

J D S CONSTRUCTION LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)
PROGRESS REPORT
6 September 2017

**J D S CONSTRUCTION LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)**

JOINT LIQUIDATORS' PROGRESS REPORT

6 September 2017

Content

- Executive Summary
- Administration and Planning
- Realisation of Assets
- Creditors
- Fees and Disbursements
- Creditors' Rights
- EC Regulations
- Conclusion

Appendices

- Appendix I - Statutory Information
- Appendix II – Receipts and Payments account for the period 21 July 2016 to 20 July 2017
- Appendix III - Detailed list of work undertaken in the period
- Appendix IV - Time cost information for period 21 July 2016 to 20 July 2017
- Appendix V - Time costs summary for period and cumulative
- Appendix VI – Disbursements summary for period and cumulative

EXECUTIVE SUMMARY

A summary of key information in this report is detailed below.

Assets

Asset	Estimated to realise per Statement of Affairs £	Realisations to date £	Anticipated future realisations £	Total anticipated realisations £
VAT Bad Debt Relief	0.00	2,748.90	0.00	0.00
Book Debts	0.00	115,227.00	Uncertain	Uncertain
Bank Interest Gross	0.00	283.62	0.00	0.00
Transfer from Joint Administrators' Bank Account	0.00	33,756.06	0.00	0.00
Total	0.00	152,015.58	0.00	0.00

Disbursements

Expense	Incurred to date £	Anticipated further to closure £	Total anticipated £
Joint Liquidators' fees	14,634.00	6,000.00	20,634.00
Solicitors' fees	27,595.66	25,000.00	52,595.66
BIS Unclaimed Dividends	25.75	25.75	51.50
Corporation Tax	52.85	7.00	59.85
Debt Collection Fees	39,731.31	0.00	0.00
Income Tax	827.67	0.00	827.67
Joint Administrator's Fees	3,157.50	0.00	3,157.50
Office Holders Expenses	214.05	50.00	264.05
Postage	347.44	10.00	357.44
Search Fees	2.00	0.00	2.00
Statutory Advertising	169.20	0.00	169.20
Visionblue Accounting System	110.00	0.00	110.00

Dividend prospects

Creditor class	Distribution / dividend paid to date £	Anticipated distribution / dividend, based upon the above £
Secured creditor	N/A	N/A
Preferential creditors	N/A	N/A
Unsecured creditors	49,999.98	Due to the current uncertainty over the remaining book debt recovery it is not possible to estimate any further dividend at this time.

Summary of key issues outstanding

- Finalisation of debt and retention collections
- Possible final distribution to creditors and closure

Closure

Due to the issues outstanding as listed above, it is difficult to estimate the timing of any final dividend to the unsecured creditors and hence the closure of the liquidation.

J D S CONSTRUCTION LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)
PROGRESS REPORT
6 September 2017

ADMINISTRATION AND PLANNING

Statutory information

Statutory information may be found at Appendix I.

The Joint Liquidators are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration of the case, which ensures that work is carried out to high professional standards. A detailed list of these tasks may be found in Appendix III.

Reporting

The Joint Liquidators have met their statutory and regulatory duties to report to creditors, as listed below. In consideration of the need for transparency and engagement with creditors, care has been taken to ensure that reports and other communications with creditors have provided useful details of the strategies pursued and the outcomes anticipated. During the Review Period, the following key documents have been issued:

- This progress report;

Other administration tasks

During the Review Period, the following material tasks in this category were carried out:

- Case reviews etc.

REALISATION OF ASSETS

Detailed below is key information about asset realisation and strategy, however, more details about the work undertaken may be found at Appendix III. The Joint Liquidators formulated and worked through a realisation strategy that sought to maximise realisations net of costs. The financial benefit of those efforts is described further below.

Book debts

It was previously reported that solicitors acting had requested further information on outstanding book debts and retentions in excess of £150,000 and that a further £25,000 would be realised in respect of the book debts and retentions.

Following a review of the information received a claim was issued by our solicitors against a debtor for approximately £150,000. A defence has been filed to the claim and this is currently under review as further information is sought from personnel who previously worked for the Company.

If the claim is proceeded with it is estimated solicitor's costs will be in the region of £25,000 and if the claim is successful over £150,000 recovered, this will result in a final dividend of approximately 20p in the £.

CREDITORS

Irrespective of whether sufficient realisations are achieved to pay a dividend to creditors, the Joint Liquidators have had to carry out key tasks which are detailed in the list at Appendix III. The following sections explain the anticipated outcomes to creditors and any distributions paid.

