

# Liquidator's Progress Report

# S.192

Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

893735

Name of Company

John Doyle Construction Limited

☒ We

Richard Michael Hawes, 5 Callaghan Square, Cardiff, CF10 5BT

Dominic Lee Zoong Wong, Four Brindleyplace, Birmingham, B1 2HZ

Christopher James Farrington, 1 Woodborough Road, Nottingham, NG1 3FG

the liquidator(s) of the company attach a copy of ☒ our Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 13/06/2013 to 12/06/2014

Signed



Date

16/7/14

Deloitte LLP  
3 Rivergate  
Temple Quay  
Bristol  
BS1 6GD

Ref JOHN38T/SAC/JAW/SF

THURSDAY



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24/07/2014

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COMPANIES HOUSE

**John Doyle Construction Limited  
(IN LIQUIDATION)  
("the Company")**

**ANNUAL PROGRESS REPORT TO CREDITORS PURSUANT TO RULES 4.49B/4.49C OF  
THE INSOLVENCY RULES 1986 (AS AMENDED)  
FOR THE PERIOD TO 12 JUNE 2014**

**21 July 2014**

**This report has been prepared for the sole purpose of updating the Creditors for information purposes  
The report may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by  
Creditors for any purpose other than updating them for information purposes, or by any other person for  
any purpose whatsoever.**

**Richard Michael Hawes, Dominic Lee Zoong Wong and Christopher James Farrington were appointed  
Joint Liquidators of John Doyle Construction Limited on 13 June 2013.**

**All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency  
Practitioners.**

**Richard Michael Hawes, Dominic Lee Zoong Wong and Christopher James Farrington  
Deloitte LLP  
3 Rivergate  
Temple Quay  
Bristol  
BS1 6GD  
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#### **APPENDICES**

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- 3. Liquidators' Remuneration for the Period 13 June 2013 to 12 June 2014.**
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## **ABBREVIATIONS**

**For the purpose of this report the following abbreviations shall be used**

<b>"the Act"</b>	<b>Insolvency Act 1986 (as amended)</b>
<b>"the Rules"</b>	<b>Insolvency Rules 1986 (as amended)</b>
<b>"the Liquidators"</b>	<b>Richard Michael Hawes, Dominic Lee Zoong Wong and Christopher James Farrington of Deloitte LLP</b>
<b>"the Company"</b>	<b>John Doyle Construction Limited (in Liquidation)</b>
<b>"Deloitte"</b>	<b>Deloitte LLP</b>
<b>"SIP2 (E&amp;W)"</b>	<b>Statement of Insolvency Practice 2 (England &amp; Wales)</b>
<b>"SIP7 (E&amp;W)"</b>	<b>Statement of Insolvency Practice 7 (England &amp; Wales)</b>
<b>"SIP9 (E&amp;W)"</b>	<b>Statement of Insolvency Practice 9 (England &amp; Wales)</b>
<b>"SIP13 (E&amp;W)"</b>	<b>Statement of Insolvency Practice 13 (England &amp; Wales)</b>
<b>"PP"</b>	<b>The Prescribed Part of the Company's net property subject to Section 176A of the Insolvency Act 1986 (as amended)</b>
<b>"the Bank"</b>	<b>Bank of Scotland Plc</b>
<b>"Administrators' Final Progress Report, dated 17 June 2013"</b>	<b>Administrators' Final Progress Report</b>

## **1. INTRODUCTION**

### **1.1 Introduction**

This report has been prepared in accordance with Rules 4.49B and 4.49C of the Rules to provide creditors with an update on the progress of the Liquidation of the Company since our appointment as Liquidators.

A schedule of statutory information in respect of the Company is attached at Appendix 1.

### **1.2 Details of the appointment of the Liquidators**

Richard Michael Hawes, Dominic Lee Zoong Wong and Christopher James Farrington of Deloitte were appointed Joint Liquidators of the Company following cessation of the Administration on 13 June 2013.

