</div> <div>d</div> <div>4</div> <div>m</div> <div>0</div> <div>m</div> <div>9</div> <div>y</div> <div>2</div> <div>y</div> <div>0</div> <div>y</div> <div>1</div> <div>y</div> <div>9</div> </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 **Carl Derek Faulds**

Company name **Portland Business & Financial Solutions**

Address **1580 Parkway**

Solent Business Park

Post town **Whiteley, Fareham**

County/Region **Hampshire**

Postcode **P O 1 5 7 A G**

Country

DX

Telephone **01489 550 440**



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



1580 Parkway
Solent Business Park
Whiteley
Fareham
Hampshire
PO15 7AG

Telephone: 01489 550 440
Fax: 01489 550 499
Email: post@portbfs.co.uk
Web: www.portbfs.co.uk

TO THE CREDITORS

MF/CF/SIG/DJM/SH/AJ/S9109

4th September 2019

Progress report to creditors and notice of conversion to liquidation

SJ Engineering Specialists Limited in administration

Supervising court	High Court of Justice Business & Property Courts of England & Wales Insolvency & Companies List	Court reference number	CR-2018-008883
Full registered name	SJ Engineering Specialists Limited	Registered number	07916155
Registered office	1580 Parkway Solent Business Park Whiteley Fareham Hampshire PO15 7AG	Former trading address	Leigh Road Chichester West Sussex PO19 8UF
Name of administrators and licensing bodies	Michael Robert Fortune	Insolvency Practitioners Association	
	Carl Derek Faulds	Insolvency Practitioners Association	
Date of appointment	31 st October 2018	Appointer	Director of the company
Administrators' address	1580 Parkway, Solent Business Park, Whiteley, Fareham, Hampshire, PO15 7AG E-mail: creditors@portbfs.co.uk		
Allocation of administrators' powers	All the powers and functions of an administrator are exercisable by either or both of the appointed administrators		
Date of original proposals	20 th December 2018	Details of any subsequent amendments	None
Period of report	31 st October 2018 to 4th September 2019		



Portland Business & Financial Solutions Ltd Registered No 3830668
Directors: Carl D Faulds, Mike Fortune, Steve Godwin, Nicola Layland
All our Licensed Insolvency Practitioners are authorised by the Insolvency Practitioners Association
Please be advised we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment
A copy of our Privacy Policy setting out how we manage your personal data can be found on our website



South West Office
Discovery Court, 551-553 Wallisdown Road,
Poole, Dorset BH12 5AG
Tel: 01202 712 810

London Office
90 Long Acre, Covent Garden,
London WC2E 9RZ
Tel: 020 7925 2651
Fax: 020 7925 2652

We enclose a progress report for the company, in respect of which we were appointed joint administrators on 31st October 2018. We are now taking steps to place the company into liquidation. Below is our final report for the administration period.

Outcome in realising assets during the administration

We enclose a summary of our receipts and payments. We have provided comparisons of the realisations with the director's statement of affairs, set out in our proposals, which we hope you will find helpful. We have commented below where the statement of affairs differed from our estimated outcome in the proposals.

Trading of the business

The business had been marketed prior to our appointment with limited success and so the marketing continued for a short period in the administration. The company was a key supplier for Pall Europe Plc (Pall) and it soon became apparent that the full closure of the business would present difficulties for Pall as they could not immediately place their orders elsewhere.

The strategy for the administration was to continue to trade the company's business whilst negotiations were ongoing with Pall over a possible takeover/sale of the critical part of the business.

Due to the resignation of the managing director of the company prior to the administration we retained certain company personnel to continue the operations, overseen by a senior employee with our overarching supervision. The company's previously retired bookkeeper agreed to assist with the weekly accounting function on a part time basis.

Consultation with employees that had begun prior to our appointment continued with 13 redundancies made at an early stage to reduce the ongoing costs of the business. To continue the slimmed down operations we settled monthly wages, negotiated with customers over ongoing orders, corresponded with suppliers to secure materials, opened a dialogue with the health and safety executive and entered into an arrangement with the landlord.

Specialist insurance cover was required, in addition to the general manufacturing and employee cover, as the company was producing parts for the aviation section.

As a result of the short trading period in the administration we have successfully been able to complete work in progress with a potential value of £80k, of which £68k has been recovered. Since our last report to creditors we have continued to pursue one customer with regards to a payment of the work carried out for them during the trading period but discussions have been drawn-out due to disputes on the work undertaken. No further recoveries are anticipated in respect of the work in progress.

We always expected the business to suffer a loss for the short trading period during the administration as this has been offset by the additional recoveries achieved from the business sale, further explained below.

