

The Insolvency Act 1986**Liquidator's Progress
Report****Pursuant to Sections 92A and 104A
of the Insolvency Act 1986****S.192**

To the Registrar of Companies

For Official Use

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Company Number

2833805

Name of Company

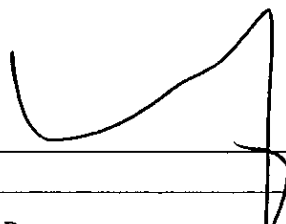
Jarvis Construction (UK) Limited

I / We
Nicholas Guy Edwards
One Trinity Gardens
Broad Chare
Newcastle upon Tyne
NE1 2HF

Daniel Francis Butters
1 City Square
Leeds
West Yorkshire
LS1 2AL

the liquidator(s) of the company attach a copy of my/our progress report
under section 192 of the Insolvency Act 1986

Signed



Date

8/9/11

Deloitte LLP
One Trinity Gardens
Broad Chare
Newcastle upon Tyne
NE1 2HF

Ref JARV04W/CJF/MR2/SF

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COMPANIES HOUSE

Jarvis Construction (UK) Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

**Statement
of Affairs**

**From 07/07/2010
To 06/07/2011**

ASSET REALISATIONS

Bank Interest Gross

7 88

Non-domestic rate refund

12,335 19

12,343 07

COST OF REALISATIONS

Agents/Valuers Fees (1)

4,317 32

Legal Fees (1)

2,205 68

(6,523 00)

5,820.07

REPRESENTED BY

VAT Receivable

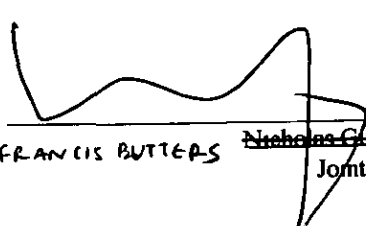
1,249 45

NIB Current A/C

4,570 62

5,820.07

DANIEL FRANCIS BUTTERS


~~Nicholas Guy Edwards~~
Joint Liquidator

**JARVIS CONSTRUCTION (UK) LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)
("the Company")**

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

5 SEPTEMBER 2011

This report has been prepared for the sole purpose of updating the Creditors for information purposes. The report is private and confidential and 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.

Nicholas Guy Edwards and Ian Brown were appointed Joint Liquidators of Jarvis Construction (UK) Limited on 7 July 2010. On 25 May 2011 Ian Brown ceased to act as liquidator of the Company and Daniel Francis Butters was appointed Joint Liquidator in his place.

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

Nicholas Guy Edwards and Daniel Francis Butters
Deloitte LLP
One Trinity Gardens
Broad Chare
Newcastle upon Tyne
NE1 2HF

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- 1. Statutory information**
- 2. Joint Liquidators' receipts and payments account for the period 7 July 2010 to 6 July 2011**
- 3. Joint Liquidators' Remuneration**

ABBREVIATIONS

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

"the Act"	Insolvency Act 1986 (as amended)
"the Rules"	Insolvency Rules 1986 (as amended)
"the Liquidators"	NG Edwards and DF Butters of Deloitte LLP
"the Company"	Jarvis Construction (UK) Limited (in Liquidation)
"Deloitte"	Deloitte LLP
"SNR Denton"	SNR Denton UK LLP
"Goodman Nash"	Goodman Nash Limited
"SIP7 (E&W)"	Statement of Insolvency Practice 7 (England & Wales)
"SIP13 (E&W)"	Statement of Insolvency Practice 13 (England & Wales)

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.

Given the information previously provided to creditors in our initial report, presented at the meeting of creditors on 7 July 2010, we have not included detailed background information in respect of the Company and have focused on the progress of the Liquidation subsequent to our appointment.

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

1.2 Details of the appointment of the Liquidators

Nicholas Guy Edwards and Ian Brown of Deloitte were appointed Joint Liquidators of the Company by the general meetings of members and creditors held on 7 July 2010. Following his retirement from the firm, Ian Brown ceased to act as liquidator on 25 May 2011 and Daniel Francis Butters was appointed as Joint Liquidator in his place.

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.co.uk/jcuk.