For the purposes of section 231 of the Act, the Liquidators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

### **1.3 Electronic communication with creditors**

In an effort to reduce the costs of the Liquidation, all future communications with creditors, including updates and progress reports, will be posted onto a website, which has been set up specifically for this purpose. The web address is [www.deloitte.com/uk/doylegroup](http://www.deloitte.com/uk/doylegroup).

A letter will be issued to all creditors each time the website is updated with a statutory notice or report. All creditors' statutory notices will be retained on the website for 3 months after being uploaded to the site.

## **2 LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT**

### **2.1 Introduction**

Attached at Appendix 2, is an abstract Receipts and Payments account covering the period from 13 June 2013 to 12 June 2014, in accordance with SIP7 (E&W)

In this section, we have summarised the main asset realisations during the 12 month period and an estimation of the assets yet to be realised, together with details of costs which have been incurred but as yet remain unpaid

### **2.2 Asset realisations**

#### Funds Transferred from the Administration Account

The Liquidators received the closing balance of the net funds realised during the Administration, totalling £502,044 together with a VAT refund of £20,055. Due to the timing of receipts the final balance of surplus funds transferred to the Liquidators' account included debtor recoveries of £109,966 received into the Administrators' account which were not included in the Administrators' Final Progress Report. This has resulted in a higher balance transfer than previously reported.

#### Book Debts

The Administrators' Final Progress Report advised that circa £196,608 of the Company's book debts were recovered with a large balance being disputed or unrecoverable due to the insolvency of the debtors. As noted above shortly following that report, a further realisation of £109,966k was received.

During the Liquidation period, a further £57,650 has been realised.

#### Gross Interest

Interest in the sum of £3,787 has been received on funds invested in interest bearing accounts by the Liquidators.

### **2.3 Estimated future realisations**

The Liquidators anticipate further receipts in the region of £7.5k in respect of book debt realisations.

### **2.4 Administration Liabilities**

During the period, the Liquidators have settled Administrators' fees, trading period wages and salaries together with a VAT liability due to HM Revenue & Customs. Details of these payments are recorded in the Liquidators' Receipts and Payments Account at Appendix 2 Note 5.

## **2.5 Estimated outcome for creditors**

Preferential creditor claims received to date total £187,664.48. Work is being undertaken to finalise the amount due to the Bank under their preferential claim. It is anticipated that an estimated distribution of 100p in the £ will be paid to preferential creditors.

It is anticipated that a distribution will be made to unsecured creditors under the PP. The Liquidators' estimated PP has increased since the last reported estimated PP, indicated in the Administration Final Progress Report, dated 17 June 2013. The increase is due to the recovery of book debts, not previously reported and also receipts during the Liquidation period.

Currently no work has been done to agree the unsecured creditor claims, however, based on proofs of debt received totalling £7,741,102, but not yet agreed, the estimated distribution to unsecured creditors will be approximately 0.0056p in the £.

### **3. DISTRIBUTIONS TO CREDITORS**

#### **3.1 Secured creditors**

The Company granted a debenture to the Bank and is also party to a cross guarantee in favour of the Bank. At the date of appointment of the Administrators as set out in the Statement of Affairs the Bank debt, owed by the Group companies totalled £23.6m. There will not be sufficient funds to repay this debt in full.

At the date of appointment of the Administrators, the Company had no direct bank debt or overdraft facility.

#### **3.2 Preferential creditors**

Preferential creditors as at 21 June 2012 per the Directors' Statement of Affairs totalled £178,739. The claims of the preferential creditors received to date total £187,664.48. The Bank's claim under their preferential wages claim has not been finalised.

#### **3.3 Prescribed Part**

The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs to be set aside for unsecured creditors. This equates to

- 50% of net property up to £10,000,
- Plus, 20% of net property in excess of £10,000
- Subject to a maximum of £600,000

An estimation of the PP is set out below -

£'000	Estimated Net Property	Estimated PP
	202.2	43.4

#### **3.4 Unsecured creditors**

The unsecured creditors' position as at 21 June 2012 per the Directors' Statements of Affairs (excluding any shortfall to floating charge holders) totalled £9.4m. To date, proof of debt claims have been received totalling £7,741,102.

