

AM03

Notice of administrator's proposals



Companies House

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refer to our guidance at
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1 Company details

Company number 0 8 6 9 9 0 8 4

Company name in full Derek Building Services Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Hasib

Surname Howlader

3 Administrator's address

Building name/number Third Floor

Street 112 Clerkenwell Road

Post town London

County/Region

Postcode E C 1 M 5 S A

Country

4 Administrator's name ①

Full forename(s)

Surname

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other administrator

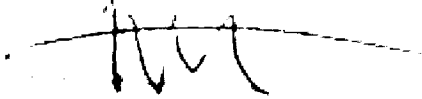
Use this section to tell us about
another administrator.

AM03
Notice of Administrator’s Proposals

6 Statement of proposals

<input checked="" type="checkbox"/>	I attach a copy of the statement of proposals	
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7 Sign and date

Administrator's Signature	Signature 									
Signature date	<table><tr><td>^d 1</td><td>^d 4</td><td>^m 1</td><td>^m 2</td><td>^y 2</td><td>^y 0</td><td>^y 2</td><td>^y 0</td></tr></table>	^d 1	^d 4	^m 1	^m 2	^y 2	^y 0	^y 2	^y 0	
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Notice of Administrator's Proposals



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	Alexandra Nastase									
Company name	Hudson Weir Limited									
Address	Third Floor									
	112 Clerkenwell Road									
Post town	London									
County/Region										
Postcode	E	C	1	M		5	S	A		
Country										
DX										
Telephone	0207 099 6086									



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

Administrator's Proposals

Derek Building Services Ltd – In Administration

Issued on: 14 December 2020

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Definitions

The Act	The Insolvency Act 1986
The Administrator	Hasib Howlader of Hudson Weir Limited
The Agents	Axia Valuation Services
The Rules	The Insolvency Rules 1986 or the Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event described)
The Statement of Proposals	The Statement of the Administrator's Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
The Administrator	Hasib Howlader
The Company	Derek Building Services Ltd (in Administration) (Company Number: 08699084)
The Court	The High Court of Justice
CVA	Company Voluntary Arrangement
CVL	Creditors' Voluntary Liquidation
EBIT	Earnings before interest and tax
SPA	Sales and Purchase Agreement
RPPO	The Redundancy Payments Office
HMRC	HM Revenue and Customs
EOS	Estimated Outcome Statement
PP or Prescribed Part	The Prescribed Part of the Company's net property subject to Section 176A of the Insolvency Act 1986
SIP	Statement of Insolvency Practice (England & Wales)
The Director	Dariusz Jan Krawczyk
The Purchaser	DK General Works Ltd
TUPE	Transfer of Undertakings (Protection of Employment) Regulations

I am the Administrator of the Company and these are my statutory proposals relating to the Company.

1. STATUTORY INFORMATION

Company Information

Company name:	Derek Building Services Ltd
Previous name:	Not applicable
Trading name:	Derek Building Contractors
Company number:	08699084
Date of incorporation:	20 September 2013
Trading address:	3rd Floor Block H 286c, Chase Road Southgate Office Village, London, N14 6HF
Current registered office:	3rd Floor Block H 286c, Chase Road Southgate Office Village, London, N14 6HF
Former registered office:	1 Turnpike Lane, London, United Kingdom, N8 0EP
Principal trading activity:	Plastering; Painting; Other building completion and finishing

Appointment Details

Administrator	Hasib Howlader of Hudson Weir Limited
Administrator's address	Hudson Weir Limited, Third Floor, 112 Clerkenwell Road, London, EC1M 5SA
Date of appointment	8 December 2020
Court name and reference	High Court of Justice, Business And Property Court 004469 of 2020
Appointment made by:	Dariusz Jan Krawczyk, the Director of the Company
Officers of the Company:	

<i>Director:</i>	<i>Name:</i>	<i>Shareholding</i>
	Dariusz Jan Krawczyk	100 shares (100%)

<i>Company secretary:</i>	<i>Name:</i>	<i>Shareholding</i>
	-	-

Share capital

<i>Authorised</i>	<i>Allotted, called up and fully paid</i>
100 ordinary shares of £1 each	100 ordinary shares of £1 each

Charges

The Company has not granted any fixed or floating charges.

2. CIRCUMSTANCES LEADING TO THE APPOINTMENT OF THE ADMINISTRATOR

Creditors should note that, unless otherwise stated, this section of my proposals has been prepared based on information provided to me by the director of the Company and not from my personal knowledge as Administrator.

The Company was incorporated on 20 September 2013 and the principal activity of the Company was to provide plastering, painting and other building completion and finishing services. The Company traded from 3rd Floor Block H 286c, Chase Road Southgate Office Village, London, N14 6HF.

The Company was profitable for the first four years of trading, this fact being supported by a solvent balance sheet.

At the time of the Company entering Administration, the Company had one client, Sandersons Building Services Ltd, which holds a main contract from London Borough of Southwark. The Company acted as a subcontractor for Sandersons Building Services Ltd. However, no formal agreement was established between the Company and Sandersons Building Services Ltd.

In 2017, the Company suffered a bad debt, with a value of approximately £30,000, during a period where there was a decrease in the value of work it was receiving from the agreement with Sandersons Building Services Ltd for Southwark Council.

HM Revenue and Customs presented a winding up petition in 2017 in respect of unpaid VAT. The first hearing was heard on 30 June 2017 and was subsequently adjourned twice. At that point, the Company tried entering a time-to-pay arrangement with HM Revenue and Customs but was not able to achieve this.

The Director was introduced to RSM Restructuring Advisory LLP, a firm of Insolvency Practitioners, and on 9 November 2017 the Company entered into a CVA. Alexander Kinninmonth and Duncan Robert Beat of RSM Restructuring Advisory LLP were appointed Joint Supervisors of the Company.

As set out in the CVA proposals, a business plan was produced that indicated the Company could generate a good trading profit in the future. The proposed Joint Supervisors estimated a projected profit for year 2018, after taxation, of £186,219, on a projected turnover of £734,832.

According to the CVA proposals, steps were taken to minimise costs in respect of employee salaries and to maximise sales in respect of the works done with Southwark Council.

It was agreed with the Joint Supervisors that the Company would continue trading in accordance with its Memorandum and Articles of Association in the business of building completion and finishing and that the Director would continue to manage the business during the course of the CVA under the terms set out in the CVA Proposals.

In respect the contributions to be made towards the CVA by the Company, it was agreed monthly contributions of £8,280 per month would be paid to the Joint Supervisors, totalling £149,040 over a period of 18 months.

In July 2019, the Joint Supervisors advised the director that he was in breach of his obligations under the CVA conditions, as contributions totalling £19,039 had not been received by 30 June 2019, as set out in the payment schedule.

In September 2020 the Joint Supervisors received a claim from HM Revenue and Customs, significantly greater than expected at the outset of the CVA. One of the conditions of the CVA was payment in full to creditors. As the debt to HM Revenue and Customs was not going to be settled in full, the Company found itself in an insolvent state.

At this stage, the Joint Supervisors advised the Company that it may seek a variation of the Arrangement, subject to the creditors' approval. The mentioned variation would have required significant further contributions to enable the creditors to be paid in full. A shortfall of £55,000, plus costs, was estimated.

The Company's accountant, Farrow & Farrow Accounting Ltd, contacted Hudson Weir Limited on 24 November 2020 to introduce the Company's director and to discuss the Company's financial position and to help advise on the options available for the Company.