Since our last report to creditors we have continued to correspond with suppliers in respect of a small number of costs still to be settled from the trading period, most notably the business rates, utility companies and one supplier. Any remaining amounts due will be settled during the liquidation. The landlord to the premises had agreed that the administration could retain the two units rent free during this period providing that the premises were left clear on exit.

A trading account is included within the summary of our receipts and payments for the administration. We anticipate that the eventual trading loss will be in the region of £34k.

Business Sale

We entered into discussions with Pall early in the administration to ascertain whether there was an opportunity for a sale to enable them to guarantee a continuous supply of their products. A number of calls and meetings were held with different departments of Pall to confirm what would be required to hive off a part of the business.

As part of this process Pall entered into consultations with the retained staff to ensure that they were kept advised of the situation.

Solicitors were instructed to handle the drafting of the sale agreement and on 7th December, 5 weeks after the commencement of the administration, an agreement was reached to transfer the remaining staff together with a certain amount of plant and machinery and some stock of finished parts. The sale proceeds of £121,533 were paid immediately and nine employees were transferred to Pall which in turn reduced claims against the company for their respective redundancy and notice pay.

Book debts

At the outset of the liquidation, it was estimated that book debts with a book value of £291,422 would realise £200,000 after accounting for bad debts and contra accounts. The book debts were subject to an invoice discounting facility with Lloyds Bank Commercial Finance Ltd (Lloyds) who were owed £69,172.

As part of our agreement with Pall to keep the company trading during the administration they were required to pay all arrears owed to the company, a figure in the order of £90k

Following the receipt of the above outstanding balances from Pall we were able to clear the liability owed to Lloyds early in the administration. This enabled the remaining invoices in the debtor ledger to be reassigned back to the company for collection.

To date a total of £217,484 has been collected from the debtors and there remains an outstanding balance of £44,707. Since our last report to creditors we have been in correspondence with the customers to resolve disputes have achieved further realisations of £9,035. We have also reached an agreement with one debtor to settle the full balance of the debt they owe to the company of £5,046 shortly.

The final book debt of £39,661 due by a customer has been particularly troublesome to collect. We have also been in correspondence with the same customer in respect of an order that was part completed prior to our appointment and therefore there was a level of work in progress to be agreed. The part completed items were stored in the premises whilst the customer was arranging for payment of the outstanding debt and a figure was agreed in respect of the work in progress

We will continue to pursue recovery of the book debts during the liquidation

Plant and machinery

As reported previously we instructed chattel agents, Lambert Smith Hampton, to assist with the disposal of the company's tangible assets as there was still a significant amount remaining after the sale of certain items to Pall. The chattel agents recommended an online auction should be used as it was anticipated it would maximise realisations for the benefit of creditors.

The auction was put on hold over the Christmas period as it was felt that an auction in the middle of February would generate greater interest. During this time the assets, split over the two units were moved into the unit not being taken over by Pall. The auction concluded with a nearly all lots being sold and realisations totalling £241,009.

Following the conclusion of the auction, the agents approached interested parties to obtain offers for the remaining unsold lots. A further £1,500 was realised from these private treaty sales.

We received a payment on account of £200,000 from the chattel agents with the balance held pending the clearance of the premises. The chattel agents had commission on sales at £12,050, auction disbursements of £9,663 and additional clearance costs as detailed below. In addition to the costs paid by the chattel agents we have been required to pay costs associated with the premises whilst the auction process and clearance was in hand.

As part of the agreement with the landlord for the free occupation of the two units during the trading period, and the remaining unit not taken on by Pall used to house the machinery for the auction process, we committed to leave the premises in good order once the auction had concluded. Whilst this agreement was very favourable for the administration, saving approximately £1.7k per unit per month in rent, when the premises were being cleared a large amount of chemicals had to be carefully disposed of. Lambert Smith Hampton assisted us with this disposal but this has resulted in the eventual disposal costs at significantly higher than anticipated. These costs have been paid as an administration expense under the agreement with the landlord. It is worth noting that these clear up costs, if left to the landlord and without our overarching supervision, may have been higher and would have resulted in an additional claim in the administration.

Since our last report to creditors the balance of the sales proceeds of £42,509 have been received in to the administration. We have also settled business rates of £4,448 and additional utility costs of £792.

Cash in client account

The cash held in Portland's client account prior to the administration was transferred into a bank account set up for the administration.

Loan from Jeremy Smith

At the outset of the administration there was a limited amount of available funds and any recoveries from the book debts due to the company were being used to reduce the balance owed to Lloyds. As we were intending to oversee a limited amount of trading in the administration we required funds to settle the ongoing costs of this. The director and shareholder of the company agreed to loan £38,000 to the administration to fund these initial costs. This was later repaid as an expense of the administration.

Other

Realisations have been enhanced by a pension refund. We have also received interest totalling £90, of which £50 has been received since our last report to creditors.