After discharging the costs of the Liquidation, there will not be sufficient realisations from floating charge assets to fully repay the charge holder. Accordingly, we do not expect any funds to be available to pay a dividend to the unsecured creditors of the Company other than a distribution under the PP as noted above.

A distribution to the unsecured creditors will be subject to the outcome of the Health and Safety Executive prosecution referred to in Section 4.3.

### **3.5 Claims process**

Due to the possible distribution to unsecured creditors under the Prescribed Part you are requested to submit claims to the address on the front of this report, marked for the attention of Sally Coulstring

A Proof of Debt form is attached

**Please note if you have already lodged a claim in the preceding Administration you do not need to resubmit your claim.**

## **4 OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS**

### **4.1 Investigations**

As part of the Liquidators' statutory duties, an investigation into the conduct of the Company Directors was completed

In this regard, a confidential report was submitted to The Insolvency Service on 29 November 2013

In accordance with the guidance given in SIP13 (E&W), we confirm that there have been no transactions with connected parties during the period of this report or in the two years prior to our appointment

### **4.2 EC Regulations**

Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation

### **4.3 Health & Safety Executive Prosecution**

The Liquidators were notified of a criminal prosecution against the Company following their appointment. The proceedings are being brought by the Health & Safety Executive in respect of an accident on site, prior to the Company going into Administration. The case is due to be heard in Court in December 2014. No distribution to the unsecured creditors can be declared until the outcome of the prosecution is known.

## 5 LIQUIDATORS' REMUNERATION AND EXPENSES

### 5.1 Liquidators' Remuneration

#### 5.1.1 Basis of Remuneration

The basis of the Liquidators' remuneration was deemed approved by the secured creditors and preferential creditors during the earlier Administration proceedings

- (1) By reference to the time properly given by the Liquidators and their staff in attending to matters arising in the Liquidation calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT

#### 5.1.2 Remuneration

During the past 12 month period, the Liquidators have charged total remuneration of £104,120.90 made up of 273.43 hours at an average charge out rate of £380.80 across all grades of staff, this time is charged in six minute increments. Of this sum, a total of £20,000 has been drawn and paid as indicated in the Receipts and Payments account at Appendix 2

The work has been categorised into the following task headings and sub categories

- **Administration and planning** includes case planning, case set-up, notification of appointment, maintenance of our case files and insolvency case record, statutory reporting, compliance, cashiering and accounting
- **Realisation of Assets** includes collection of debts
- **Creditors** includes creditor communications and reporting
- **Other matters** includes preparation of both pre and post appointment corporation tax return and submission of VAT returns.

"A Creditors' Guide to Liquidators' Remuneration" is available for download at [www.deloitte.com/uk/sip-9-england-and-wales](http://www.deloitte.com/uk/sip-9-england-and-wales)

Should you require a paper copy, please send your request in writing to the Liquidators at the address on the front of this report and this will be provided to you at no cost

## Expenses

During the period covered by this report, the Liquidators have incurred expenses of £139 54 which are summarised in the table below

Nature of expenses	Total Incurred £	Paid £	Outstanding £
Statutory Advertising	56 40		56 40
Record Storage Costs	83 14		83 14
<b>Total</b>	<b>139 54</b>		<b>139 54</b>

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred

## 5.2 Charge out rates

The range of charge out rates for the separate categories of staff is based on our 2013/2014 charge out rates as summarised below. Manager rates include all grades of assistant manager

Grade	£ 2013/2014
Partners/Directors	605 to 950
Managers	305 to 720
Assistants and Support Staff	155 to 305

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Corporate Finance or Deloitte Real Estate may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands.

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Charge out rates have not changed since those advised as at 1 September 2012. These will be subject to review from 1 September 2014.