Following the initial meeting with the Director and the accountant, Hudson Weir was instructed to place the Company into CVL. After further consideration, on 25 November 2020 it was concluded that the best outcome for the creditors as a whole would result by placing the Company into Administration, including a pre-pack sale of the business and assets.

Prior to the commencement of the Administration, Hudson Weir Limited acted as advisors to the Board as a whole acting on behalf of the Company. No advice was given to the individual directors regarding the impact of the insolvency of the company on their personal financial affairs. Whilst not formally in office at that time, Hudson Weir Limited was still required to act in its dealings with the Company in accordance with the Insolvency Code of Ethics.

In the hiatus period between receiving the instructions from the Board of Directors to assist with the Company's Administration and the commencement of the Administration, the insolvency practitioner of Hudson Weir took the necessary steps to prepare for his potential appointment as Administrator. At this point, the advantages on looking to sell the Company's business and assets swiftly on appointment were clear as this strategy would significantly reduce the ongoing costs of securing and maintaining the assets. Also, this would mean avoiding the risks of devaluation of the assets due to the commencement of formal insolvency proceedings.

The insolvency practitioner, with the assistance of professional and independent agents, considered the most effective method of securing a sale representing the best possible outcome for creditors as a whole. The Company's business and assets were marketed by the instructed agents and an offer was negotiated with one interested party in acquiring the assets of Company.

As required by the Insolvency Code of Ethics, I considered the various threats to my objectivity arising from this prior involvement. I concluded that those threats were at an acceptable level such that I could still act objectively and hence could be appointed Administrators of the Company.

On 8 December, 2020, I was appointed by the Director as Administrator of the Company and took over from the Board responsibility for the management of the affairs, business and property of the Company.

A summary of the Company's recent trading performance is shown below.

	Management Accounts	Statutory Accounts	Statutory Accounts
	June to October 2020	31 July 2018 to 31 July 2019	31 July 2017 to 31 July 2018
	£	£	£
Turnover	145,123	817,818	569,024
Cost of Sales	(105,533)	(490,962)	(337,586)
Gross Profit	39,590	326,856	231,438
Administrative Costs	(18,705)	(82,341)	(165,230)
Other Income	11,282	-	-
Operating Profit	32,167	244,515	66,208

It should be noted that the management accounts have not been verified for accuracy and therefore may not reflect the Company's true trading position.

3. OBJECTIVES OF THE ADMINISTRATION AND THE ADMINISTRATOR'S STRATEGY FOR ACHIEVING THEM

As Administrator of the Company, I am an officer of the Court, and must perform my duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration, which is to achieve one of the three objectives set out in the insolvency legislation, namely to:

- (a) rescue the Company as a going concern; or
- (b) achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

These objectives form a hierarchy. The rescue of a company is the priority in an administration. If this is not possible, the Administrator seeks to achieve a better result for the creditors as a whole.

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the nature of the Company's trading. Additionally, objective (a) was not a viable option considering the fact that the Company was in a failed Creditors' Voluntary Arrangement.

Objective (b) is normally achieved by a pre-pack sale of the business. The second objective could not be achieved as the amount due to the Company's preferential creditors compared to the value of its assets means that there are only sufficient assets to make a distribution to the preferential creditors. As a result, I am seeking to achieve objective (c) for the Company and will do this by a pre-pack sale of the Company's business and assets.

The pre-pack sale of the business enables me to achieve the objective set out above as the realisations made will enable me to make a distribution to NEST for potential outstanding pension contributions and HMRC, as a secondary preferential creditor, whilst the transfer of the employees to the purchaser means that the Company will have no other preferential creditors apart from HMRC and a potential pension liability. I can also confirm that the outcome achieved as a result of the pre-pack sale was the best available outcome for creditors of the Company as a whole in all the circumstances of the case and that it did not unnecessarily harm the interests of the creditors of the Company as a whole.

It should be noted that, if the Company had sought to enter liquidation without first being in Administration, the value of the Company's assets would have reduced significantly due to the commencement of formal insolvency proceedings.

The insolvency legislation has set a 12-month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If I am unable to complete the Administration of the Company within 12 months then I will either apply to the Court or seek a decision from the creditors to extend the duration of the Administration.

4. ACTIONS OF THE ADMINISTRATOR FOLLOWING APPOINTMENT AND SIP 16 DISCLOSURE

Since I was appointed as Administrator of the Company, I have begun a review of the Company's affairs with particular regard to its financial and resource requirements. The assessment was carried out in liaison with the remaining management of the Company and the Company's accountants.

I have undertaken routine statutory and compliance work, such as advertising the appointment of the Administrator in the London Gazette and all necessary documents have been filed with the Registrar of Companies. A bank account was open, and the Administrator has advised the CVA Joint Supervisors of his appointment. These are tasks that are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

The following comprises my disclosure to creditors in order to meet the requirements of Statement of Insolvency Practice 16 as regards the pre-pack sale.

Role of the Insolvency Practitioner

I was introduced to the Board of the Company by of Farrow & Farrow Accounting Ltd on 24 November 2020. I first met with the Board, on 24 November 2020 to discuss the financial affairs of the Company. Prior to the commencement of the Administration I advised the Board as a whole, acting on behalf of the Company, about the Company's financial difficulties and provided advice about the options available to the Company to help determine an appropriate course of action to take. No advice was given to the individual directors regarding the impact of the insolvency of the Company on their personal financial affairs. Whilst not formally in office at that time, I was still required to act in my dealings with the Company in accordance with the Insolvency Code of Ethics.

As mentioned above, in the hiatus period between receiving the instructions from the Board of Directors to assist with the Company's Administration and the commencement of the Administration, the insolvency practitioner of Hudson Weir took the necessary steps to prepare for his potential appointment as Administrator. At this point, the advantages on looking to sell the Company's business and assets swiftly on appointment were clear as this strategy would significantly reduce the ongoing costs of securing and maintaining the assets. Also, this would mean avoiding the risks of devaluation of the assets due to the commencement of formal insolvency proceedings.

The insolvency practitioner, with the assistance of professional and independent agents, considered the most effective method of securing a sale representing the best possible outcome for creditors as a whole. The Company's business and assets were marketed by the instructed agents and an offer was negotiated with one interested party in acquiring the assets of Company.

Ultimately the Company was placed into Administration and I was appointed Administrator. As Administrator I am an officer of the Court and I have taken over the management of the Company from the Board. As indicated above, the purpose of this Administration is achieved objective (c).

In order to help me achieve the objective I have a wide range of powers, as set out in the insolvency legislation, and I must perform my functions as quickly and efficiently as is reasonably practicable. I must also act in the interests of the creditors of the Company as a whole other than where objective (c) is being pursued I need only ensure that I do not unnecessarily harm the interests of the creditors of the Company as a whole.

Pre-appointment considerations

When first introduced to the Board of Directors, Hudson Weir advised the Company on its financial options. In addition to this, HW's advice covered the marketing of the business, negotiating and agreeing the contract for the prepack sale on the day of appointment.

A signed engagement letter was received from the Board of Directors on 26 November 2020 to place the Company into Administration. As agreed in the engagement letter, the sum of £7,500 plus VAT was paid by the Company in respect of the proposed Administrator's pre appointment fees.