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 JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

2.1 Introduction

Attached at Appendix 2 is a Receipts and Payments account covering the period from 7 July 2010 to 6 July 2011, in accordance with SIP7 (E&W), showing funds in hand of £4,570 62

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

2.2 Asset realisations

Non-Domestic rates overcharges

Following our appointment the Joint Liquidators instructed Goodman Nash to pursue the recovery of historical non-domestic rate overcharges incurred by the Company prior to the Liquidation

Following successful appeals against these charges, the Company has recovered £12,335 19 in respect of rate overcharges

Bank interest

The only other asset realisation in the period relates to gross bank interest received, totalling £7 88

2.3 Estimated future realisations

There will be no further asset realisation in respect of the Liquidation

2.4 Costs incurred but which remain unpaid

Costs incurred during the period of this report, but which as yet remain unpaid, relate to legal advice provided to the Joint Liquidators by SNR Denton. SNR Denton's costs in the period amounted to £3,584 54, against which £2,205 68 has been paid by the Company. Due to insufficient funds in this case we have advised SNR Denton that the balance of these charges will not be paid

The balance of funds in hand will be used to meet a proportion of the Joint Liquidators' outstanding time costs. Further details in respect of the Joint Liquidators' costs are included in Section 5

2.5 Unrealised assets

Damages claim

Following our appointment we instructed SNR Denton to review the position of a potential damages claim held by the Company which related to defects arising on a contract the Company had undertaken prior to the Liquidation. The Company had worked towards the completion of this contract as part of its exit from construction activities, that was implemented in January 2005 as part of a wider exit strategy by the management of the Jarvis group

Following a review of the letters of claim and pre-action protocol between the parties, relevant project documents, and other significant claim documents, SNR Denton have advised the Joint Liquidators that they do not recommend pursuing action

Trust Accounts

As part of the Company's exit plan, a number of trust accounts were created as part of the arrangement the Company entered into with certain project stakeholders to fund completion of these contracts. At the date of the Liquidation funds held in trust totalled £308k.

Given the nature of the accounts, the Company has no independent right to draw down on the funds held in trust. Therefore it is not expected that the Liquidators will be able to realise any value from these accounts.

Book Debts

Book debts per the directors' statement of affairs total £525k, with an estimated to realise value of nil.

All of these debts relate to either prepayments, contracts debts and retentions for uncompleted contracts or disputed contract debts, all of which are considered uncollectable. Therefore no amounts are expected to be released from these debtors.

2.6 Estimated outcome for creditors

There will be insufficient realisations in the Liquidation to allow distribution to be made to the unsecured creditors of the Company. There are no secured or preferential creditors in the Liquidation.

3. DISTRIBUTIONS TO CREDITORS

3.1 Secured creditors

There are no secured creditors in the Liquidation

3.2 Preferential creditors

There are no preferential creditors in the Liquidation

3.3 Prescribed Part

The provision of The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) shall not apply as no qualifying floating charge has been created by the Company

3.4 Unsecured creditors

The claims of the unsecured creditors of the Company, inclusive of intercompany liabilities, totals £107m per the directors' statement of affairs

As previously discussed there will be insufficient realisations in the Liquidation to enable a distribution to the unsecured creditors of the Company in this instance

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 has been completed

In this regard, a confidential report was submitted to The Insolvency Service on 10 December 2010

4.2 SIP13 (E&W) – Transactions with connected parties

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

4.3 EC Regulations

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

5 JOINT LIQUIDATORS' REMUNERATION AND EXPENSES

5.1 Joint Liquidators' Remuneration

5.1.1 Basis of Remuneration

The basis of the Liquidators' remuneration was fixed by the creditors at a meeting held on 7 July 2010

5.1.2 Remuneration

The Joint Liquidators' time costs to date in respect of the Company total £40,985, which represents 124 hours charged on this case at an average rate of £330 per hour. Disbursements to date total £407. No fees or disbursements have yet been drawn in the Liquidation.

Remuneration charged during the period of this report is summarised at Appendix 3.

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, cashing and accounting
- **Investigations** includes investigating the Company's affairs and in particular any antecedent transactions and also reporting on the conduct of its directors
- **Realisation of Assets** includes identifying, securing and insuring assets, sale of business, transition of contracts, property issues, disposal of stocks, collection of debts, realisation of other fixed assets and VAT and taxation matters
- **Trading** includes planning, identifying strategy, preparation of trading forecasts, monitoring of performance against the forecasts, managing operations, dealing with supplier and landlord issues to ensure continuity of operations, accounting and employees (including pensions and other staff benefits)
- **Creditors** includes set-up of creditor records, creditor communications, preferential claims, unsecured claims, secured and employee claims

"A Creditors' Guide to Liquidators' Remuneration" is available for download at http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP-9-EW-INTER.pdf

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.

5.1.3 Expenses

The Liquidators' direct expenses for the period of this report are as follows:

Nature of expenses	Total (£)
Statutory Bond	27.00
Statutory Advertising	226.80
Room Hire	153.19
Total	406.99

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 2011 charge out rates as summarised below. Manager rates include all grades of assistant manager.

Grade	£
Partners/ Directors	560 to 895
Managers	280 to 670
Assistants and Support Staff	175 to 280

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 Drivers Jonas Deloitte 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 record 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.

With effect from 1 January 2011, charge out rates were increased by an average 5% and the charge out rate bandings have been amended, where applicable, to reflect this change.