Investigation

In our first report and our proposals we invited creditors to bring to our attention any matters that they believe require further investigation. We have also conducted an investigation into the affairs of the company in order to identify matters that would lead to a cost effective recovery for creditors. We have concluded that there are no matters of concern that merit pursuing.

In addition, a report has been submitted to The Insolvency Service as required under the provisions of The Insolvent Companies (Report on Conduct of Directors) (England and Wales) Rules 2016.

Creditors' claims and outcome for creditors

Fixed charge creditors

Lloyds Bank Commercial Finance Ltd holds a debenture conferring fixed and floating charges over the assets of the company. As set out above their debt was primarily secured over the company's debtor ledger and their debt, totalling £69,172, has been discharged from collections within the administration.

Preferential creditors

We have assisted the 19 employees that were dismissed as part of the administration process to submit claims to the Redundancy Payments Office 'RPO' in order to receive their guaranteed entitlements. Some employees will have residual claims that exceed the RPO limits and we will liaise with the RPO and various employees to calculate the consequent preferential and unsecured claims during the liquidation.

To ensure that we had the support from the employees of the company to continue trading during the administration their outstanding wages due for the period immediately prior to the administration have been paid as an administration expense. A proportion of these wages in any event would have ranked as a preferential claim in the administration.

It is anticipated that preferential creditor claims will be agreed and discharged during the liquidation.

Floating charge creditors

As set out above, Lloyds Bank Commercial Finance Ltd holds a debenture conferring fixed and floating charges over the assets of the company and their debt was discharge from collections from the debtor ledger.

Prescribed part

In this case, the prescribed part, which is the requirement to set aside for the benefit of unsecured creditors a proportion of the funds that would otherwise be paid to a floating charge holder, has no practical relevance because Lloyds Bank Commercial Finance Ltd has already been repaid in full under its fixed charge from the book debt collection.

Unsecured creditors

As administrators we do not have the power to distribute funds to unsecured creditors. The administration will convert to a liquidation and the subsequently appointed liquidator will have the power to agree claims and pay a dividend. We have limited our role in the administration to responding to creditor correspondence in a basic manner and where requested, we are confirming balances for audit or insurance purposes.

The company held leasehold premises for two adjacent units. The company's interest in one of the units has been surrendered as part of the business sale to Pall. A surrender of the second unit was agreed with the landlord following the completion of the clearance of the premises. It is expected that the landlord, a company connected to the shareholder/director, will have a substantial claim in the administration for funding that was provided to the company over an extended period of time.

We have not yet independently verified any claims by the directors or those connected with the company to ensure that they are valid and accurately stated.

It is anticipated that unsecured creditors claims will be agreed and a dividend of between 25-30p in the £ will be paid during the liquidation.

Administrators' fees, disbursements and expenses

As set out in our proposals we are required to agree the basis of our remuneration and disbursements with the unsecured creditors. The agreement was given on 8th January 2019. A revised fee budget was provided to creditors in our progress report dated 24th May 2019 and agreement to the revised budget was given on 21st June 2019.

It was resolved that our services provided be on the basis allowed by reference to the time properly given by the office holders and their staff in attending to matters arising in the administration and liquidation and our disbursements in line with our usual rates.

We are required to provide creditors with details relating to those time costs and the disbursements that we have incurred. This is analysed on the attached schedule, along with a schedule of our current charge-out rates and disbursements policy, and the totals are summarised below.

	Period of this report (£)	Total to 04/09/2019 (£)
Time costs	14,524	87,126
Amount paid	13,500	73,500

The budgeted estimate provided at the outset is set out below.

Category of work	Estimated		
	Hours	Cost (£)	Average hourly rate (£)
Realisation of assets	141	34,092	243
Administration and planning	32	6,406	200
Creditors	106	20,326	191
Investigations	8	1,691	201
Reporting	73	17,369	239
Trading	85	18,539	-
Estimated total	445	98,422	221
Fixed fee	-	2,000	
Estimated including fixed fee	445	100,422	

The fees are unlikely to exceed the fee estimate provided. In the attached analysis, we have recorded time in the following categories of work that we have handled:-