Following the receipt of the engagement letter, the Administrator's solicitors, AMB Law Limited, assisted with preparing the necessary documents to place the Company into Administration. Legal fees of £1,500 plus VAT were incurred in relation to this service and were paid to the solicitors by the Company prior to the appointment of the Administrator.

In addition to the above, the Administrator's solicitors advised in respect to all legal issues arising on the sale of the assets and assisted with the preparation of the Sale and Purchase Agreement. Fees of £5,000 were incurred in relation to this service and have not yet been paid.

In relation to advising on the sale of the assets, the Administrator instructed a qualified independent valuation agent, Axia Valuation Services, to undertake a valuation of the Company's business and assets and to market them. Fees of £4,250 plus VAT, were incurred in relation to this service and have not yet been paid.

The options listed below were considered with the Board of Directors.

Creditors Voluntary Liquidation

As mentioned above, the possibility of placing the Company into CVL was considered by the Insolvency Practitioner.

As the Company was in breach of the CVA conditions and had received a significantly greater than expected claim from HMRC, it was clear that the Company found itself in an insolvent state and the CVA Supervisor was to file a petition for the Compulsory Liquidation of the Company imminently. This was discussed with the director and the proposed administrator on 4 December 2020.

After consulting with the Agents, it was concluded that a sale of the assets in an administration procedure will achieve a better result for creditors than in a CVL procedure. The explanation for this would be that following a liquidation, the value of the business and assets would significantly decrease in a liquidation as shown in the Estimated Outcome Statement at Appendix 1.

Company Voluntary Arrangement

As mentioned above, the Company had entered into CVA on 9 November 2017. As the Company was in breach of the CVA conditions and had received a significantly greater than expected claim from HMRC, it was clear that the Company found itself in an insolvent state.

Considering the failure of the CVA, the Insolvency Practitioner considered that a pre-pack Administration would be the appropriate procedure for the Company and better results would be obtained for the creditors as a whole.

Considering the above, the pre-pack sale of the business enables the Administrator to achieve the objective set out above as it achieves a better result for the creditors as a whole than would be likely if the Company had been placed into Liquidation without first being in Administration, as it has been indicated above. The transfer of the employees to the Purchaser via TUPE means that the Company has no preferential creditors in respect of claims by employees. The Administrator also confirms that the outcome achieved as a result of the pre-pack sale was the best available outcome for creditors of the Company as a whole in all the circumstances of the case.

Valuation of the business and assets

The Agent was instructed on 24 November 2020 to value and market the business and the assets of the company. They have confirmed their independence, are qualified by the National Association of Valuers and Auctioneers and have adequate professional indemnity insurance.

The valuation report was prepared by the Agent on both Market Value In-Situ (Willing Buyer) and Market Value Ex-Situ (Forces Sale) bases.

The Market Value (In-Situ) is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. This valuation basis further assumes that the assets are treated as follows:

- the plant and equipment will remain as a whole in-situ in their existing location following sale;
- the value provided is the gross value and does not allow for any agent's commission or other sale fees;
- all plant and equipment valued will be available for sale at the one time.

The Market Value (Ex-Situ) is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. This valuation basis further determines that the assets are treated as follows:

- the plant and equipment has been valued as individual items for removal;

- the value provided is the gross value and does not allow for any agent's commission or other sale fees;
- all plant and equipment valued will be available for sale at the one time.

The Agents advise the Company's tangible assets comprise of Tools and Equipment and Vehicles. Aside from the Company's physical assets, there is an intangible element to the value of the business, being Work-In-Progress and Business Intellectual Property.

Asset category	Valuation basis & amount (£)		Sale Consideration
	(e.g. Market value in-situ)	(e.g. Market value ex-situ or Orderly Liquidation Value etc)	(£)
Tools and Equipment	£300	£100	£300
Vehicles	£21,200	£17,100	£20,000
Work-in-progress	£3,700	NIL	£3,501
Business Intellectual Property	£10,000	NIL	£8,699
Total	£35,200	£17,800	£32,500

Tools and Equipment

According to the valuation report prepared by the Agents, the Tools and Equipment is comprised of paint brushes, rollers, ladders, a drill, a screwdriver, a sander, a saw and other ancillary equipment. The Agents were informed these assets are generally in a fair condition and free from encumbrance. As with all assets of this nature, unless they are relatively new and of good specification, residual values are generally low.

Vehicles

The Company held 3 vehicles which are free of encumbrance: a Volkswagen Transporter van and 2 Mercedes-Benz Sprinter vans. The director advised the Agents that the vehicles are generally in poor conditions. None of the vehicles have been tested for the purpose of the valuation report, but it was assumed by the Agents the Vehicles are in good working order.

Work-In-Progress

The Work-In-Progress consists of one contract with an estimated value of £15,000. The director has advised £15% of the work has been completed up to the date of the valuation report. When forming an opinion on the value of the Work-In-Progress, it should be taken into consideration that completion of the outstanding work would require working capital. The Agents advise that in a forced sale scenario, there would be no right of transfer of the Work-In-Progress, having a nominal value.

Business Intellectual Property

The Business Intellectual Property is comprised of the business model itself, the brand/trading style "Derek Building Services", copyright and related rights, moral rights, trade marks, website, domain names, rights in get-up, goodwill and the right to sue for passing off, rights in design, rights in computer software, database rights, rights to use, confidential information (including know-how and trade secrets) and other intellectual property rights.

The Agents were advised the Company has only one client, Sandersons Building Services Ltd, which holds a main contact from London Borough of Southwark. The Company acted as a subcontractor of Sandersons Building Services Ltd, with no formal agreement in place.

The business has been affected by the Covid-19 pandemic and the volume of available work has reduced substantially due to the economic uncertainty.

The Company does not participate in any tenders for future work and we are informed that there is no pipeline work and/or forward orders.

The Company does not hold any retentions.

There is no widespread recognition of the Derek Building Services brand, the Company does not operate a website and/or hold any web domains, does not hold any trademarks.

Since the business has failed, along with the Covid-19 pandemic, uncertainty was created in respect of the business, representing a significant risk to investors.

The Agents have advised that when valuing Business Intellectual Property, it is important to analyse market participants and define the likely pool of buyers. In the Company's case, it was considered the Business Intellectual Property would be of interest to the Company's director and shareholder. The Business Intellectual Property would not appeal to an unconnected party as there are no formal contracts in place. As the work is sourced solely from Sandersons Building Services Ltd, it is important to underline that the provision of this work is based on the incumbent director's relationship with the mentioned Company. As such, it was advised that in a forced sale scenario there would be little to sell to third parties and the Business Intellectual Property would have a nil value.

Marketing of the business and assets

The Agents were instructed to market the Company's business and assets. In accordance with the Statement of Insolvency Practice 16, the Agents advertised the Company's business and assets online and broadcasted the sale directly to the Agents' construction trade contacts.

When advertising the Company's business and assets, the Agents indicated that offers would be considered for the business and assets as a whole or individually. The deadline for receiving final offers was 7 December 2020 at 14.00 hrs.

Following the marketing of the business and assets, the Agents received 6 requests for further information. The requested information was provided to the interest parties, but no offers received from them. However, the only firm offer was received from DK General Works Ltd.

Details of the pre-pack sale

Following the marketing of the business and assets, only one firm offer from DK General Works Ltd. The Insolvency Practitioner, advised by the Agents, decided to accept the offer from the interested party as it was deemed the most advantageous strategy in this situation. It was considered that the business and assets' value would significantly decrease should a transaction not take place.