### 5.3 Other professional costs

Legal fees incurred in the preceding Administration period have been settled by the Liquidators. Pinsent Masons LLP were instructed by the Administrators to advise on appropriate legal matters. In addition, Naismiths Limited were instructed to undertake debt collections where appropriate. DP Commercial Management Limited were also instructed to provide professional services to assist with the recovery of contract debts. The professional costs incurred and paid in the Liquidation are summarised in the table below. All professional costs are reviewed and analysed before payment is approved.

Name of lawyer/agent	NET (£)	VAT (£)	TOTAL (£)
Naismiths Limited	11,230 00	2,246 00	13,476 00
DP Commercial Management Services Limited	1,463 40	292 68	1,756 08
Pinsent Masons LLP	13,322 61	2,664 53	15,987 14
<b>Total</b>	<b>26,016 01</b>	<b>5,203 21</b>	<b>31,219 22</b>

£4,668 40 plus VAT of legal fees in relation to Pinsent Masons LLP remain unpaid as at 12 June 2014.

### 5.4 Creditors' right to request information

Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors or with permission of the Court, may, in writing, request the Liquidators to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 4.49E of the Rules.

### 5.5 Creditors' right to challenge Remuneration and/or Expenses

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the Court, may apply to the Court for one or more orders (in accordance with Rule 4.131 of the Rules), reducing the amount or the basis of remuneration which the Liquidators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 4.131(1B) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

**John Doyle Construction (IN LIQUIDATION)**

**STATUTORY INFORMATION**

Company Name	John Doyle Construction Limited
Previous Names	N/A
Proceedings	In Liquidation
Date of Appointment	13 June 2013
Joint Liquidators	Richard Michael Hawes, Dominic Lee Zoong Wong and Christopher James Farrington Deloitte LLP 3 Rivergate Temple Quay Bristol BS1 6GD
Registered office Address	c/o Deloitte LLP 3 Rivergate Temple Quay Bristol BS1 6GD
Company Number	00893735
Incorporation Date	9 December 1966
Company Secretary	Stephen Harvey
Bankers	Bank of Scotland Plc
Auditors	Baker Tilly UK Audit LLP
Appointment by	Continuation from the preceding Administration under Schedule B1, para 83 of the Insolvency Act 1986 (as amended)
Directors at date of Appointment	Ian Carr, 8 Sheering, Lower Road, Sawbridgeworth, Herts, CM23 9LF Stefanos Stefanou, 13 Park Mews, Hatfield, Herts AL9 5EP Nicholas Wright 2-3 John Doyle House, 2-3 Litt Welwyn Garden City, Herts, AL7 4SP

John Doyle Construction Limited - Receipts & Payments

	Notes	Statement of Affairs Estimated to Realise Value	Administration Period 21 June 2012 to 13 June 2013	Liquidation - First Anniversary Period 13 June 2013 to 12 June 2014
		£	£	£
<b>Receipts</b>				
Bank Interest			2,220 05	3,787 37
Cash at Bank			12,940 79	
Contract Debtors	6	2,785,855 00	306,574 05	57,649 95
Fixtures and Fittings		7,500 00	-	
Other Debtors			58 06	
Plant & Machinery		1,762,964 00	479,747 00	
Prepayments		46,041 00	38,403 30	
Retentions		1,178,810 00	-	
VAT Refund				20,054 71
Funds Transferred from Administration	4		<u>839,943 25</u>	<u>502,044 49</u>
				583,536 52
<b>Payments</b>				
Wages & Salaries - Administration Period Trading	5			1,765 58
Administrators' Fees	5			9,942 65
Liquidators' Fees	2			20,000 00
Professional Fees				12,693 40
Legal Fees				8,654 21
Corporation Tax				680 12
Storage Costs				96 01
Postage and Printing				853 17
Administration VAT Liability	5			6,325 50
Intercompany Balance due to Doyle Plc				8,407 69
Bank Charges				<u>90 00</u>
				69,508 33
<b>Balance</b>				<b>514,028 19</b>
<b>Made up of</b>				
Interest Bearing Current A/C	1			512,046 96
Net VAT Receivable/(Payable)	3			<u>1,981 23</u>
				<u><b>514,028 19</b></u>