- **Asset realisations** – Taking appropriate measures to realise the assets of the company, as more fully explained under the heading 'Final outcome in realising assets', split into the following areas:-
 - **Business sale:** Marketing, negotiation and conclusion of a sale of part of the business including liaising with interested parties and solicitors for both sides.
 - **Cash at bank:** corresponding with the company's bankers and information regarding transactions received post administration.
 - **Debt collection:** Carrying out the debt collection of the company including obtaining all invoices and reconciliation of all debtors as set out above.
 - **Disposal:** Sale of tangible assets including management of agents and dealing with queries. More fully explained above
 - **HMRC refunds:** Requesting and chasing HMRC refund.
 - **INS:** Insurance, security and maintenance of the company's assets.
 - **ISA:** Identifying and securing assets.
 - **Review:** Carrying out case reviews to ensure all asset collections are in hand.
 - **Utility:** Ensuring the ongoing supplies of utilities and settlement of the amounts due
 - **VAT:** VAT reclaims.
- **Administration and planning** - internal management of the case to ensure it is completed in an expedient manner and in accordance with good practice. Maintaining the estate accounts and in ensuring compliance and statutory filing requirements, split into the following areas:-
 - **Bank:** Banking including reconciliations and statutory bond
 - **QC:** Statutory notifications and filings.
 - **Records:** Maintenance of records including cashbook.
 - **Set up:** Administrative set-up.
 - **Strategy:** Case acceptance and strategy

Whilst this work provides no financial benefit to the creditors it is required by statute.

- **Reporting** - communicating with creditors about the initial appointment; and preparing and distributing reports -
 - **Final:** Final report.
 - **Notices:** Initial notices of appointment.
 - **Proposals:** Preparing and distributing proposals and answering queries raised.
 - **Progress:** Progress report.
 - **Meetcred:** Report following decision of creditors.

Whilst this work provides no financial benefit to the creditors it is required by statute.

- **Investigation** - carrying out a review of the events leading up to failure and completing the CDDA reports, which is explained in more detail under the heading of "Investigation" above:-
 - **CDDA:** Submission of director conduct report and dealing with enquiries from the Insolvency Service
 - **IAT:** Investigating antecedent transactions.
 - **SIP2:** SIP 2 review including collection and scheduling of records.

Whilst this work provides no financial benefit to the creditors it is required by statute.

- **Creditors' claims** – Corresponding with creditors about their claims, as more fully described under the 'Creditor claims and outcome for creditors' above:-
 - **Claims:** Inviting and assessing creditor claims including requesting further information where backup is insufficient
 - **Correspondence:** Correspondence with individual creditors including associated creditors.
 - **Employees:** Employee queries regarding pension contributions
 - **Finance:** Dealing with finance and lease companies.
 - **HMRC:** Completing statutory HMRC returns.
 - **HMRCCOR:** General correspondence with HMRC.
 - **Landlord:** Liaising and corresponding with landlord including attending the premises and finalising the partial surrender of the lease.
 - **Members:** Corresponding and dealing with members

- **MOC:** Preparing and maintaining documentation regarding creditor decisions.
- **Pensions:** Corresponding with the company's pension provider regarding our appointment and outstanding contributions
- **ROT:** Corresponding with creditors with regards to retention of title claims.
- **RPO:** Processing employees claims and corresponding with RPO.

Where work is undertaken to agree claims in order to distribute funds to creditors this is for the financial benefit of the creditors. Whilst the other work provides no financial benefit to the creditors it is required by statute.

- **Trading** - preparing forecasts for the proposed trading period, reviewing supplies required, managing operations during trading period, paying employees and suppliers and maintaining a schedule of sales achieved to account for tax payable.
 - **ACC:** Accounting for the trading period including maintaining a cash book and projections.
 - **CUSTSUPP:** Corresponding with customers and suppliers to ensure work can continue.
 - **EMPLOYEES:** Consultation with employees, general employee matters including proving regular updates on the current situation, continuing with consultation, paying wage and making redundancies.
 - **OPS:** Management of trading operations and overseeing visits on site. Discussions with the Health and Safety Executive and arranging insurances.

This work has provided a financial benefit to the creditors as the continuous production of parts for Pall enable the negotiation and sale of part of the company's business which has generated sufficient funds to enable a distribution to creditors.

We have also instructed agents to handle certain aspects of the administration on our behalf where it was either more cost-effective for them to do so or where they have a particular expertise that was required. A summary of the name of agents, the work handled, the basis of the fees paid and the amounts paid is given below

Name and profession	Nature of work handled	Basis of fees paid and estimate provided (£)	Paid £
Lester Aldridge Solicitors	Business sale agreement	Time cost Estimated at:- Pre £2,273 Post £14,293	16,533
Lambert Smith Hampton Chattel agents	Valuation of assets Disposal of assets Clearance of trading premises	5% commission on realisations and direct reimbursement of disbursements covering auction costs and premises clearance Estimated at:- Pre £3,500 Post £18,000 No estimate provided at outset for clearance costs.	Commission of £12,050 Auction costs of £9,663 Premises clearance costs of £31,901
Moore Stephens Accountants	Marketing, meeting, payroll, provision of accounting information	Time cost Estimated at:- Pre £4,000 Post £3,500	7,800
Kim Brown Bookkeeper	Assisting with the day to day financial functions during the trading period	Time costs Estimated at £923	923

Name and profession	Nature of work handled	Basis of fees paid and estimate provided (£)	Paid £
Milbank Document Storage Ltd Document storage and destruction	Removal and destruction of confidential documentation from the company's premises Boxing and storage of company records required for the administration	Fixed fee No estimate provided at outset.	1,012
Lester Aldridge Solicitors	Business sale agreement	Time cost Estimated at - Pre £2,273 Post £14,293	16,533

+ the amounts paid to date are shown in the attached receipts and payments account and the balance to arrive at the amounts shown above have been incurred but not paid.