Unsecured creditors

The trade and expense creditors as per the statement of affairs totalled £1,126,248. The total value of agreed unsecured claims is £550,850.85

Dividend prospects

An interim dividend, to the unsecured creditors, of 9.08 p in the £ was declared and paid on 16 September 2016 totalling £49,999,98.

It is anticipated a final dividend will be paid but the quantum will depend on the book debt recovery reported above.

Where a floating charge is created after 15 September 2003 a prescribed part of the company's net property shall be made available to unsecured creditors. The Company has not granted a floating charge to any creditor after 15 September 2003 and consequently there will be no prescribed part in this Liquidation.

FEES AND DISBURSEMENTS

The Joint Liquidators' fees

All work is carried out by the firm's partners, however, in the absence of more junior members of staff, it is the firm's policy to ensure that work is conducted at varying rates, as appropriate, depending on the task undertaken.

A resolution was passed on 5 June 2013 that the Joint Administrators' remuneration be fixed by reference to time properly spent by them and their staff in attending to matters arising from the Administration and that they be authorised to draw remuneration as and when funds are available on account of their time costs. The resolution remains valid in the Liquidation.

The time costs for the period 21 July 2016 to 20 July 2017 total £4,491.50, representing 32.90 hours at an average hourly rate of £136.52. The sum of £4,495.50 has been drawn on account of time costs incurred. The time costs for the period are detailed at Appendix IV.

The total time costs during the period of appointment amount to £15,266.00 representing 117.50 hours at an average hourly rate of £129.92 of which £14,634 has been drawn. The time costs to date are given at Appendix V.

Disbursements

The disbursements that have been incurred and not yet paid during the period are detailed at Appendix VI.

The category 1 disbursements paid for in the period 21 July 2016 to 20 July 2017 total £132.37 (of which £71.67 has been recovered) are detailed at Appendix VI and represent the simple reimbursement of actual out of pocket payments made in relation to the assignment.

The category 2 disbursements for the period 21 July 2016 to 20 July 2017 total £57.63 (of which £22.27 has been recovered). The basis of calculation of this category of disbursement was disclosed to creditors prior to the resolution being passed. Should you require a further copy please contact this office.

Information about this insolvency process may be found on the R3 website at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors' Guide to Fees' together with the firm's charge-out rate and disbursement policy may be obtained on request.

Other professional costs

Solicitors

Higgs & Sons were instructed as legal advisors in relation to the outstanding book debts and retentions. Their costs have been agreed on the basis of their standard hourly charge out rates, plus

disbursements and VAT. The solicitors' fees for the period 21 July 2016 to 20 July 2017 amount to £7,98.00. The solicitors' total time costs from the date of appointment amount to £29,905.66 and they have been paid in full.

CREDITORS' RIGHTS

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

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

EC REGULATIONS (WHETHER PROCEEDINGS ARE MAIN PROCEEDINGS OR TERRITORIAL)

The Company's centre of main interest was in Greys Hall Corner, Great Cornard Sudbury, CO10 0QG and therefore it is considered that the EC Regulations will apply. These proceedings are main proceedings as defined in Article 3 of the EC Regulation.

CONCLUSION

The administration of the case will be continuing to finalise the claim against the one debtor as reported above.

If you require any further information, please contact this office.

Appendix I

Statutory Information

Company Name	J D S Construction Limited
Company Number	3382564
Registered Office	c/o 122 Widney Road, Bentley Heath, Knowle, Solihull, B93 9BL
Former Registered Office	c/o 122 Widney Road, Bentley Heath, Knowle, Solihull, B93 9BL
Officeholders	Michaela Heeley
Officeholders address	PO Box 16114, Solihull, B93 3GS
Date of appointment	21 July 2014

J D S CONSTRUCTION LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)
PROGRESS REPORT
6 September 2017