**General Notes**

The Receipts and Payments account must be read in conjunction with the attached notes and report

**NOTES TO THE RECEIPTS AND PAYMENTS ACCOUNT**

- 1 All funds are banked in an interest bearing bank account and the resultant tax charges accounted for to HM Revenue & Customs
- 2 The Liquidators' remuneration was fixed on 11 October 2012 by the Secured and Preferential creditors. The basis of the remuneration was fixed by reference to the time properly given by the Joint Liquidators and their staff in attending to matters arising in the Liquidation, calculated at the prevailing standard hourly charge out rates used by Deloitte LLP, together with disbursements
- 3 The Company is subject to VAT registration and VAT will be reclaimed.
- 4 As reported in Section 2.2 the final balance of surplus funds transferred to the Liquidators' account, included debtor recoveries received into the Administrators' account, however, due to the timing of the receipts was not reported in the Administrators' Final Progress Report. This has resulted a higher balance transfer than previously reported
- 5 During the period the Liquidators have settled the following costs and expenses of the Administration period -
  - Trading period wages and salaries totalling £1,765.58
  - Administrators' fees of £9,942.65
  - VAT liability due to HM Revenue & Customs in the sum of £6,325.50
- 6 As reported in Section 2.2, book debts in the sum of £109,966.22, received in the Administration period, are included in the total Contract Debtor recoveries of £306,574.05

John Doyle Construction Limited  
(IN LIQUIDATION)

LIQUIDATORS' TIME COSTS FOR THE PERIOD FROM 13 JUNE 2013 TO 12 JUNE 2014

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate Cost (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning									
Cashiering and Statutory Filing	3.20	2,300.00	29.50	11,651.00	7.70	2,173.50	40.40	16,124.50	399.12
Case Supervision, Management and Closure	2.25	1,597.50	53.80	20,783.00	6.40	1,400.00	62.45	23,780.50	380.79
Initial Actions (e.g. Notification of Appointment, Securing Assets)	-	-	14.40	5,760.00	-	-	14.40	5,760.00	400.00
General Reporting	-	-	14.10	5,842.50	-	-	14.10	5,842.50	414.36
	5.45	3,897.50	111.80	44,036.50	14.10	3,573.50	131.35	51,507.50	392.14
Realisation of Assets									
Book Debts	-	-	10.80	4,272.50	-	-	10.80	4,272.50	395.80
Property - Freehold and Leasehold	-	-	0.20	61.00	-	-	0.20	61.00	305.00
	-	-	11.00	4,333.50	-	-	11.00	4,333.50	393.95
Creditors									
Employees	-	-	2.90	1,075.00	6.80	1,394.00	9.70	2,469.00	254.54
Preferential	-	-	1.70	758.50	-	-	1.70	758.50	446.18
Secured	-	-	15.50	6,915.00	-	-	15.50	6,915.00	446.13
Unsecured	-	-	34.90	15,172.50	-	-	34.90	15,172.50	434.74
	-	-	55.00	23,921.00	6.80	1,394.00	61.80	25,315.00	409.63
Other Matters Include.									
Tax and VAT	0.25	177.50	45.50	18,266.00	23.53	4,521.40	69.28	22,964.90	331.48
	0.25	177.50	45.50	18,266.00	23.53	4,521.40	69.28	22,964.90	331.48
TOTAL HOURS & COST	6.70	4,075.00	223.30	90,557.00	44.43	9,488.90	273.43	104,120.90	380.80
TOTAL FEES DRAWN TO DATE									20,000.00

Rule 2 72

Form 4 25

**PROOF OF DEBT - GENERAL FORM**

**In the matter of John Doyle Construction Limited  
In Liquidation  
and in the matter of The Insolvency Act 1986**

Date of Liquidation 13 June, 2013

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show -  (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category  Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	