The expenses and disbursements are largely in line with the estimates provided to creditors within the administrators' proposals. The cost associates with the clearance of the premises due to the chemical waste have been substantial and were not predicted at the outset.

We have drawn a fee of £40,726, as approved by a resolution in our proposals for the services of Portland in the period leading up to our appointment.

Associated party expenses

Portland Legal Debt Collection Limited, trading as Debtcol, is an associated company of Portland Business & Financial Solutions. Where it was deemed appropriate, having considered the cost effectiveness and expertise required, this firm was instructed to pursue outstanding debts. Commercial fees have been agreed on a percentage of realisation basis taking into account the complexity and age of the debt.

In this case a collection fee of 15% would be charged. At the outset it was anticipated that the maximum fees could be £17,169, based on the total debtor balance. Whilst we have collected the majority of the book debts due to the company we have not been required to use Debtcol so far in the administration and so no amounts have been paid to date.

Creditors and members' requests for further information

In accordance with rule 18.9 Insolvency (England and Wales) Rules 2016 the following may make a written request to us for further information about remuneration or expenses set out in this report:-

- A secured creditor
- An unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question)
- Any unsecured creditor with the permission of the court

A request, or an application to the court for permission, must be made, or filed with the court (as applicable) within 21 days of the receipt of this report.

In accordance with rule 18.34 the following may make an application that the remuneration charged is in all circumstances excessive or the basis is inappropriate or the expenses incurred are excessive.-

- A secured creditor
- An unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors (including the creditor in question)
- Any unsecured creditor with the permission of the court

The application to the court must be made no later than eight weeks after the receipt of this report.

Further information regarding administrators' fees can be found by visiting the following website link <https://www.r3.org.uk/what-we-do/publications/professional/fees>

Conclusion

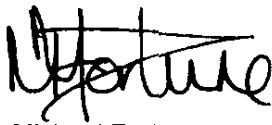
We have been able to achieve the second objective of administration, being, to achieve a better result for the company's creditors as a whole than would be likely in a winding up without administration

In our proposals, we stated that should there be funds available for unsecured creditors, then we would arrange for the company to be placed into liquidation. We enclose formal notice to that effect, which we will be filed at Companies House. The liquidation will commence upon the filing of this form.

In the liquidation the following matters are to be concluded –

- Conclude the debt collection process.
- Settle the remaining trading expenses.
- Agreement of the preferential creditor claims and payment of dividend
- Agreement of the unsecured creditor claims and payment of dividend

We hope that the contents of this report have provided you with a clear and detailed explanation of the conduct of the administration. If you should have any queries or require further explanation please do not hesitate to contact us.



Michael Fortune
Joint Administrator

Attached

- Summary of receipts and payments
- SIP 9 time analysis (period)
- SIP 9 time analysis (total)
- Summary of disbursements
- Schedule of charge out rates

SJ Engineering Specialists Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 01/05/2019 To 04/09/2019 £	From 31/10/2018 To 04/09/2019 £
POST APPOINTMENT SALES		
Recoveries from work in progress	NIL	68,464.90
	NIL	68,464.90
PURCHASES		
Supplier purchases	912.76	1,061.76
	(912.76)	(1,061.76)
OTHER DIRECT COSTS		
Consumable stores	NIL	255.35
Direct labour	NIL	84,311.45
Sub contractors	NIL	922.78
	NIL	(85,489.58)
TRADING EXPENDITURE		
Carriage	NIL	304.64
Heat and light	792.17	3,885.10
Insurance	NIL	NIL
PAYE & NI	NIL	NIL
Rates	4,447.81	4,447.81
Rent & rates	NIL	NIL
Telephone & IT services	NIL	1,605.39
Travel	NIL	173.78
	(5,239.98)	(10,416.72)
TRADING SURPLUS/(DEFICIT)	(6,152.74)	(28,503.16)