5.3 Other professional costs

As previously advised, SNR Denton were instructed by the Liquidators to advise on appropriate legal matters. In addition, Goodman Nash, a firm of rating agents, were instructed by the Liquidators to undertake a review of non-domestic rate overcharges incurred prior to the Liquidation. All professional costs are reviewed and analysed before payment is approved.

Advisor	Total (£)
SNR Denton	2,206
Goodman Nash	4,317
Total	6,523

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.

JARVIS CONSTRUCTION (UK) LIMITED (IN LIQUIDATION)

STATUTORY INFORMATION

Company Name	Jarvis Construction (UK) Limited	
Previous Names	Jarvis Construction (Scotland) Limited Shanks & McEwan Construction Limited DMWSL 132 Limited	
Proceedings	In Liquidation	
Date of Appointment	7 July 2010	
Joint Liquidators	Nicholas Guy Edwards Deloitte LLP Athene Place 66 Shoe Lane London EC4A 3BQ	Daniel Francis Butters Deloitte LLP 1 City Square Leeds LS1 2AL
	Ian Brown ceased to act 25 May 2011	
Registered office Address	c/o Deloitte LLP One Trinity Gardens Broad Chare Newcastle upon Tyne NE1 2HF	
Company Number	02833805	
Incorporation Date	7 July 1993	
Company Secretary	Secretariat Services Limited	
Bankers	n/a	
Auditors	Grant Thornton UK LLP	
Appointment by	The members and creditors of the Company	
Directors at date of Appointment	Stuart Wilson Laird and Kjell Konrad Karlsen	
Directors' Shareholdings	None	

Jarvis Construction (UK) Limited (In Liquidation)

Joint Liquidators' abstract of receipts and payments for the period
7 July 2010 to 6 July 2011

	S of A £'000	Total £
<u>Receipts</u>		
Bank Interest Gross	Nil	7 88
Non-domestic rate refund	Nil	12,335 19
Investments in subsidiaries	1,599	-
Book Debts and retentions	526	-
Trust accounts	308	-
		<u>12,343 07</u>
<u>Payments</u>		
Agents/Valuers Fees		4,317 32
Legal Fees		2,205 68
VAT Receivable		<u>1,249 45</u>
		<u>7,772 45</u>
Balances in Hand		<u><u>4,570 62</u></u>

Jarvis Construction UK Limited
(In Creditors' Voluntary Liquidation)
Time costs for the period 7 July 2010 to 6 July 2011

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning									
Cashiering and Statutory Filing	-	-	3 40	1 361 00	0 70	145 00	4 10	1,506 00	367 32
Case Supervision, Management and Closure	-	-	28 90	9 353 50	0 80	216 00	29 70	9,569 50	322 21
Initial Actions (e.g. Notification of Appointment, Securing Assets)	-	-	37 50	11 625 00	5 10	867 00	42 60	12,492 00	293 24
General Reporting	5 00	3,150 00	-	-	-	-	5 00	3,150 00	630 00
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-
	5 00	3,150 00	69 80	22,339 50	6 60	1,228 00	81 40	26,717 50	328 22
Investigations									
Investigations	-	-	-	-	-	-	-	-	-
Reports on Directors' Conduct	-	-	5 50	1,705 00	-	-	5 50	1,705 00	310 00
	-	-	5 50	1,705 00	-	-	5 50	1,705 00	310 00
Trading									
Day 1 Control of Trading	-	-	-	-	-	-	-	-	-
Ongoing Trading	-	-	-	-	-	-	-	-	-
Monitoring Trading	-	-	-	-	-	-	-	-	-
Closure of Trade	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Realisation of Assets									
Book Debts	-	-	-	-	-	-	-	-	-
Other Assets (e.g. Stock)	-	-	-	-	-	-	-	-	-
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	-	-	-	-	-	-	-
Property - Freehold and Leasehold	-	-	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-	-	-
Sale of Business / Assets	-	-	-	-	-	-	-	-	-
Third Party Assets	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Creditors									
Employees	-	-	1 50	412 50	-	-	1 50	412 50	276 00
Preferential	-	-	-	-	-	-	-	-	-
Secured	-	-	-	-	-	-	-	-	-
Shareholders	-	-	-	-	-	-	-	-	-
Unsecured	-	-	25 00	8 056 00	-	-	25 00	8,056 00	322 24
	-	-	26 50	8,468 50	-	-	26 50	8,468 50	319 57
Other Matters Include									
Litigation	-	-	-	-	-	-	-	-	-
Pensions	-	-	-	-	-	-	-	-	-
Tax and VAT	-	-	2 60	2,002 00	8 35	2,092 00	10 95	4,094 00	373 88
	-	-	2 60	2,002 00	8 35	2,092 00	10 95	4,094 00	373 88
	-	-	-	-	-	-	-	-	-
TOTAL HOURS & COST	5 00	3,150 00	104 40	34,515 00	14 95	3,320 00	124 35	40,985 00	329 59

TOTAL FEES DRAWN TO DATE

0 00