A sale of the business and assets was completed to the Purchaser on 8 December 2020 for £32,500. The Purchaser and the Company are connected by way of a common director and shareholder, Dariusz Jan Krawczyk.

Dariusz Jan Krawczyk has personally guaranteed to pay the amount in full should the Purchaser be unable to fulfil his contractual obligations as per the Sales and Purchase Agreement. Additionally, retention title clauses were agreed in respect of the vehicles. As per the Sale and Purchase Agreement, the property title does not pass to the Purchaser until all funds are received in respect to that category of assets.

The sale included the assets listed below:

- Equipment;
- Vehicles;
- Contracts;

- Intellectual Property;
- Goodwill/Name.

The sale consideration amounted to £32,500. The sale consideration has been allocated to the following asset categories:

Asset category	(£) Sales consideration
Tools and Equipment	£300
Vehicles	£20,000
Work-in-progress	£3,501
Business Intellectual Property	£8,699
Total	£32,500

A payment schedule was agreed with the Purchaser, as follows:

- Transfer date - £1,000;
- On or before 4 January 2021 - £3,250;
- On or before 4 February 2021 – £3,250;
- On or before 4 March 2021 – £3,250;
- On or before 4 April 2021 - £3,250;
- On or before 4 May 2021 - £3,250;
- On or before 4 June 2021 - £3,250;
- On or before 4 July 2021 - £3,250;
- On or before 4 August 2021 - £3,250;
- On or before 4 September 2021 - £3,250;
- On or before 4 October 2021 - £2,250.

Connected Party Transactions

As indicated above, the purchaser of the business and assets of the Company is a connected party. Connected party purchasers are encouraged to, but are not required to, approach what is known as the pre-pack pool, an independent group of suitably qualified and experienced individual, in order to obtain their opinion on the pre-pack transaction. The connected party purchaser has to pay £800 to the pre-pack pool for them to provide this opinion.

In this instance I understand that the connected purchaser has not approached the pre-pack pool for their opinion on the pre-pack sale, although the director was advised of his ability to do so by Hasib Howlader in their initial meeting.

Connected party purchasers are also encouraged to, but are not required to, prepare a viability statement indicating how their business will survive for at least 12 months from the date of the purchase, and detailing what they will do differently from the Company in Administration in order that the business will not fail.

In this instance, whilst I requested that the connected purchaser prepare a viability statement, my understanding is that one has not been prepared.

There were no options, buy-back arrangements or similar conditions attached to the contract of sale. The Sale is not part of a wider transaction.

Conclusion

I confirm that the sale price achieved, and also the outcome, was the best available outcome for creditors of the Company as a whole in all the circumstances of the case and that the pre-pack sale achieves the statutory purpose of the Administration that I am seeking to achieve in respect of the Company.

5. FINANCIAL POSITION OF THE COMPANY

The Administrator has asked the director to prepare a summary of the Company's estimated financial position as at 8 December 2020, which is known as a Statement of Affairs. This has not yet been received.

In the absence of a Statement of Affairs I have prepared an estimate of the financial position of the Company as at 8 December 2020 from the records of the Company. I attach a copy of the estimate at Appendix 1, together with a list of names of all known creditors and the amounts of their debts.

Comments on the Administrator's estimate of the financial position of the Company

As shown at Appendix 1, the assets of the Company are those detailed above that have been sold to the Purchaser via a pre-pack sale.

5.1. Preferential creditors

The only known ordinary preferential creditors are former employees of the Company for unpaid wages and holiday pay. Their claims are subject to a maximum limit set by the insolvency legislation. There are no preferential employee claims as the employees have been transferred to the new company via TUPE.

HMRC are secondary preferential creditors for certain specified debts, such as VAT, PAYE, employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions. Secondary preferential debts are payable after all ordinary preferential debts have been paid in full, and before non-preferential unsecured debts. In this case, it is estimated that HMRC's secondary preferential claim is £267,640.

5.2. Prescribed part

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An Administrator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property;

up to a maximum of £600,000.

The Company has not created any floating charges, so the prescribed part provisions will not apply.

6. ADMINISTRATOR'S RECEIPTS AND PAYMENTS ACCOUNT

I attach a summary of the receipts and payments relating to the Company for the period from when it entered Administration, 8 December, 2020, to the date of these proposals, at Appendix 2.

As mentioned above, a prepack sale was completed on 8 December 2020 in respect of the Company's business and assets. Considering the short period since the sale occurred, the attached Receipt and Payments Account

does not contain details in respect to any receipts in respect of the assets. The Administrator advises the funds of £1,000 received on the date of the transactions are held on account by the Administrator's solicitors.

7. PROPOSED FUTURE ACTIONS OF THE ADMINISTRATOR TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATION

As mentioned above, a pre-pack sale occurred on 8 December 2020 in respect of the Company's business and assets.

As it appears now, there will be funds for a dividend to be paid to the secondary preferential creditors.

In order to achieve the purpose of the administration, the appointed Administrator will ensure the funds are paid on the agreed schedule with the buyer. Safeguards have been put in place to protect and recover the Company's assets should the payment plan not be respected.

In respect of the general administration of the case, the Administrator and his team will ensure a post appointment bank account will be maintained, with reconciliations being undertaken in accordance with Hudson Weir's policy.

After six months of the appointment, the Administrator will issue a progress report to creditors to inform on the progress of the case. The Administrator and his team will be monitoring the case strategy and in particular the purpose of the administration on a regular basis, and periodical reviews will be undertaken, as required by best practice.

During the course of the Administration, all general correspondence from creditors, agents and solicitors will be dealt with.

The Administrator has prepared and circulated to all creditors full details of the Proposals for achieving the purpose of the Administration, including the Statement of Insolvency Practice 16 Report. All creditors shall be notified of the outcome of the Administrator's Proposals and whether they have been accepted. The sending of the Proposals is a matter that is required by law and provides the creditors will full details as to the progress of the Administration and how the Administrator intends to achieve the purpose of the Administration.

During the course of the Administration, the Administrator will ensure all appropriate VAT and tax return are submitted. Any tax arising post appointment will be calculated and paid over to the respective departments.

The Administrator will undertake a review of the Company's affairs prior to Administration and will prepare a conduct report to be submitted in respect of the Company's director in order to establish whether there are actions to be taken for the benefit of the administration.

Should any creditor have any concern about the way the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring them to the attention of the Administrator as soon as they are able.

8. ADMINISTRATOR'S REMUNERATION AND EXPENSES

I attach at Appendix 4 a copy of my practice fee recovery policy. In this case I am seeking to fix the basis of my remuneration on a time cost basis as detailed below:

Time costs

Some work cannot be identified with enough certainty for me to seek remuneration on a fixed or percentage basis. For these tasks, I propose to seek approval on a time cost basis. i.e. by reference to time properly spent by me and members of staff of the practice at our standard charge out rates. When I seek approval for my fees on a time cost basis, I am required to provide a fee estimate. That estimate acts as a cap on my time costs so that I cannot draw fees of more than the total estimated time costs without further approval from those who approved

the fees. I attach a "Fee Estimate Summary" at Appendix 6 that sets out the work that I intend to undertake, the hourly rates I intend to charge for each part of the work, and the time that I think each part of the work will take. It includes a summary of that information in an average or "blended" rate for all of the work being carried out within the estimate.