SJ Engineering Specialists Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 01/05/2019 To 04/09/2019 £	From 31/10/2018 To 04/09/2019 £
	SECURED ASSETS		
200,000.00	Book debts	9,034.62	217,484.17
		9,034.62	217,484.17
	SECURED CREDITORS		
(69,171.97)	Lloyds Bank Commercial Finance Ltd	NIL	69,171.97
		NIL	(69,171.97)
	ASSET REALISATIONS		
	Bank interest gross	50.04	90.34
	Book debts	NIL	NIL
9,882.15	Cash in client account	NIL	9,882.15
Uncertain	Consideration from sale of business	NIL	121,533.00
	Loan from Jeremy Smith	NIL	38,000.00
	Trading Surplus/(Deficit)	(6,152.74)	(28,503.16)
214,800.00	Plant and machinery	42,508.73	242,508.73
	Scottish Widows refund	NIL	37.55
Uncertain	Work in progress	NIL	NIL
		36,406.03	383,548.61
	COST OF REALISATIONS		
	Accountants' fees	NIL	7,800.00
	Advertising in London Gazette	NIL	77.10
	Auction costs	38.91	3,473.34
	Bank charges	NIL	200.00
	Chattel agents' fees & clearance costs	53,614.44	53,614.44
	Document destruction and storage	12.18	1,012.18
	Joint administrators' disbursements	43.57	601.68
	Joint administrators' remuneration	13,500.00	73,500.00
	Land Registry fee	NIL	3.00
	Legal fees	NIL	16,553.00
	Pre administration disbursements	NIL	255.20
	Pre administration fee	NIL	40,725.50
	Rent & rates	NIL	NIL
	Repayment of loan from Jeremy Smith	NIL	38,000.00
	Security	180.39	372.18
	Specific bond	280.00	280.00
	Travel expenses	NIL	2.67
		(67,669.49)	(236,470.29)
	PREFERENTIAL CREDITORS		
(21,912.77)	Employees - holiday and arrears of pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(239,373.95)	Employee claims	NIL	NIL
(40,000.00)	PAYE and National Insurance	NIL	NIL
(203,743.43)	Provision for creditor claims	NIL	NIL
(437,593.33)	Smith & Jewell (Properties) Limited	NIL	NIL
(30,000.00)	VAT	NIL	NIL
		NIL	NIL
	SHAREHOLDERS		
(2.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(617,115.30)		(22,228.84)	295,390.52
	REPRESENTED BY		

SJ Engineering Specialists Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 01/05/2019 To 04/09/2019 £	From 31/10/2018 To 04/09/2019 £
REPRESENTED BY CONTINUED		
Bank account - current		330,003.25
VAT payable		(48,601.75)
VAT receivable		13,989.02
		295,390.52

Time Entry - Detailed SIP9 Time & Cost Summary

S9109 - SJ Engineering Specialists Limited
From 01/05/2019 To 04/09/2019
Project Code POST
Including Sub-Analysis Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
AP - Administration & planning							
BANK Banking inc reconciliations & bonding	0.10	0.00	0.00	0.90	1.00	134.50	134.50
CC Statutory notifications and filings	0.00	0.00	0.00	0.40	0.40	46.00	115.00
RECORDS Record maintenance inc cash book	0.00	0.00	0.30	1.73	2.03	254.80	125.33
SET UP Administrative set-up	0.00	0.00	0.00	0.60	0.60	69.00	115.00
STRATEGY Case acceptance & strategy	0.00	0.00	0.70	0.00	0.70	129.50	185.00
Administration & Planning	0.10	0.00	1.00	3.63	4.73	633.80	133.91
C - Creditors							
CLAIMS Inviting and assessing creditor claims	0.50	0.00	0.00	0.20	0.70	178.00	254.29
CORRESPOND Individual creditors correspondence	1.30	0.00	4.20	3.40	8.90	1,585.00	175.84
HMRC HMRC returns	0.20	0.00	0.30	0.10	0.60	129.00	215.00
HMRCOR HMRC correspondence	0.00	0.00	0.00	0.60	0.60	69.00	115.00
LANDLORD Surrender/disclaim lease cor landlords	0.00	0.00	0.60	0.00	0.60	111.00	185.00
MEMBERS Corresponding with and dealing with members	3.00	0.00	0.00	0.00	3.00	930.00	310.00
MOC Decision of creditors	1.00	0.00	1.60	0.30	2.90	640.50	220.86
PENSIONS Pension companies & Pension Regulator	0.00	0.00	1.50	0.20	1.70	292.50	172.06
Creditors	6.00	0.00	8.20	4.80	19.00	3,915.00	206.05
R : Realisation of assets							
DEBT Debt collection	2.60	0.00	5.10	0.20	7.90	1,802.50	228.16
DISPOSAL Plant, stock disposals inc management	3.20	0.00	2.90	0.30	6.40	1,593.00	248.91
HMRC REFUNDS Requesting and chasing HMRC refunds	0.00	0.00	0.00	0.10	0.10	11.50	115.00
INS Insurance, security and maintenance	0.30	0.00	1.20	0.40	1.90	361.00	190.00
ISA Identifying and securing assets	0.00	0.00	0.00	0.40	0.40	46.00	115.00
REVIEW Case review	0.00	0.00	0.90	0.00	0.90	166.50	185.00
UTILITY Ensuring ongoing supply of utilities	0.00	0.00	3.10	0.20	3.30	596.50	180.76
VAT VAT reclaims	0.00	0.00	0.10	0.20	0.30	41.50	138.33
Realisation of Assets	6.10	0.00	13.30	1.80	21.20	4,618.50	217.85
REPORTING : Reporting							
FINAL Final report	0.40	0.00	3.90	0.00	4.30	845.50	196.63
PROGRESS Progress reports	9.70	0.00	3.50	1.70	14.90	3,916.00	262.82
Reporting	10.10	0.00	7.40	1.70	19.20	4,761.50	247.99
T : Trading							
ACC Accounting for trading inc cash book	0.00	0.00	0.00	0.60	0.60	69.00	115.00
CUSTSUPP Customer, supplier arrangements	0.30	0.00	1.10	2.00	3.40	526.50	154.85
Trading	0.30	0.00	1.10	2.60	4.00	595.50	148.88
Total Hours	22.60	0.00	31.00	14.53	68.13	14,524.30	213.18