Appendix II

Receipts and Payments account for the period 21 July 2016 to 20 July 2017

S. of A.	21/07/16 To 20/07/17	From 21/07/14 To 20/07/17
ASSET REALISATIONS		
VAT Bad Debt Relief	NIL	2,748.90
Book Debts	NIL	115,227.00
Bank Interest Gross	18.51	283.62
Transfer from Joint Administrators' Bank Account	NIL	33,756.06
	<u>18.51</u>	<u>152,015.58</u>
COST OF REALISATIONS		
Office Holders Fees	(4,495.50)	(14,634.00)
Office Holders Expenses	(22.27)	(214.05)
Legal Fees	(7,998.00)	(29,905.66)
Corporation Tax	(9.46)	(52.85)
Statutory Advertising	NIL	(169.20)
Income Tax	NIL	(827.67)
BIS Unclaimed Dividends	(25.75)	(25.75)
Joint Administrator's Fees	NIL	(3,157.50)
Search Fees	NIL	(2.00)
Visionblue Accounting System	NIL	(110.00)
Postage	(71.67)	(347.44)
Debt Collection Fees	(500.00)	(37,421.31)
	<u>(13,122.65)</u>	<u>(86,867.43)</u>
UNSECURED CREDITORS		
(102,000.00) HM Revenue & Customs	(4,993.00)	(4,993.00)
(184,404.16) Inter Company Creditor	(6,394.94)	(6,394.94)
(724,948.15) Trade Creditors	(31,688.00)	(31,688.00)
(16,197.00) John David Smith	(4,426.81)	(4,426.81)
(20,803.00) Ged Fisher	(1,598.26)	(1,598.26)
	<u>(49,101.01)</u>	<u>(49,101.01)</u>
DISTRIBUTIONS		
Unclaimed Dividends	(898.97)	(898.97)
	<u>(898.97)</u>	<u>(898.97)</u>
	<u>(63,104.12)</u>	<u>15,148.17</u>
REPRESENTED BY		
Vat Receivable		318.90
JDS Construction Limited (In Liquidation)		<u>14,829.27</u>
		<u>15,148.17</u>

Appendix III

Detailed list of work undertaken for the review period 21 July 2016 to 20 July 2017

Below is detailed information about the tasks undertaken by the Joint Liquidators.

General Description	Includes
Statutory and General Administration	
Statutory/advertising	Filing of documents to meet statutory requirements including annual receipts and payments accounts Annual corporation tax returns VAT returns Advertising in accordance with statutory requirements
Document maintenance/file review/checklist	Filing of documents Periodic file reviews documenting strategy Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries
Bank account administration	Bank account reconciliations Maintenance of the estate cash book Banking remittances and issuing cheques
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Reports	Preparing annual progress report and circulating report to creditors
Realisation of Assets	
Debtors	Collecting supporting documentation Correspondence with debtors Reviewing and assessing debtors' ledgers Receiving updates from factoring companies and liaising reassignment of ledger Liaising with debt collectors and solicitors Agreeing debt collection agency agreements Dealing with disputes, including communicating with directors/former staff Pursuing credit insurance claims Submitting VAT bad debt relief claims
Creditors and Distributions	
Creditor Communication	Receive and follow up creditor enquiries via telephone, email and post
Processing proofs of debt	Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication
Dividend procedures	Preparation of correspondence to creditors advising of intention to declare distribution Advertisement of notice of proposed distribution Preparation of distribution calculation Preparation of cheques to pay distribution Preparation of correspondence to creditors enclosing payment of distribution Dealing with unclaimed dividends

Current Charge-out Rates for the firm

Time charging policy

Support staff do not charge their time to each case.

Support staff include secretarial and administration support.

The minimum unit of time recorded is 6 minutes.

J D S CONSTRUCTION LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)
PROGRESS REPORT
6 September 2017

Staff	Charge out rates £
Insolvency Practitioner/Partners	275 - 370
Manager	205 - 270
Senior Administrator	155 - 200
Administrator	100 - 150

Appendix IV

Time cost information for period 21 July 2016 to 20 July 2017

Appendix V

Time costs summary for the period and cumulative

Work category	Actual time costs incurred during the Review Period			Total time costs incurred to date		
	Number of hours	Average hourly rate £ per hour	Total time costs £	Number of hours	Average hourly rate £ per hour	Total time costs £
Administration (including statutory reporting)	17.00	132.32	2,249.50	58.80	119.62	7,033.50
Realisation of assets	5.90	168.98	997.00	33.70	153.28	5,165.50
Creditors (claims and distribution)	10.00	124.50	1,245.00	23.80	123.57	2,941.00
Investigations	0.00	0.00	0.00	0.90	100.00	90.00
Case Specific	0.00	0.00	0.00	0.30	120.00	36.00

Appendix VI

Disbursements summary for period and cumulative

Disbursement	Actual incurred in the Review Period £	Actual incurred to date £	Actual recovered to date £
Category 1			
Legal costs	7,998.00	29,905.66	29,905.66
Debt collection fees	500.00	37,421.31	37,421.31
Advertising	0.00	169.20	169.20
Postage	132.27	347.44	60.60
Companies House Search Fees	0.00	2.00	2.00
Visionblue Accounting System	0.00	110.00	110.00
Category 2			
Photocopying	57.63	100.81	65.45
Mileage (own car usage)	0.00	91.65	91.65