As indicated in the fees estimate the following areas of work will be charged on a time cost basis: administration, investigations; realisations of assets; creditors and the liquidation of the Company. The following explains the areas of work for which I am seeking approval on a time cost basis, whilst full information about the work that I will undertake on a time cost basis is contained in Appendix 5.

Administration (including Reporting)

This represents the work that is involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder (and their managers). It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

Investigations

The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure and also in respect of matters such as misfeasance and wrongful trading. The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holder will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holder will provide an estimate of that benefit if an increase in fees is necessary.

The estimated time required to be spent to do so and the time costs of doing so are included in the estimate. The office holder is unable to quantify the benefit to creditors of these investigations at present but will include such information in their statutory report to creditors once the position is clear.

The office holder is also required by legislation to report to the Secretary of State on the conduct of the directors and the work to enable them to comply with this statutory obligation is of no direct benefit to the creditors, although it may identify potential recovery actions.

Realisation of Assets

This is the work that needs to be undertaken to protect and then realise the known assets in the case. If this work is undertaken, the office holder anticipates that the assets will realise the estimated to realise amounts provided to creditors.

Creditors

Claims of creditors - the office holder needs maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

Dividends - the office holder has to undertake certain statutory formalities in order to enable him to pay a dividend to creditors. This includes writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

More details of the tasks included in these categories are included in the fees estimate. I estimate that the total time costs that I will incur in undertaking these tasks in this case will be £21,936 at an average rate of £230 per hour.

This estimate has been provided to creditors at a relatively early stage in the administration of the case and before the office holder has full knowledge of the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the office holder's current knowledge of the case and their knowledge and experience of acting as office holder in respect of cases of a similar size and apparent complexity. As a result, the estimate does not take into account any currently unknown complexities or difficulties that may arise during the administration of the case. If the time costs incurred on the case by the office holder exceed the estimate, or is likely to exceed the estimate, the office holder will provide an explanation as to why that is the case in the next progress report sent to creditors. Since the office holder cannot draw remuneration in excess of this estimate without first obtaining approval to do so, then where the office holder considers it appropriate in the context of the case, they will seek a resolution to increase the fee estimate so that they will then be able to draw additional remuneration over and above this estimate.

I anticipate needing to seek approval to exceed the estimate if this work leads to further areas of investigation, potential further asset recoveries and any associated action, such as arbitration or legal proceedings.

To date a total of 36 hours have been spent working on the above tasks in the Administration, and total time costs to date are £10,119 charged at an average charge out rate of £287 as shown at Appendix 8. Details of the time units used, and current charge-out rates are provided in our practice fee recovery sheet, a copy of which is enclosed at Appendix 4. (I attach, in respect of the areas of work where I am seeking to charge fees on a time cost basis, an analysis of time costs incurred to date by reference to grade of staff and work done at Appendix 5.

The work for which fee approval is being sought includes the work that will need to be undertaken should the Administrator be appointed Liquidator either following conversion to Creditors' Voluntary Liquidation or upon the making of a winding up order.

If a Creditors' Committee is appointed, it will be for the Committee to approve the basis of the Administrator's remuneration. If a Committee is not appointed, then I will be seeking a decision from the creditors at the same time I seek a decision from them on whether or not to approve these proposals.

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/>.

Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.icaew.com/-/media/corporate/files/technical/insolvency/regulations-and-standards/sips/england/sip-9-payments-to-insolvency-office-holders-and-their-associates-effective-from-1-december-2015.ashx>. There are different versions of these Guidance Notes, and in this case please refer to the April 2017 version. Please note that we have also provided further details in the practice fee recovery sheet.

I have used the following agents or professional advisors since my appointment as Administrator:

Professional Advisor	Nature of Work	Fee Arrangement
Axia Valuation Services	Valuer/Auctioneer	Fixed Fee
AMB Law	Solicitors	Fixed fee

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.

I have not been able to draw any expenses in this matter.

I anticipate that expenses totalling £2,378 will arise in these proceedings as detailed in Appendix 7. Expenses do not have to be approved, but when reporting to any committee and the creditors during the Administration, the

actual expenses incurred will be compared with the original estimate provided and I will explain any material differences (for example, where legal costs rise due to escalated recovery action).

9. PRE-ADMINISTRATION COSTS

A. Where approval for any of the pre-administration costs is being sought:

The Board of Directors instructed Hudson Weir to assist them in placing the Company in Administration on 26 November 2020. They agreed that I should be paid my pre-administration costs as a fixed fee of £7,500 plus VAT.

Prior to appointment, the Administrator's solicitors, AMB Law Limited, assisted with preparing the necessary documents to place the Company into Administration. Legal fees of £1,500 plus VAT were incurred in relation to this service and were paid to the solicitors by the Company prior to the appointment of the Administrator.

In addition to the above, the Administrator's solicitors advised in respect to all legal issues arising on the sale of the assets and assisted with the preparation of the Sale and Purchase Agreement. Fees of £5,000 were incurred in relation to this service but have not yet been paid.

In relation to advising on the sale of the assets, the Administrator instructed a qualified valuation agent, Axia Valuation Services, to undertake a valuation of the Company's business and assets and to market them. Fees of £4,250 plus VAT, were incurred in relation to this service.

I assisted the Board take the appropriate steps to place the Company into Administration. This task, together with some of the other tasks mentioned above are required by statute or regulatory guidance, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

The following statement sets out my pre-administration costs incurred. The statement also shows those fees and expenses that were paid prior to the Administration and those where approval is being sought to pay them from Administration funds.

Description	Paid pre-appointment	To be paid
Insolvency Practitioner's remuneration	£7,500	£0
Agent's Fees	£0	£4,250
Agent's Disbursements	£0	£249
Legal Fees	£1,500	£5,000
Total	£9,000	£9,499

Whilst I have scheduled above all the unpaid pre-administration costs, I am only seeking to recover the following out of the assets of the Company, namely: valuation agents and legal fees.

If a Creditors' Committee is appointed, it will be for the Committee to approve payment of the pre-administration costs that have not yet been paid. If a Committee is not appointed, then since the pre-administration costs that have not yet been paid cannot be approved as part of these proposals, I will be seeking a separate decision from the creditors in accordance with rule 3.52 at the same time I seek a decision from them on whether or not to approve these proposals.)

10. ADMINISTRATOR'S INVESTIGATIONS

I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from

you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

11. EC REGULATION ON INSOLVENCY PROCEEDINGS

I consider that the EC regulation on insolvency proceedings apply to the Administration of the Company. I also consider that they are “main” proceedings since the Company’s registered office and its trading address are in the United Kingdom.

12. ADMINISTRATOR’S PROPOSALS

In order to achieve objective (c) set out at section 3 above, I formally propose to creditors that:

- (a) I continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that I:
 - i. meet all statutory reporting and filing requirements, including 6 monthly reports, seeking an extension where necessary and issuing a final report and notices; Maintain case files, which must include records to show and explain the administration and any decisions made by the Administrator; conduct periodic case reviews; maintain and update the estate cash book accounts, including regular bank reconciliations and processing receipts and payments;
 - ii. sell the Company’s assets at such time(s) on such terms as I consider appropriate;
 - iii. investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company; and
 - iv. do all such things and generally exercise all their powers as Administrator as I consider desirable or expedient at my discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (b) the Administration of the Company will end by filing notice of dissolution with the Registrar of companies. The Company will then automatically be dissolved by the registrar of companies three months after the notice is registered.
- (c) the Administration will end by placing the Company into Creditors’ Voluntary Liquidation, and propose that Hasib Howlader is appointed the Liquidator of the Company.
- (d) the Administration will end by the presentation of a winding up petition to the Court for the compulsory liquidation of the Company and propose that Hasib Howlader is appointed Liquidator of the Company by the Court.