Time Entry - Detailed SIP9 Time & Cost Summary

S9109 - SJ Engineering Specialists Limited
From: 31/10/2018 To 04/09/2019
Project Code: POST
Including Sub-Analysis Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
AP : Administration & planning							
BANK Banking inc reconciliations & bonding	0.40	0.10	0.00	2.70	3.20	462.50	144.53
QC Statutory notifications and filings	0.00	0.00	0.40	1.50	1.90	246.50	129.74
RECORDS Record maintenance inc cash book	0.00	0.00	3.00	6.93	9.93	1,352.30	136.14
SET UP Administrative set-up	0.00	0.10	0.00	1.30	1.40	251.50	139.72
STRATEGY Case acceptance & strategy	5.50	3.70	1.60	0.00	10.80	3,202.00	296.48
Administration & Planning	5.90	3.90	5.40	12.43	27.63	5,514.80	199.57
C : Creditors							
CLAIMS Inviting and assessing creditor claims	1.90	0.00	1.30	2.00	5.20	1,068.50	205.48
CORRESPOND Individual creditors correspondence	4.10	1.90	11.80	26.00	43.80	6,985.00	159.47
EMPLOYEES Employee queries	2.90	1.20	4.20	1.70	10.00	2,234.50	223.45
FINANCE Dealing with finance & lease companies	0.20	0.00	0.00	0.00	0.20	62.00	310.00
HMRC HMRC returns	0.20	0.00	0.90	0.10	1.20	240.00	200.00
HMRCOR HMRC correspondence	0.00	0.00	0.00	1.00	1.00	115.00	115.00
LANDLORD Surrender/disclaim lease cor landlord	0.60	0.00	1.60	0.00	2.20	482.00	219.09
MEMBERS Corresponding with and dealing with members	4.70	0.00	0.20	0.00	4.90	1,494.00	304.90
MOC Decision of creditors	1.50	0.00	2.80	1.70	6.00	1,178.50	196.42
PENSIONS Pension companies & Pension Regulator	0.00	0.00	1.80	0.70	2.50	405.50	162.20
ROT Retention of title	0.00	0.00	0.90	0.00	0.90	185.00	185.00
RPO Processing employee claims on RPO	0.00	0.00	1.30	0.30	1.60	275.00	171.88
Creditors	16.10	3.10	26.80	33.50	79.50	14,706.50	184.99
I : Investigations							
CDDA CDDA reports	0.20	0.00	0.00	1.60	1.80	246.00	136.67
IAT Investigating antecedent transactions	1.40	0.00	0.00	0.00	1.40	434.00	310.00
SIP2 SIP 2 review	0.00	0.00	3.50	0.20	3.70	670.50	181.22
Investigations	1.60	0.00	3.50	1.80	6.90	1,350.50	195.72
R : Realisation of assets							
BUSSELL Business sales	27.50	0.00	1.10	0.30	28.90	8,862.00	306.64
DEBT Debt collection	14.70	0.10	41.50	3.90	60.20	12,864.00	213.69
DISPOSAL Plant, stock disposals inc management	15.50	0.50	11.40	0.90	28.30	7,277.50	257.16
HMRC REFUNDS Requesting and chasing HMRC refund	0.00	0.00	0.00	0.10	0.10	11.50	115.00
INS Insurance, security and maintenance	0.50	0.00	3.70	0.60	4.80	908.50	189.27
ISA Identifying and securing assets	0.00	0.00	0.00	0.40	0.40	46.00	115.00
REVIEW Case review	0.00	0.00	1.70	0.00	1.70	314.50	185.00
UTILITY Ensuring ongoing supply of utilities	0.00	0.00	4.20	0.20	4.40	800.00	181.82
VAT VAT claims	0.00	0.00	0.10	0.20	0.30	41.50	138.33
Realisation of Assets	58.20	0.60	63.70	6.60	129.10	31,125.50	241.10
REPORTING : Reporting							
FINAL Final report	0.40	0.00	3.90	0.00	4.30	845.50	196.63
MEETCRED Meeting of creditors	0.00	0.00	0.00	2.20	2.20	253.00	115.00