13. APPROVAL OF PROPOSALS

I am seeking decisions by correspondence from the creditors to approve my proposals, approve my pre-administration costs, fix the basis of my remuneration and to approve my category 1 disbursements. If a creditor wishes to vote on the decisions, they must complete and return the enclosed voting form to me by no later than 23.59 on 4 January 2021, the decision date. If a creditor has not already submitted proof of their debt, they should complete the enclosed form and return it to me, together with the relevant supporting documentation. A vote

on the decisions by a creditor will not count unless they have lodged proof of their debt by no later than 23.59 on 4 January 2021.

Creditors are also invited to determine whether to form a Creditors' Committee, and a notice of invitation to form a Creditors' Committee and further instructions are enclosed. To enable the creditors to make an informed decision as to whether they wish to either seek to form a Committee, or to nominate themselves to serve on a Committee, further information about the role of the Committee and what might be expected from its members has been prepared by R3 and can be found is available at the link <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/more/29111/page/1/liquidation-creditors-committees-and-commissioners>.

Please note that I must receive at least one vote by the decision date or the decisions will not be made. I would therefore urge creditors to respond promptly.

Should any creditor or group of creditors wish to request a physical meeting of creditors, they must do so within 5 business days of the delivery of the notice that accompanies this letter. Such requests must be supported by proof of their debt, if not already lodged. I will convene a meeting if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."

14. FURTHER INFORMATION

To comply with the Provision of Services Regulations, some general information about Hudson Weir Limited, including about our complaints policy and Professional Indemnity Insurance, can be found at <http://hudsonweir.co.uk/resources>.

If creditors have any queries regarding these proposals or the conduct of the Administration in general, or if they want hard copies of any of the documents made available on-line, they should contact Alexandra Nastase by email at alexandra@hudsonweir.co.uk or by phone on 0207 099 6086.



HABIB HOWLADER
ADMINISTRATOR

The Administrator is an agent of the Company and acts without personal liability.

Appendix 1 – Estimated Outcome Statement

Estimated Outcome Statement for the Administration of Derek Building Services Ltd
to 14 December 2020

	Book Value	Estimate of Final Outcome (Administration)	Estimate of Final Outcome (Compulsory Winding-Up)
	£	£	£
Assets Subject to Fixed Charge			
Not Applicable	-	-	-
Fixed Charge Creditor			
Not Applicable	-	-	-
Assets Subject to Floating Charge			
Not Applicable	-	-	-
Uncharged Assets			
Tools and Equipment	300	300	100
Motor Vehicles	20,000	20,000	17,100
Business Intellectual Property	8,699	8,699	-
Work in Progress	3,501	3,501	-
Director's Loan Account	170,000	5,000	5,000
HMRC CIS/PAYE Credit	29,546	-	-
	232,046	37,500	22,200
Costs of Administration / Liquidation			
Pre-appointment office holders fees	-	-	-
Pre-appointment office holders expenses	-	-	(500)
Pre-appointment Legal Fees	(5,000)	-	-
Pre-appointment Legal Expenses	-	-	-
Petitioning creditor's costs	-	-	(2,000)
Official Receiver's Liquidation	-	-	-
General admin fee	-	-	(5,000)
Official Receiver's Costs	-	-	(6,000)
Quarterly bank charges	-	-	(176)
ISA cheque fees	-	-	(26)
Joint Administrators' fees	(15,000)	-	-
Joint Administrators' expenses	(1,000)	-	-
Joint Liquidators' Fees	-	-	-
Legal Fees	(1,000)	-	-
Legal Expenses	(500)	-	-
Agents Fees	(4,750)	-	-
Agents Expenses	(249)	-	-
Insolvency Bond	(118)	-	(118)
Statutory Advertising	(160)	-	(80)
Storage	(500)	-	(500)
Postage	(100)	-	(100)
Sundry Expenses	(500)	-	(500)
Total	(28,377)	(15,000)	
Funds available to Preferential Creditors	9,123	7,200	
Preferential Creditors			
Arrears of wages	-	-	Uncertain
Accrued holiday pay	-	-	-
Pension Contributions	(778)	(778)	(778)
Total	(778)	(778)	(778)
Funds available to Secondary Preferential Creditors	8,345	6,421	
Secondary Preferential Creditors			
HM Revenue & Customs	(267,640)	(267,640)	(267,640)
Total	(267,640)	(267,640)	(267,640)
Funds available to Floating charge creditors	(259,296)	(261,219)	
Amount set aside for prescribed Part	-	-	
Surplus Available to Floating Charge Creditors	(259,296)	(261,219)	
Floating Charge Creditors			
Not Applicable	-	-	-
Surplus/shortfall to Floating charge creditor	(259,296)	(261,219)	
Unsecured Creditors			
Employees	-	-	Uncertain
Trade Creditors	180	180	180
Crown Creditors	25,312	25,312	25,312
Total	25,492	25,492	25,492
Funds available under prescribed part	0	-	
Shareholding	(1)	(1)	(1)
Surplus/ Deficiency to Members	(233,805)	(235,728)	(235,728)
Dividend to Preferential Creditors (p in the £)	100	-	
Dividend to Secondary Preferential Creditors (p in the £)	0.03	-	
Dividend to unsecured creditors (p in the £)	-	-	

List of Creditors

List of Creditors

1 HMRC VAT	£267,640.46
2 HMRC Corporation Tax	£25,312.22
3 HMRC CIS/PAYE Credit	-£29,546.09
4 Nest Pension	£778.47
8 Farrow and Farrow Accounting	£180.00
	<u>£264,365.06</u>

Appendix 2 – The Administrator’s Receipt and Payments Account

**Derek Building Services Ltd
(In Administration)
Administrator’s Summary of Receipts and Payments
To 14 December 2020**

RECEIPTS	Statement of Affairs (£)	Total (£)
		0.00
PAYMENTS		
		0.00
Net Receipts/(Payments);		0.00
MADE UP AS FOLLOWS		
		0.00

Appendix 3 - Breakdown of Pre-Administration time costs for Hudson Weir Limited

	Average Rate/Hr	Hours	Cost (£)
Grade			
Director	£560.00	£13.50	£7,560.00
Manager	£360.00	£0.30	£108.00
Case Administrator	£225.00	£5.50	£1,237.50
Cashier	£225.00	£0.40	£90.00
Total		£19.70	£8,995.00

Appendix 4 – Charge-out rates and bases of disbursements

Hudson Weir Limited Fees and Disbursements Information

Charge-out rates from 1 May 2020

Grade	Charge-out rate (£ per hour, charged in 6-minute units)
Directors/Insolvency Practitioners	560
Senior Managers and Managers	360-415
Administrators	140-275
Secretaries & Support Staff	110
Rates are subject to an annual review when rates may be adjusted	

Agent's costs

These are charged at cost based upon the charge(s) made by the Agent instructed. The term "Agent" includes:

- Solicitors/legal fees.
- Auctioneers/valuers.
- Accountants.
- Quantity surveyors.
- Estate agents.
- Other specialist advisors

Storage costs

Charged at actual cost incurred for storage (and retrieval, when appropriate) of records.