Time Entry - Detailed SIP9 Time & Cost Summary

S9109 - SJ Engineering Specialists Limited
From 31/10/2018 To: 04/09/2019
Project Code POST
Including Sub-Analysis Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
NOTICES Initial notices of appointment	0.50	0.00	2.60	4.40	7.50	1,142.00	152.27
PROGRESS Progress reports	9.70	0.00	3.50	1.70	14.90	3,916.00	262.82
PROPOSALS Proposals	27.20	0.00	4.10	4.80	36.10	10,168.50	281.68
Reporting	37.80	0.00	14.10	13.10	65.00	16,325.00	251.15
T - Trading							
ACC Accounting for trading inc cash book	2.40	0.00	0.00	8.70	11.10	1,744.50	157.16
CUSTSUPP Customer, supplier arrangements	13.40	1.10	9.10	3.70	27.30	6,571.00	240.70
EMPLOYEES On-going employee issues	0.20	0.20	3.70	0.00	4.10	802.50	195.73
OPS Management of operations	9.50	2.00	29.50	0.20	41.20	8,985.50	218.09
Trading	25.50	3.30	42.30	12.60	83.70	18,103.50	216.29
Total Hours	145.10	10.90	155.80	80.03	391.83	87,125.80	222.35

SJ Engineering Specialists Limited

SIP9 disbursements

Category 2 Disbursements		Accrued 01/05/2019 to 04/09/2019 £	Paid 01/05/2019 to 04/09/2019 £	Accrued 31/10/2019 to 04/09/2019 £	Paid 31/10/2019 to 04/09/2019 £	Total estimated £
Postage and stationery	3 times postage	312.06	9.36	697.38	387.12	892.00
Photocopying and printing	10p per copy	82.40	3.80	234.40	152.00	715.00
Mileage	HM Revenue & Customs agreed rate	-	-	21.15	21.15	200.00
Room hire	£120 per meeting	-	-	-	-	-
Storage (Portland archive)	£50 per box per year	4.11	30.41	34.52	30.41	50.00
Facsimile	£1 per page	-	-	1.00	1.00	20.00
Company searches	2 times cost	-	-	-	-	10.00
Virtual meeting/conference call	£20 per meeting or call	-	-	-	-	-
Banking fee	£10 per case	-	-	10.00	10.00	10.00
		398.57	43.57	998.45	601.68	1,897.00

Portland Business & Financial Solutions

Fees and disbursements policies

Fee policy

In line with most practices, we normally calculate our fees on the basis of the time spent by each member of staff. We are prepared to calculate fees as a percentage of realisations or as a fixed fee by special arrangement only where the circumstances warrant it. Where the assignment relates to an insolvency appointment, we are normally required to obtain a resolution from creditors approving the basis of calculation.

Staff of the appropriate grades, are allocated to each task on each assignment, according to the size and complexity of the matter, and they record their time in six minute units. Where the fee is to be calculated on the basis of time spent, cost rates for each grade are then used to evaluate the fee. The effectively hourly rates are currently as follows:-

Cost per hour (£)	
Director/office holder	340
Associate director	310
Client director	280
Case manager	220
Senior Insolvency administrator	185
Case administrator	145
Administrator	115
Cashiers	115
Support staff	80

These rates apply with effect from 1st December 2017. They are reviewed periodically, typically every 1-2 years, and could therefore increase during any particular assignment.

Disbursement policy

Category 1 – no approval required

Where expenses are incurred through third parties specifically in respect of the assignment, they are recharged to the case as incurred, for example statutory advertising, external room hire, fidelity bond, rail travel and external storage. These are defined as category 1 disbursements in SIP9 and approval is not required.

Category 2 – approval required

Other expenses can be recharged to the assignment based on a share or allocation of a cost that Portland incurs centrally. These are defined as category 2 disbursements in SIP 9 and approval is required. Typically such expenses and the method of allocation are as follows:-

Postage and stationery	-	Three times postage cost
Photocopying and printing	-	10p per copy
Facsimile	-	£1 per page
Mileage	-	HM Revenue and Customs agreed rate
Room hire	-	£120 per meeting
Storage (Portland archive)	-	£50 per box per year
Company searches	-	Two times cost
Banking fee	-	£10 per case