Other disbursements

Category	Basis of charge
Category 1	
Indemnity Bond	At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment
Insurance of assets	At cost in relation to asset coverage requirements
Company searches	At cost incurred
Travel	At actual cost including train fare and all other public transport
Other	At actual cost charged

Hudson Weir Limited do not charge for Category 2 disbursements.

Appendix 5: Details of work to be undertaken in the Administration

Work for which the Administrator is seeking to be remunerated on a time basis:

General Description	Includes	Estimate of no. of hours	Estimated blended hourly rate	Estimate of total
Administration (including Reporting)		48	238.28	11,478.75
	<p>Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case;</p> <p>Setting up the case on the practice's electronic case management system and entering data;</p> <p>Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment (as applicable);</p> <p>Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate);</p> <p>Preparing, reviewing and issuing proposals to the creditors and members;</p> <p>Filing the proposals at Companies House;</p> <p>Seeking approval of the proposals by way of a decision by correspondence;</p> <p>Reporting on the outcome of the approval of the proposals to the creditors, Companies House and the Court;</p> <p>Supervising the work of advisors instructed on the case to assist in dealing with pension schemes; obtaining reports and updates from them on the work done; and checking the adequacy of the work done. Dealing with all routine correspondence and emails relating to the case.</p> <p>Opening, maintaining and managing the office holder's estate bank account;</p> <p>Creating, maintaining and managing the office holder's cashbook;</p> <p>Undertaking regular reconciliations of the bank account containing estate funds;</p> <p>Reviewing the adequacy of the specific penalty bond on a quarterly basis;</p> <p>Undertaking periodic reviews of the progress of the case.</p> <p>Overseeing and controlling the work done on the case by case administrators;</p> <p>Preparing, reviewing and issuing 6 month progress reports to creditors and members;</p> <p>Filing progress reports at Companies House;</p> <p>Preparing and filing VAT returns;</p> <p>Preparing and filing Corporation Tax returns;</p> <p>Seeking closure clearance from HMRC and other relevant parties;</p> <p>Preparing, reviewing and issuing final reports to creditors and members;</p> <p>Filing final reports at Companies House.</p>			
Realisation of assets		15	209.50	3,142.50
	Liaising with the bank regarding the closure of the account;			

	Instructing agents to value known assets; Liaising with agents to realise known assets; Instructing solicitors to assist in the realisation of assets ;			
Creditors		12.50	232.70	2,908.75
	Dealing with creditor correspondence, emails and telephone conversations regarding their claims. Maintaining up to date creditor information on the case management system; Issuing a notice of intended dividend and placing an appropriate gazette notice; Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend; Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims; Calculating and paying a dividend to creditors and issuing the notice of declaration of dividend			
Investigations		19.50	225.96	4,406.25
	Recovering the books and records for the case; Listing the books and records recovered; Submitting an online return on the conduct of the directors as required by the Company Directors Disqualification Act; Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc; Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors.			
Total		95	230.91	21,936.25

Appendix 6 – Fee estimate summary

FEES ESTIMATE

Time Entry - SIP9 Time & Cost Summary

All Post Appointment
Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	3.50	4.50	8.00	10.00	26.00	6,463.75	248.61
Creditors and Distributions	1.00	2.50	4.00	5.00	12.50	2,908.75	232.70
Investigations	2.00	3.50	4.00	10.00	19.50	4,406.25	225.96
Realisation of Assets	1.00	2.00	5.00	7.00	15.00	3,142.50	209.50
Reporting	2.00	4.00	6.00	10.00	22.00	5,015.00	227.95
Total Hours	9.50	16.50	27.00	42.00	95.00	21,936.25	230.91

Appendix 7: Estimate of Expenses to be Incurred in the Administration

Please note that this estimate reflects the expenses anticipated to be incurred for the full period of the Administration and thus it includes expenses already incurred.

Type of expense	Estimated Amount £
Bonding - this is insurance required by statute that every officeholder has to obtain for the protection of each estate, with the premium being based on the value of the company's assets	£118
Gazetting – various notices relating to the company have to be placed in the London Gazette	£160
Postage	£100
Storage of accounting records – the company's accounting records have to be stored by the officeholder	£500
Legal fees	£1,000
Legal Expenses	£500
Total Estimated Expenses	£2,378

Appendix 8 – Time Costs Summary

Time Entry - SIP9 Time & Cost Summary + Cumulative

DERED01 - Derek Building Services Ltd
All Post Appointment Project Codes
To: 14/12/2020

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)	Total Hours Cum (POST Only)	Total Time Costs Cum (POST Only)
Admin & Planning	0.00	5.00	1.70	0.00	6.70	2,182.50	325.75	6.70	2,182.50
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditor and Distributions	0.00	0.70	0.00	0.00	0.70	252.00	360.00	0.70	252.00
Fixed Charge	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.30	1.00	0.00	1.30	333.00	256.15	1.30	333.00
Reporting	0.00	9.00	17.80	0.00	26.80	7,421.00	276.90	26.80	7,421.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours / Costs	0.00	15.00	20.50	0.00	35.50	10,188.50	287.00	35.50	10,188.50
Total Fees Claimed						0.00			

NOTICE OF INVITATION TO FORM A CREDITORS' COMMITTEE

DEREK BUILDING SERVICES LTD – IN ADMINISTRATION
In the High Court of Justice, Business And Property Court Number 004469 of 2020

(Company Number 08699084)

NOTICE IS GIVEN by Hasib Howlader to the creditors of Derek Building Services Ltd of an invitation to establish a Creditors' Committee under rule 3.39 of The Insolvency (England and Wales) Rules 2016.

1. In addition to seeking a decision on the matters set out in the accompanying notice, creditors are also invited to determine by correspondence, at the same time, whether a Creditors' Committee should be established.
2. A Committee may be formed if a minimum of 3 and a maximum of 5 creditors are willing to become members.
3. Nominations can only be accepted for a creditor to become a member of the Committee if they are an unsecured creditor and have lodged a proof of their debt that has not been disallowed for voting or dividend purposes.
4. The specified date for receipt of nominations for creditors to act as a member of the Committee under rule 3.39 of The Insolvency (England and Wales) Rules 2016 is 4 January 2021, the Decision Date.
5. Please complete the form sent with this notice and include the name and address of any person you wish to nominate to act as a member of the Committee. The completed document should be returned to Hudson Weir Limited of Third Floor, 112 Clerkenwell Road, London, EC1M 5SA so that it is received by no later than 23.59 hours on 4 January 2021, the decision date.

Note: Further information on the rights, duties and the functions of a Committee is available in a booklet published by the Association of Business Recovery Professionals (R3). This booklet can be accessed at <https://www.icaew.com/-/media/corporate/files/technical/insolvency/regulations-and-standards/sips/england/sip-9-payments-to-insolvency-office-holders-and-their-associates-effective-from-1-december-2015.ashx>. If you require a hard copy of the booklet please contact Alexandra Nastase of Hudson Weir Limited by email at alexandra@hudsonweir.co.uk, or by phone on 0207 099 6086.

The final date for votes to establish a committee is 4 January 2021, the decision date.

1. In order for their votes to be counted creditors must submit to me their completed voting form so that it is received at Hudson Weir Limited, Third Floor, 112 Clerkenwell Road, London, EC1M 5SA by no later than 23.59 hours on . It must be accompanied by proof of their debt, (if not already lodged). Failure to do so will lead to their vote(s) being disregarded.
2. Creditors must lodge proof of their debt (if not already lodged) at the offices of Hasib Howlader by no later than 23.59 on 4 January 2021, without which their vote will be invalid.

3. Creditors with small debts, that is claims of £1,000 or less, must have lodged proof of their debt for their vote to be valid.
4. Any creditors who have previously opted out from receiving documents in respect of the insolvency proceedings are entitled to vote on the decision provided they have lodged proof of their debt.
5. Creditors may, within 5 business days of delivery of this notice to them, request a physical meeting of creditors be held to determine the outcome of the decision above. Any request for a physical meeting must be accompanied by valid proof of their debt (if not already lodged). A meeting will be convened if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."
6. Creditors have the right to appeal a decision of the convener made under Chapter 8 of Part 15 of The Insolvency (England and Wales) Rules 2016 about Creditors' Voting Rights and Majorities, by applying to Court under Rule 15.35 of The Insolvency (England and Wales) Rules 2016 within 21 days of the Decision Date.

Creditors requiring further information regarding the above, should either contact me at Third Floor, 112 Clerkenwell Road, London, EC1M 5SA, or contact Alexandra Nastase by telephone on 0207 099 6086, or by email at alexandra@hudsonweir.co.uk.

DATED THIS 14TH DAY OF DECEMBER 2020



Hasib Howlader
ADMINISTRATOR

NOMINATIONS FORM
DEREK BUILDING SERVICES LTD - IN ADMINISTRATION
In the High Court of Justice, Business And Property Court Number 004469 of 2020
(Company Number 08699084)

Decision

1. That a Creditors' Committee should be established.

FOR/AGAINST

Please note that if creditors vote to establish a Committee, then unless at least 3 nominations for creditors to act as Committee members are received at the same time, it will be necessary to convene a further decision procedure to decide which creditors are to act as Committee members. That will involve incurring additional costs, so if you intend to vote to establish a Committee, please also nominate either yourself or another creditor to act as a Committee member.

I wish to nominate the following creditor to act as a member of the Committee:

Name of nominated creditor _____

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor: _____

Signature of creditor: _____

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which signing document: _____

Dated: _____

Note: The completed form should be delivered to Hasib Howlader, either by posting it to Hudson Weir Limited of Third Floor, 112 Clerkenwell Road, London, EC1M 5SA, or by emailing it to alexandra@hudsonweir.co.uk.

Appendix 10

NOTICE OF DECISIONS BY CORRESPONDENCE

DEREK BUILDING SERVICES LTD - IN ADMINISTRATION

(Company Number 08699084)

Notice is given by Hasib Howlader to the creditors of Derek Building Services Ltd that set out below are decisions for your consideration under paragraph 51 of Schedule B1 of the Insolvency Act 1986. Please complete the voting section below indicating whether you are in favour or against the following decisions:

- i). That a Creditors' Committee will not be established
- ii) That the Administrator's proposals be approved.
- iii). That the Administrator's Pre-Administration costs, the details of which are set out in the Administrator's proposals and issued with the notice of the decision procedure, be approved.
- iv). That the Administrator's fees will be charged by reference to the time properly spent by them and their staff in dealing with the matters relating to the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken and subject to the fees estimate set out in the Administrator's proposals and issued with the notice of the decision procedure.
- v) That the Administrator be discharged from liability in respect of any action undertaken by him pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of Administrator ceases to have effect, as defined by the Act, unless the court specific time.

The final date for votes is 4 January 2021, the decision date.

1. In order for their votes to be counted creditors must submit to me their completed voting form so that it is received at Hudson Weir Limited, Third Floor, 112 Clerkenwell Road, London, EC1M 5SA by no later than 23.59 hours on It must be accompanied by proof of their debt, (if not already lodged). Failure to do so will lead to their vote(s) being disregarded.
2. Creditors must lodge proof of their debt (if not already lodged) at the offices of Hasib Howlader by no later than 23.59 on 4 January 2021 without which their vote will be invalid.
3. Creditors with claims of £1,000 or less must have lodged proof of their debt for their vote to be valid.
4. Any creditors who have previously opted out from receiving documents in respect of the insolvency proceedings are entitled to vote on the decisions provided they have lodged proof of their debt.

5. Creditors may, within 5 business days of delivery of this notice to them, request a physical meeting of creditors be held to determine the outcome of the decisions above. Any request for a physical meeting must be accompanied by valid proof of their debt (if not already lodged). A meeting will be convened if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."
6. Creditors have the right to appeal a decision of the convener made under Chapter 8 of Part 15 of The Insolvency (England and Wales) Rules 2016 about Creditors' Voting Rights and Majorities, by applying to Court under Rule 15.35 of The Insolvency (England and Wales) Rules 2016 within 21 days of the Decision Date.

Creditors requiring further information regarding the above, should either contact me at Third Floor, 112 Clerkenwell Road, London, EC1M 5SA, or contact Alexandra Nastase by email at alexandra@hudsonweir.co.uk or by phone on 0207 099 6086.

DATED THIS 14TH DAY OF DECEMBER 2020



Hasib Howlader
ADMINISTRATOR

VOTING FORM
DEREK BUILDING SERVICES LTD - IN ADMINISTRATION

(Company Number 08699084)

Voting on Decisions

- i). That a Creditors' Committee will not be established.

FOR / AGAINST

- ii) That the Administrator's proposals be approved.

FOR / AGAINST

- iii). That the Administrator's Pre-Administration costs, the details of which are set out in the Administrator's proposals and issued with the notice of the decision procedure, be approved.

FOR / AGAINST

- iv). That the Administrator's fees will be charged by reference to the time properly spent by them and their staff in dealing with the matters relating to the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken and subject to the fees estimate set out in the Administrator's proposals and issued with the notice of the decision procedure.

FOR / AGAINST

- v) That the Administrator be discharged from liability in respect of any action undertaken by him pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of Administrator ceases to have effect, as defined by the Act, unless the court specifies a time.

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of
creditor: _____

Signature of
creditor: _____

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which
signing document: _____

Dated _____

Appendix 11 – Proof of Debt Form

Rule 14.4 The Insolvency (England and Wales) Rules 2016

Proof of Debt – General Form

IN THE	HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY COURT
Number:	004469 of 2020
Name of Company in Administration:	Derek Building Services Ltd
Company Registration Number:	08699084
Date of Administration:	8 December, 2020
1 Name of creditor (If a company, please also provide the company registration number).	
2 Correspondence address of creditor (including any email address)	
3 Total amount of claim (£) (include any Value Added Tax)	
4 If amount in 3 above includes (£) outstanding uncapitalised interest, state amount.	
5 Details of how and when the debt was incurred. (If you need more space, attach a continuation sheet to this form)	
6 Details of any security held the value of the security and the date it was given.	
7 Details of any reservation of title claimed in respect of goods supplied to which the debt relates.	

8 Details of any document by reference to which the debt can be substantiated

9 Signature of creditor
(or person authorised to act on the creditor's behalf)

10 Address of person signing if different from 2 above

11 Name in BLOCK LETTERS:

12 Position with, or relation to, creditor

13 Date of signature

Admitted to vote for

Amount (£)

Date

Admitted for dividend for

Amount (£)

Date

Hasib Howlader
ADMINISTRATOR

Hasib Howlader
ADMINISTRATOR

Notes:

1. There is no need to attach them now but the office holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.

2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.